



# SENATE BILL No. 38

January 13, 1993, Introduced by Senator Ehlers and referred to the Committee on 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,"

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, being section 408.477 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4       Sec. 7. (1) With the exception of those deductions required  
5 or expressly permitted by law or by a collective bargaining  
6 agreement, an employer shall not deduct from the wages of an

1 employee, directly or indirectly, any amount without the full,  
2 free, and written consent of the employee, obtained without  
3 intimidation or fear of discharge for refusal to permit the  
4 deduction. ~~-A-~~

5 (2) EXCEPT AS PROVIDED IN THIS SUBSECTION, A deduction for  
6 the benefit of the employer ~~shall require~~ REQUIRES written con-  
7 sent from the employee for each wage payment subject to the  
8 deduction, and the cumulative amount of the deductions shall not  
9 reduce the gross wages paid to a rate less than minimum rate as  
10 defined in THE MINIMUM WAGE LAW OF 1964, Act No. 154 of the  
11 Public Acts of 1964, as amended, being sections 408.381 to  
12 ~~408.397~~ 408.398 of the Michigan Compiled Laws. THIS SUBSECTION  
13 DOES NOT REQUIRE A NONPROFIT ORGANIZATION TO OBTAIN FROM AN  
14 EMPLOYEE A SEPARATE WRITTEN CONSENT FOR EACH PAYCHECK FROM WHICH  
15 DEDUCTIONS THAT BENEFIT THE EMPLOYER ARE MADE. AS USED IN THIS  
16 SUBSECTION, "NONPROFIT ORGANIZATION" MEANS ANY 1 OF THE  
17 FOLLOWING:

18 (A) A CORPORATION ORGANIZED UNDER THE NONPROFIT CORPORATION  
19 ACT, ACT NO. 162 OF THE PUBLIC ACTS OF 1982, BEING  
20 SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN COMPILED LAWS.

21 (B) A CORPORATION TO WHICH THE NONPROFIT CORPORATION ACT  
22 APPLIES AS PROVIDED IN SECTIONS 121 AND 123 OF ACT NO. 162 OF THE  
23 PUBLIC ACTS OF 1982, BEING SECTIONS 450.2121 AND 450.2123 OF THE  
24 MICHIGAN COMPILED LAWS.

25 (C) A GROUP, SOCIETY, ORGANIZATION, OR ASSOCIATION ORGANIZED  
26 TO CARRY OUT ANY LAWFUL PURPOSE NOT INVOLVING PECUNIARY PROFIT OR  
27 GAIN FOR ITS OFFICERS, TRUSTEES, OR MEMBERS. NONPROFIT

1 ORGANIZATION INCLUDES, BUT IS NOT LIMITED TO, AN INSTITUTION OF  
2 HIGHER EDUCATION.

3       (3) Each deduction FROM THE WAGES OF AN EMPLOYEE shall be  
4 substantiated in the records of the employer and shall be identi-  
5 fied as pertaining to an individual employee. Prorating of  
6 deductions between 2 or more employees ~~shall~~ IS not ~~be~~  
7 permitted.