

**PAYMENT OF WAGES AND FRINGE BENEFITS (EXCERPT)**  
**Act 390 of 1978**

**408.478 Fee, gift, tip, gratuity, or other remuneration or consideration, or contribution to charitable, social, or beneficial purpose, as condition of employment or continuation of employment; exception for law enforcement agencies and agreements for training.**

Sec. 8. (1) Except as otherwise provided in this subsection, an employer, agent or representative of an employer, or other person having authority from the employer to hire, employ, or direct the services of other persons in the employment of the employer shall not demand or receive, directly or indirectly from an employee, a fee, gift, tip, gratuity, or other remuneration or consideration, as a condition of employment or continuation of employment. This subsection does not apply to any of the following:

(a) Fees collected by an employment agency licensed under the laws of this state.

(b) Subject to subsection (3), the following remuneration or consideration collected by a law enforcement agency under a signed agreement entered into on or after the effective date of the amendatory act that added this subdivision:

(i) If the employee voluntarily leaves employment with the law enforcement agency not more than 1 year after the date the employee's law enforcement training academy ended, 100% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the law enforcement agency.

(ii) If the employee voluntarily leaves employment with the law enforcement agency more than 1 year but less than 2 years after the date the employee's law enforcement training academy ended, 75% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the law enforcement agency.

(iii) If the employee voluntarily leaves employment with the law enforcement agency 2 years or more but less than 3 years after the date the employee's law enforcement training academy ended, 50% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the law enforcement agency.

(iv) If the employee voluntarily leaves employment with the law enforcement agency 3 years or more but less than 4 years after the date the employee's law enforcement training academy ended, 25% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the law enforcement agency.

(c) Remuneration or consideration collected by an employer under an optional education repayment agreement in which the employer offers to fund an employee's education with the understanding that the employee will repay the costs incurred unless the employee remains with the employer for a specific period.

(2) Except for a contribution required or expressly permitted by law or by a collective bargaining agreement, an employer shall not require an employee or a person seeking employment to contribute directly or indirectly to a charitable, social, or beneficial purpose as a condition of employment or continuation of employment.

(3) An agreement under subsection (1)(b) must contain the following terms:

(a) That the law enforcement agency will pay the cost of a law enforcement training academy required for that employee to obtain a license under the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615.

(b) The conditions under which the payment under subdivision (a) will be provided and under which repayment to the law enforcement agency by the employee or another person may be required.

(c) That remuneration or consideration from the employee will be waived by the law enforcement agency if the employee is not required to be licensed as a law enforcement officer under the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615, within any of the following:

(i) One year after leaving employment with the law enforcement agency. This subparagraph applies if the employee voluntarily leaves employment with the law enforcement agency not more than 1 year after the date the employee's law enforcement training academy ended.

(ii) Two years after leaving employment with the law enforcement agency. This subparagraph applies if the employee voluntarily leaves employment with the law enforcement agency more than 1 year and less than 4 years after the date the employee's law enforcement training academy ended.

(4) As used in this section:

(a) "Law enforcement agency" means that term as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

(b) "Law enforcement training academy" means that term as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

**History:** 1978, Act 390, Imd. Eff. Aug. 1, 1978;—Am. 2023, Act 43, Imd. Eff. June 13, 2023;—Am. 2023, Act 44, Imd. Eff. June 13, 2023.

**Compiler's note:** For creation of bureau of worker's and unemployment compensation within department of consumer and industry services; transfer of powers and duties of bureau of worker's compensation and unemployment agency to bureau of worker's and unemployment compensation; transfer of powers and duties of director of bureau of worker's compensation and director of unemployment agency to director of bureau of worker's and unemployment compensation; and, transfer of powers and duties of wage and hour division of worker's compensation board of magistrates to bureau of worker's and unemployment compensation, see E.R.O. No. 2002-1, compiled at MCL 445.2004 of the Michigan Compiled Laws.

For creation of the new wage and hour division as a type II agency within the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers and duties of the former wage and hour division of the department of consumer and industry services, transferred to the bureau of worker's and unemployment compensation, to the new wage and hour division within the department of labor and economic growth by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.