

Bodman PLC

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Prevailing Wage Reinstated for State Contracts

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On Thursday, October 7, 2021, three years after Michigan's prevailing wage law was repealed, prevailing wage has been reinstated for certain state contracts. The prevailing wage directive requires contractors to pay union wages and benefits on state-funded projects.

Michigan's Management and Budget Act gives the Department of Management, Technology, and Budget (DMTB) the ability to set state contract terms. As a result, contractors and subcontractors must now pay prevailing wage on projects bid out by DMTB. Projects bid out by any other state agency or contracts awarded by public entities (as opposed to the state government) will not be affected by this policy.

Employers will need to determine whether their contracts are covered by this directive, and if so, what wages and fringe benefits must be paid. **Bodman's Workplace Law Group** can assist with these and other questions.

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