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Michigan's Minimum Wage Act of 1964, What it Means to Farm Employers

Michigan State University

Cooperative Extension Service

Farm Science Series

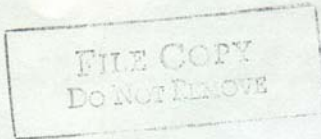
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MICHIGAN'S

Minimum Wage Act of 1964

What it means to farm employers

COOPERATIVE EXTENSION SERVICE • MICHIGAN STATE UNIVERSITY

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If you employ four or more employees between 18 and 65 years of age for more than 13 weeks during any four consecutive three-month periods, the *Minimum Wage Act of 1964* applies to you.

Commencing January 1, 1965, minimum hourly wages will be enforced as follows:

- (a) beginning January 1, 1965 — \$1.00 per hour;
- (b) beginning January 1, 1966 — \$1.15 per hour;
- (c) beginning January 1, 1967 — \$1.25 per hour.

Michigan's farm labor force is composed primarily of the individual members of farm families. On the 105,000 Michigan farms, farm operators themselves supply about half the required labor, and along with other family members they provide 80 percent of the labor requirements.

Twenty percent of the labor used on Michigan farms is hired labor, of which approximately 4 percent is year-round hired help and 16 percent is seasonal labor. A large supply of seasonal labor is necessary to handle the highly seasonal tasks associated with the production and harvesting of many Michigan crops, particularly fruits and vegetables.

While most farmers do not employ enough workers at one time to be covered by the provisions of the *Minimum Wage Act*, it is estimated that close to 1,200 Michigan farmers will be directly affected by the Act; that is, those who hire four or more employees over a period longer than 13 weeks. Hired family members over 18 must be counted.

Although the Act is specific in most respects, some aspects will no doubt be clarified as the administration of the Act gets under way. This is particularly true concerning agricultural employers.

A number of the provisions of this Act will be of particular interest to farm worker employers who are covered by the Act.

1. Administration and Enforcement—The Commissioner of Labor will administer and enforce the Act. Working with the Wage Deviation Board, representatives from the Commissioner's office will investigate wages where it is believed to be necessary. Information will be kept confidential.

2. Wage Deviation Board—The Act provides for a nine-member Wage Deviation Board, representing employers, employees, and the public. The Board will be appointed by the Governor and will assist in the implementation of certain aspects of the Act. The Commissioner of Labor will serve as secretary to the Board.

Inquiries and petitions for consideration by the Board may be addressed to the Commissioner of Labor at the Lewis Cass Building, 320 South Walnut, Lansing, Mich. 48933.

3. Statement of Wages—A statement of wages must be supplied to each employee, stating the number of hours worked by the employee and the wages paid, listing deductions made at each pay period.

Such a statement must be supplied each time the employee is paid, and the Commissioner's office may request such statements from employers.

For many farmers this will mean considerably more record keeping than is now practiced.

4. Posting of Regulations—All employers subject to the requirements of the Act must post a copy of the regulations in a conspicuous place. The Commissioner's office will supply copies to employers.

5. Deductions for Board and Lodging, etc.—In determining the rate of pay, deductions may be made for board, lodging, apparel, and/or other goods and services customarily furnished to employees, but only with the approval of the Wage Deviation Board. Upon petition from the employer, the Board, operating through the office of the Commissioner of Labor, will determine the amount of these gratuities and the value to the employees. However, deductions from wages for such items may in no case exceed 40 percent of the hourly wage rate. The Board may grant a "stay" of the present situation until such a determination has been made. Groups of farmers may also petition for a determination of the value of certain types of goods and services customarily provided for workers in certain areas, thus avoiding the necessity of individual employer petitioning.

6. The Physically Handicapped—A number of farms employ handicapped workers. Employers may request the Board to establish a suitable scale of rates for physically and mentally handicapped workers. These rates may be less than the regular minimum wage rate for nonhandicapped workers. However, approval to pay less than minimum wages must be obtained from the Board, and petitions to the Board should include substantiating evidence that the workers concerned cannot meet normal production stand-

ards. In these cases, also, the Board may grant a "stay" of the present employment situation until a determination has been made as to the extent to which workers cannot meet normal production standards.

7. Piece Work—While no specific provisions are made for converting piece work rates into an hourly minimum wage, piece work rates must be defensible when measured against the hourly minimum wage. That is, on a piece work basis, the pay for a given number of hours worked must be equivalent to a minimum wage for the same number of hours. More information on piece work rates may be forthcoming after the Act becomes operative.

8. Partnership Arrangements—Some farmers pay their workers by sharing the proceeds from all or a part of the farm operation. In some instances, an agreement exists whereby base pay is supplemented by a share of the proceeds. In such cases the worker is a partner or co-operator, and his income is, in part at least, self-determined. While the Act includes no specific provisions for such arrangements, it is believed that farm workers employed under these conditions will not be covered by the Act.

9. Consistent Discharge—Employers consistently discharging employees within 13 weeks and hiring other employees, without work stoppages, are presumed to be evading payment of a minimum wage and are guilty of a misdemeanor.

10. Noncompliance—When any employer covered by the provisions of this Act fails to pay the employee a minimum wage, the employee may, at any time within three years, bring civil action for the recovery of the difference between the amount paid and the minimum wage, as well as the recovery of various costs involved in bringing the action.