



# *Interfaith Council for Peace & Justice*

730 Tappan, Ann Arbor, MI 48104 ~ (734) 663 - 1870 ~ [www.icpj.net](http://www.icpj.net) ~ [info@icpj.net](mailto:info@icpj.net)

---

## **‘Michigan Needs a Raise’ Ballot Initiative: *An Explanation***

- ***Paragraph 1 Summary:*** The initiative proposes an amendment to Michigan’s constitution which will raise the state minimum wage from \$5.15 per hour to \$6.85 per hour beginning on January 1, 2007. This amount will be indexed to keep up with inflation, and we expect the minimum wage level to rise to \$7.15 within two years (The Bureau of Labor Statistics of the U.S. Department of Labor determines the inflation level).
- ***Paragraph 2 Summary:*** The minimum wage for tipped workers will also go up: their wage will increase to no less than \$2.50 less than the standard minimum wage. So, at the \$6.85 level, the tipped worker minimum wage will be no less than \$4.35. This will also be indexed to keep up with inflation.
- ***Paragraph 3 Summary:*** All workers will be covered under the new minimum wage law, with the exception of prisoners and people under the age of 18 who work in a private home (e.g. babysitting) for less than 20 hours per week on average. The Michigan Legislature may adjust the minimum wage level for people with disabilities according to the Federal Americans with Disabilities Act of 1990.
- ***Paragraph 4 Summary:*** Since this is an amendment to the constitution, the state may not lower the minimum wage rate or the annual adjustment, but they may increase it. If the federal minimum wage rate increases to beyond the current level of the Michigan minimum wage, the state minimum wage rate will be adjusted immediately to match the federal rate. The subsequent annual adjustments will remain intact.
- ***Paragraph 5 Summary:*** The legislature has the right to enforce the minimum wage. In addition to any penalties from the legislature, an employer will be fined no less than \$1,000 for each week they are in violation. If an employer lays off, fires or threatens an employee because they are insisting on being paid the minimum wage, they will be guilty of a misdemeanor.
- ***Paragraph 6 Summary:*** No laws can be enacted to limit this minimum wage law. This law does not affect the current penalties for violating the current minimum wage, and they will be fully applicable to the new minimum wage. Those implementing and enforcing this law should interpret it liberally in order to achieve its purpose of treating workers fairly. This law is ‘severable’, which means that if any piece of the law gets ‘thrown out’ in court, the rest of the law still remains intact.