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Labor Laws and Michigan Agriculture:1982
Michigan State University Extension Service
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Labor Laws and Michigan Agriculture: 1982

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January 1982

By Allen E. Shapley

Farm Labor Specialist, Department of Agricultural Economics

All farm employers and employees should be aware of, and understand, the various laws pertaining to labor. This publication is an attempt to create awareness, and then lists references where one can go for fuller understanding. There is a special section on page 4 on the laws as they apply to youth.

Federal Minimum Wage Law

Who Must Comply?

Any farmer employing enough workers to have 500 man-days of hired work performed on the farm during any quarter of the preceding year must comply. The 500 man-day test includes any employee who performs work for one hour or more during any day.

-Workers included in determining the 500 man-day test but who need not be paid the minimum wage include:

- a) Workers who care for range livestock and who must be available at all hours.
- b) Youths 16 or under employed with their parents in harvesting crops and traditionally paid on a piece-rate basis (such youths must be paid the same piece rate as the adults with whom they are working).
- c) Local workers who commute daily from their permanent residence, are traditionally paid on a piece-rate basis, and are employed less than 13 weeks per year. (However, workers 18 and over in this category must be paid the State minimum wage.)

-Workers in the employer's immediate family are excluded from both the 500 man-day test and the minimum wage requirement.

What Must Be Done?

-At least \$3.35 per hour must be paid to all covered employees during 1982.

-Records of hours worked and wages paid must be kept for each employee and a statement provided to each employee each day period.

-Children under 12 must not be employed except when the employer is the parent or on farms too small to meet the "500 man-day" test.

-Twelve or 13-year-olds must not be employed unless the employer obtains written parental consent or unless their parents are employed on the same farm.

What May Be Done?

-A value for goods and services traditionally supplied by the employer may be deducted from wages. The U.S. Secretary of Labor must determine the size of the deduction.

-Full-time students may be employed at 85% of minimum wage if approved by U.S. Department of Labor.

-Ten- and 11-year-old local residents may be employed for hand harvesting if approved by the U.S. Department of Labor. Conditions for approval are very restrictive.

For Additional Information:

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
82 Ionia N.W.
Suite 320
Grand Rapids, Michigan 49503
Phone: (616) 456-2338

Or

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
U.S. Courthouse and Federal Building
Room 647
231 W. Lafayette Street
Detroit, Michigan 48226
Phone: (313) 226-7447

State Minimum Wage Law

Who Must Comply?

-Any farmer employing 2 or more employees 18 years of age and older at any one time during the calendar year.

What Must Be Done?

-At least \$3.35 per hour must be paid to all employees 18 and over during 1982.

-At least the minimum stated piece rate must be paid to all piece rate workers 18 years of age and over for those harvest operations for which piece rates have been established.

-A copy of the law, rules and piece rate scales must be posted.

-Discrimination between wages paid on the basis of sex is prohibited.

What May Be Done?

-A deduction for meals, lodging or agricultural housing in accordance with the general rules.

-A lower wage may be paid to physically or mentally handicapped people or to learners upon the approval of the Wage Deviation Board.

For Additional Information:

Wage and Hour Division
Bureau of Safety and Regulation
Michigan Department of Labor
7150 Harris Drive
Lansing, Michigan 48926
Phone (517) 322-1825

State Time and Manner of Payment Law

Who Must Comply?

-Any farmer employing any labor.

What Must Be Done?

-Hand harvesters must be paid all wages earned on or before the second day following the work week unless another method is agreed upon by written contract.

-All wage workers must be paid at least once per month and never paid more than 15 days after the close of a day period.

-Any employee who leaves voluntarily must be paid all wages earned and due as soon as the amount can be determined; for hand harvesters, this time cannot exceed three days after voluntary termination.

-An employer must keep hourly records for all salaried workers unless they are bona fide executives, administrators or professionals.

An employer must maintain a complete payroll record on each employee (for at least three years) and provide each employee at time of payment a statement including hours, wages, pay period, deductions, and for hand harvesters—units picked.

For Additional Information:

See address under "State Minimum Wage Law."

State Unemployment Insurance Law

Who Must Comply?

-Any farmer employing 10 or more workers in 20

weeks or having a \$20,000 or more cash payroll in a calendar quarter.

What Must Be Done? (the farmer)

-Unemployment Insurance coverage must be provided for the employees. The State of Michigan is the insurance carrier.

What Must Be Done? (the worker)

-To obtain unemployment benefits after being layed off, a worker must apply at a local MESC office. To qualify, a worker must have worked at least 18 weeks for covered employers during the past 52 weeks and made at least \$65 each of those weeks.

For Additional Information:

The nearest Michigan Employment Security Commission (MESC) office: Employer Audit Section for employers, Benefit Section for workers.

State Workers' Disability Compensation Law

Who Must Comply?

-All employers who regularly employ 3 or more employees at one time.

-All employers who regularly employ less than 3 employees if at least one of them has been regularly employed by that same employer for 35 or more hours per week for 13 weeks or longer during the preceding 52 weeks.

-A Workers' Compensation insurance policy, by endorsement, may exclude coverage as to any one or more named partners, or the spouse, child, or parent in the employer's family.

-A member of a corporation which has not more than 10 stockholders and who is also an officer and stockholder who owns at least 10% of the stock, may, with the consent of the corporation, elect to be excluded from the Act.

What Must Be Done? (the farmer)

-Workers' Disability Compensation insurance must be provided for all employees who come under the Act.

What Must Be Done? (the worker)

-Any work-related injury or illness should be reported to the employer or the worker's supervisor at the time it happens if possible. If the employer does not have Workers' Compensation insurance coverage, the worker may report the injury or illness to the Michigan Workers' Disability Compensation Bureau to determine eligibility.

For Additional Information:

Bureau of Workers' Disability Compensation
Michigan Department of Labor
7150 Harris Drive
P.O. Box 30016
Lansing, Michigan 48909
Phone: (517) 373-3490

Or A local insurance agent.

**Federal Farm Labor Contractor
Registration Law (FLCRA)****Who Must Comply?**

-All farm labor contractors. A farm labor contractor (also called "crew leader") is any person who, for a fee for oneself or on behalf of another person, recruits, hires, furnishes or transports migrant workers (regardless of numbers) for agricultural employment, whether within a state or across state lines. The term applies to individuals, partnerships, associations, joint stock companies, trusts and corporations.

-Any person engaging the services of any farm labor contractor to obtain farm laborers must determine that the contractor possesses a valid certificate from the U.S. Department of Labor.

What Must Be Done? (the farmer)

-Labor records required under the Federal Minimum Wage Law must be kept.

-Duplicates of individual worker records which the contractor is required under the law to keep and provide to the farmer must be retained.

What Must Be Done? (the labor contractor)

-Register with the U.S. Department of Labor and comply with the regulations under that registration.

For Additional Information:

See addresses under the "Federal Minimum Wage Law."

**State Occupational Safety
and Health Law (MIOSHA)****Who Must Comply?**

-Any farmer employing 11 or more workers at one time.

What Must Be Done? (the farmer)

-A safe and healthy work environment must be maintained for the employees.

-The relevant poster must be displayed.

-Any fatalities or hospitalization of 5 or more employees resulting from the same accident or health hazard (applies to all employees) must be reported to the Department of Labor Office (see address below) within 48 hours.

-The required records must be kept and the annual summary must be displayed.

-Standards relative to the following must be complied with:

- a) SMV (slow-moving vehicles) signs
- b) Anhydrous ammonia equipment
- c) Pulpwood logging
- d) Labor camps
- e) Roll over protection
- f) Machinery guarding

-Where 11 or more workers are employed, if there is a fatality on the farm or if a complaint has been filed, the farm must be open to inspection.

What Must Be Done? (the worker)

-All safety and health instructions provided by the employer must be followed and all safety and health equipment provided must be used.

-If a worker observes a safety or health hazard, it should be reported to the employer. If a worker anticipates employer antagonism by reporting hazards to him or if nothing is done to correct a reported hazard, the worker may submit a written complaint to MIOSHA.

For Additional Information:

MIOSHA
Michigan Department of Labor
7150 Harris Drive
P.O. Box 30015
Lansing, Michigan 48909
Phone: (517) 322-1831

State Agricultural Labor Camps Law**Who Must Comply?**

-Anyone providing housing for 5 or more seasonal agricultural workers or workers on mushroom farms.

What Must Be Done?

-The camp must be licensed by the Michigan Department of Public Health. Before the license can be issued, the camp must meet the standards set up by the Department of Public Health.

-Camp occupants must receive a clear explanation as to their responsibilities concerning camp occupancy and care.

-The camp must be inspected at least once a week to see that it is maintained in a clean and orderly condition and that broken or damaged property is promptly repaired.

For Additional Information:

Michigan Department of Public Health
Shelter Environment Section
3500 North Logan
Lansing, Michigan 48906
Phone: (517) 373-1373

Federal Social Security Law

Who Must Comply?

-The social security tax applies if an employer pays an employee \$150 or more cash wages in the year for agricultural work.

Or:

-if the employee performs agricultural labor for an employer on 20 or more days during the year.

What Must Be Done?

-For 1982, 6.7% of the employee's cash wages must be withheld plus an equal amount must be paid from the farm income. (The taxes apply to the first \$31,800 of each employee's wages.)

-The employer and employee tax must be deposited within 15 days after the close of each month, except December, in which more than \$500 but less than \$3,000 of such taxes accumulate. Use Federal Tax Deposit Form 511. A W-2 form showing wages paid and tax withheld must be prepared for each employee by January 31.

-By January 31, Form 943, service copy of W-2s and Form W-3 must be filed with IRS.

For Additional Information:

U.S. Department of Treasury
Bureau of Internal Revenue
Federal Building
Lansing, Michigan 48933
Phone: 1-800-482-0670

Or:

A Local Internal Revenue Service Office.

Federal and State Laws on Youth Employment

Many laws speak to the protection of children in employment. These are discussed below within the categories: age, school, wage, unemployment and safety.

Laws Pertaining to Age

-Youths of any age can be employed on farms with less than 500 man-days of hired labor in a calendar quarter.

-On farms with 500 or more man-days of hired labor in a calendar quarter, 10- and 11-year-olds who are local residents can harvest certain fruit and vege-

tables with approval of U.S. Department of Labor, and 12- and 13-year-olds can be employed with parents' written permission or on the same farm with parents.

Laws Pertaining to School

-Youths 16 or over or on a school co-op assignment can work any time.

-Youths under 16 can work any hours that the local school is not in session.

Laws Pertaining to Wage

-On farms with less than 500 man-days of labor in a quarter, youths under 18 are exempt from state and federal minimum wage.

-On farms with 500 or more man-days of labor in a quarter, full-time high school students may be paid 85% of the minimum wage with the approval of the U.S. Department of Labor, and youths 16 or under employed with their parents in harvesting crops and paid on a piece rate basis must be paid the same piece rate as their parents but need not be guaranteed the minimum wage.

Laws Pertaining to Unemployment

-Youths under 18 attending school can be employed part-time during the school year or full-time during the summer and still be exempt from the state unemployment insurance law. However, a federal (FUTA) tax of 3.4% is charged on such youths.

Laws Pertaining to Safety

-A federal law includes standards for youths employed on farms. Youths under 16 can perform all tasks except those labeled as "hazardous" by the U.S. Department of Labor. The hazardous occupations include such things as operating large equipment, using dynamite, working on ladders over 20 ft. in the air or handling chemicals. Many of the hazardous occupations can be performed by youths 14 and over through certification process by the County Cooperative Extension Service or Vocational Agriculture department in the local school (a complete list of the hazardous occupations and certification procedures are available from the County Cooperative Extension office).

-Michigan is in the process of developing rules under the State Youth Employment Standards Act. It is expected those rules will be identical to the federal rules cited above.

MICHIGAN STATE UNIVERSITY



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