

# HOUSE BILL NO. 4492

May 13, 2025, Introduced by Rep. Mueller and referred to Committee on Economic Competitiveness.

A bill to amend 2018 PA 337, entitled  
"Improved workforce opportunity wage act,"  
by amending section 4d (MCL 408.934d), as amended by 2025 PA 1.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4d. (1) The minimum hourly wage rate of an employee must  
2       be established as provided for under subsection (2) if all of the  
3       following conditions are met:

4       (a) The employee receives gratuities in the course of the  
5       employee's employment.

6       (b) The gratuities described in subdivision (a) equal or

1 exceed the difference between the minimum hourly wage rate  
2 established under subsection (2) and the minimum hourly wage **rate**  
3 established under section 4.

4 (c) The gratuities are proven gratuities as indicated by the  
5 employee's declaration for purposes of the federal insurance  
6 contribution act, 26 USC 3101 to 3128.

7 ~~(d) Except as otherwise provided in this subdivision, the~~  
8 ~~entirety of the gratuities are retained by the employee who~~  
9 ~~receives them. This subdivision does not prohibit an employee from~~  
10 ~~voluntarily sharing the employee's gratuities with another employee~~  
11 ~~if the other employee is directly or indirectly part of the chain~~  
12 ~~of service and the other employee's duties are not primarily~~  
13 ~~managerial or supervisory.~~

14 (d) ~~(e)~~ The employee's employer informed the employee of the  
15 provisions of this section. ~~, in writing, at or before the time of~~  
16 ~~hire, and the employee gave written consent.~~

17 (2) The minimum hourly wage rate of an employee described in  
18 subsection (1) is as follows:

19 (a) Beginning February 21, 2025, 38% of the minimum hourly  
20 wage rate established under section 4.

21 (b) Beginning January 1, 2026, 40% of the minimum hourly wage  
22 rate established under section 4.

23 (c) Beginning January 1, 2027, 42% of the minimum hourly wage  
24 rate established under section 4.

25 (d) Beginning January 1, 2028, 44% of the minimum hourly wage  
26 rate established under section 4.

27 (e) Beginning January 1, 2029, 46% of the minimum hourly wage  
28 rate established under section 4.

29 (f) Beginning January 1, 2030, 48% of the minimum hourly wage

1 rate established under section 4.

2 (g) Beginning January 1, 2031, 50% of the minimum hourly wage  
3 rate established under section 4.

4 (3) As used in this section, "gratuities" means tips or  
5 voluntary monetary contributions received by an employee from a  
6 guest, patron, or customer for services rendered to that guest,  
7 patron, or customer and that the employee reports to the employer  
8 for purposes of the federal insurance contributions act, 26 USC  
9 3101 to 3128.

10 (4) Except as otherwise provided under subsection ~~(1)(d)~~, **(5)**,  
11 gratuities remain the property of the employee who receives them,  
12 regardless of whether the employee's employer pays the employee the  
13 minimum hourly wage rate established under subsection (2) or the  
14 minimum hourly wage rate established under section 4. ~~Gratuities~~  
15 ~~and service charges paid to an employee are in addition to, and do~~  
16 ~~not count toward, wages due the employee.~~

17 **(5) This section does not prohibit an employer from requiring**  
18 **an employee who receives gratuities to share the gratuities with**  
19 **other employees of the employer if the employee receives an amount**  
20 **of the gratuities that meets the requirements of subsection (1)(b).**

21 ~~(6) (5)~~—Employers shall provide employees and consumers  
22 written notice of the employer's plan to distribute service  
23 charges.

24 ~~(7) (6)~~—An employer shall keep records that show compliance  
25 with this section for not less than 3 years after the date of an  
26 employee's last pay period.