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CONTACT: Camara Lewis, 517-930-4928

LANSING, Mich. – The Michigan Bureau of Employment Relations, Wage and Hour Division today announced the state’s scheduled minimum wage increase is not expected to go into effect on Jan. 1, 2021.

Michigan’s **Improved Workforce Opportunity Wage Act** of 2018 prohibits scheduled minimum wage increases when the state’s annual unemployment rate for the preceding calendar year is above 8.5%.

The state’s 2020 annual unemployment rate, which is determined by the Bureau of Labor Statistics (BLS), U.S. Dept. of Labor, is calculated by using both average labor force and unemployment levels for January through December.

While Michigan’s October unemployment rate continued its downward trend and is 5.5%, the annual average from January through October currently sits at 10.2% and is highly unlikely to dip below the 8.5% threshold when when BLS releases the final 2020 unemployment numbers for Michigan.

If, as expected, the annual unemployment rate does not fall below 8.5%, then effective Jan. 1, 2021:

- Michigan’s minimum wage will remain at \$9.65 an hour.
- The 85% rate for minors age 16 and 17 remains \$8.20 an hour.
- Tipped employees rates of pay remains \$3.67 an hour.
- The training wage of \$4.25 an hour for newly hired employees ages 16 to 19 for their first 90 days of employment remains unchanged.

Per statute, future increases to the minimum wage rate will occur in each calendar year following a calendar year for which the unemployment rate for this state, as determined by the BLS, is less than 8.5%. See MCL 408.934(1) and (2).

Michigan’s minimum wage rate will next increase to \$9.87 in the first calendar year following a calendar year for which the annual unemployment rate is less than 8.5%. See MCL 408.934(1)(h).

Visit Michigan.gov/WageHour for more information regarding minimum wage.