



# HOUSE BILL No. 4152

January 17, 1995, Introduced by Reps. DeLange, Horton, Dalman, Llewellyn, Bullard, Perricone, Bush and Gernaat and referred to the Committee on Human Resources and Labor.

A bill to amend section 7 of Act No. 390 of the Public Acts of 1978, entitled as amended

"An act to regulate the time and manner of payment of wages and fringe benefits to employees; to prescribe rights and responsibilities of employers and employees, and the powers and duties of the department of labor; to require keeping of records; to provide for settlement of disputes regarding wages and fringe benefits; to prohibit certain practices by employers; to prescribe penalties and remedies; and to repeal certain acts and parts of acts,"

as amended by Act No. 124 of the Public Acts of 1993, being section 408.477 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 7 of Act No. 390 of the Public Acts of  
2 1978, as amended by Act No. 124 of the Public Acts of 1993, being  
3 section 408.477 of the Michigan Compiled Laws, is amended to read  
4 as follows:

1       Sec. 7. (1) With the exception of those deductions required  
2 or expressly permitted by law or by a collective bargaining  
3 agreement, an employer shall not deduct from the wages of an  
4 employee, directly or indirectly, any amount without the full,  
5 free, and written consent of the employee, obtained without  
6 intimidation or fear of discharge for refusal to permit the  
7 deduction.

8       (2) Except as provided in this subsection AND  
9 SUBSECTION (4), a deduction for the benefit of the employer  
10 requires written consent from the employee for each wage payment  
11 subject to the deduction, and the cumulative amount of the deduc-  
12 tions shall not reduce the gross wages paid to a rate less than  
13 minimum rate as defined in the minimum wage law of 1964, Act  
14 No. 154 of the Public Acts of 1964, ~~as amended,~~ being sections  
15 408.381 to 408.398 of the Michigan Compiled Laws. A nonprofit  
16 organization shall obtain a written consent from an employee for  
17 deductions that qualify as charitable contributions under federal  
18 law to that nonprofit organization. However, this subsection  
19 does not require the nonprofit organization to obtain from an  
20 employee a separate written consent for each subsequent paycheck  
21 from which deductions that qualify as charitable contributions  
22 that benefit the employer are made. An employee at any time may  
23 rescind in writing his or her authorization to have charitable  
24 contributions deducted from his or her paycheck. As used in this  
25 subsection, "nonprofit organization" means an organization that  
26 is exempt from taxation under section 501(c)(3) of the internal  
27 revenue code.

1 (3) Each deduction from the wages of an employee shall be  
2 substantiated in the records of the employer and shall be identi-  
3 fied as pertaining to an individual employee. Prorating of  
4 deductions between 2 or more employees is not permitted.

5 (4) AN EMPLOYER MAY DEDUCT AN OVERPAYMENT OF WAGES OR FRINGE  
6 BENEFITS MADE TO AN EMPLOYEE FROM 1 OR MORE SUBSEQUENT WAGE PAY-  
7 MENTS WITHOUT OBTAINING THE WRITTEN CONSENT OF THE EMPLOYEE IF  
8 THE OVERPAYMENT RESULTED FROM A CLERICAL OR ACCOUNTING ERROR.  
9 HOWEVER, THE CUMULATIVE AMOUNT OF THE DEDUCTIONS SHALL NOT REDUCE  
10 THE GROSS WAGES PAID TO A RATE LESS THAN MINIMUM RATE AS PRE-  
11 SCRIBED BY SUBSECTION (2).