

Michigan's Increased Minimum Wage Unlikely to Go into Effect Next Month

December 17, 2020

The Michigan Bureau of Employment Relations, Wage and Hour Division has recently announced that the scheduled minimum wage increase for the state is not expected to go into effect on January 1, 2021.

The Improved Workforce Opportunity Wage Act of 2018 prohibits these scheduled minimum wage increases when the state's unemployment rate for the preceding calendar year is above 8.5%. Michigan's annual average from January to October of 2020 is currently sitting at 10.2% and is unlikely to dip below the 8.5% threshold.

Due to this high unemployment rate, the following will continue to be in effect on January 1, 2021:

- Michigan's minimum wage will remain \$9.65 an hour.
- The 85% rate for minors age 16 and 17 will remain \$8.20 an hour.
- Tipped employees wage will remain \$3.67 an hour.
- The training wage for newly hired employees ages 16-19 will be \$4.25 for the first 90 days of employment.

The next scheduled minimum wage increase will be \$9.87 on January 1, 2022 as long as the unemployment rate falls below the 8.5% threshold in the next calendar year.

