

Legislative Analysis



NOTICE OF WAGE DEDUCTION FOR GARNISHMENT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4405 as introduced
Sponsor: Rep. Jaime Churches
Committee: Labor
Complete to 12-5-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4405 would amend 1978 PA 390 , which regulates the payment of wages and fringe benefits to employees, to require employers to provide a 10-day notice if they will garnish an employee's wages to pay the employee's debts.

Currently, if an employer pays any part of an employee's debt under section 4012 of the Revised Judicature Act, the employer may deduct that amount from the employee's regularly scheduled wage payment without the written consent of the employee if all of the following conditions are met:

- The employer provides the employee with a written explanation of the deduction at least one pay period before the wage payment affected by the deduction was made.
- The deduction is not greater than 15% of the gross wages earned in the pay period in which the deduction was made.
- The deduction is made after the employer has made all other deductions permitted or required by law or collective bargaining agreement, and after any employee-authorized deductions.
- The deduction does not reduce the employee's wage to a rate that is less than the greater of either the state or federal minimum wage rate.¹

House Bill 4405 would require that the written explanation be provided either one pay period in advance or 10 days before the deduction, whichever is greater.

The bill would go into effect 90 days after enactment.

MCL 408.477

FISCAL IMPACT:

House Bill 4405 would have no fiscal impact on the state or on local units of government.

Legislative Analyst: Holly Kuhn
Fiscal Analysts: Marcus Coffin
Robin Risko

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ As of January 1, 2024, the state minimum wage in Michigan for most employees is \$10.33 per hour.