

## **THE PAYMENT OF WAGES AND FRINGE BENEFITS ACTS PROVIDES THAT EMPLOYEES:**

- Receive wages earned on a regular basis: weekly, bi-weekly, bi-monthly or monthly. Hand harvesters must be paid at least once a week unless otherwise specified in a written contract.
- Receive compensation for fringe benefits earned according to a written contract or written policy such as payment for: a holiday, time off for sickness or injury, time off for vacation or personal reasons, bonuses or authorized expenses incurred during employment.
- Receive wages earned on the regular scheduled payday for the period in which the employee quits or is discharged. Hand harvesters must be paid within one day of discharge or must be paid within three days of quitting.
- Receive wages without deductions except deductions required by law, collective bargaining agreement or the written authorization of the employee.
- Be hired and remain employed without paying an employer a fee or other consideration. Exception: fees paid to employment agencies.
- Receive a retainable pay statement at the time of payment of wages

indicating hours worked, gross wages paid, an itemization of deductions and the dates for which the wages are earned.

- Receive wages in cash, check or money order. Employees may authorize direct deposit of their wages into a bank or credit union or to a payroll debit card.

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- Maintain records for three years that indicate the employee's name, address, birth date, classification, rate of pay, total hours worked in each pay period, total wages paid and an itemization of fringe benefits.
- Supply the Wage & Hour Division pay records or other documents relevant to an investigation or proceeding.
- May deduct overpayments of wages or fringe benefits due to mathematical or typographical errors under special conditions. Contact the Wage & Hour Division for guidelines for deducting overpayments.
- May be subject to interest and civil penalties upon conclusion of an investigation of up \$1000 each for failure to maintain or submit the required records and/or pay wages found due by the Wage & Hour Division, plus exemplary damages of twice the amount determined due.

## **FILING A COMPLAINT**

The Payment of Wages and Fringe Benefits Act covers most Michigan employers and employees. An employee who believes that his or her employer has violated this act may file a complaint with the Wage & Hour Division. A complaint alleging non-payment of wages or fringe benefits must be filed within 12 months of the alleged violation.

A complaint alleging discharge or wage reduction as a result of filing a wage or fringe benefit complaint or asserting a right provided by the Payment of Wages and Fringe Benefits Act must be filed within 30 days of the discharge or date wages were reduced.

The time required to complete an investigation depends upon the number of cases under investigation, the complexity of the claim, and cooperation of the employer and employee. Employers are required to provide records and other relevant information. Employees may be asked to assist in the resolution of their claims by providing personal copies of fringe benefit policies, employment contracts, a personal record of hours worked, sales or customer identification if commissions are claimed and other relevant information. Employers and employees may also be asked to attend a meeting to clarify facts and negotiate a settlement of the complaint.

If a claim cannot be informally resolved, the Wage & Hour Division will issue a written determination that the employee or employer may appeal. A hearing before an administrative law judge will be scheduled. The employer and employee are expected to attend the administrative hearing to give testimony regarding the claim. The hearings officer will affirm, modify or rescind the determination. That decision can be appealed to circuit court.

Each year the Wage & Hour Division receives over 7,000 claims and collects more than \$2.0 million in wages and fringe benefits owed Michigan workers. The Wage & Hour Division does not guarantee payment of wages and fringe benefits earned. Collection depends on the employer's financial ability to pay, business closure, bankruptcy filing, or location of money and assets. There is no charge for filing a complaint.

In addition to the Payment of Wages and Fringe Benefits Act, the Wage & Hour Division also administers these laws:

MICHIGAN MINIMUM WAGE LAW, PA 154 of 1964, establishes the minimum wage, overtime pay, record keeping standards, equal pay and permits sub-minimum wage payment for certain employees.

YOUTH EMPLOYMENT STANDARDS ACT, PA 90 of 1978, establishes standards and hours for the legal employment of workers under 18 years of age.

PREVAILING WAGE ON STATE PROJECTS, PA 166 of 1965, establishes wage and fringe benefit rates for construction workers on state funded projects

This brochure is intended for general information only. It does not include all of the provisions of Act 390, Public Acts of 1978.

For information on the Payment of Wages and Fringe Benefits Act or other laws administered by the Wage & Hour Division contact:

**WAGE & HOUR DIVISION  
MICHIGAN DEPARTMENT OF  
ENERGY, LABOR & ECONOMIC  
GROWTH  
6546 MERCANTILE WAY, SUITE 5  
PO BOX 30476  
LANSING, MI 48909-7976  
Telephone: 517.335.0400**

**SOUTHEAST MICHIGAN  
33523 W. 8 MILE ROAD  
LIVONIA, MI 48152  
Telephone: 313.456.4906**

**UPPER PENINSULA  
Telephone: 906.482.3602**

**[www.michigan.gov/wagehour](http://www.michigan.gov/wagehour)**

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Wage & Hour Division  
Michigan Department of  
Energy, Labor & Economic Growth  
[www.michigan.gov/wagehour](http://www.michigan.gov/wagehour)  
Telephone: 517.335.0400

## AN OVERVIEW OF THE PAYMENT OF WAGES AND FRINGE BENEFITS ACT

1978 PA 390, MCL 408.471 ET SEQ.



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