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Michigan Paid Sick Time and Minimum Wage Laws Amended

Thursday, December 6, 2018

The Earned Sick Time Act ballot initiative, enacted into law by the Michigan legislature [in September](#), is amended and on its way to Governor Rick Snyder's desk. Changes were pre-negotiated with the governor's team, so his signature is expected. Likewise, the minimum wage ballot initiative enacted into law by the Michigan legislature is also amended and expected to be signed by the governor.

The paid sick leave law, now known as the Paid Medical Leave Act, was substantially amended to make it workable for both employers and employees. There will likely be a legal challenge to the amended law based on the timing of these amendments. But pending any ruling by a court, if signed by the governor, the amended law will go into effect at the end of March of 2019.

Michigan's Paid Medical Leave Act now applies only to employers with 50 or more employees (instead of all employers) and mandates up to 40 hours of paid sick leave per year instead of 72 hours. Exempt employees are no longer covered by the act. Also excluded are private sector employees covered by a collective bargaining agreement.

Employers can limit accrual to one hour of paid sick leave per week, regardless of the number of hours worked. Employers can also front-load the annual accrual (through a PTO or vacation policy) and meet the annual obligation. Use is limited to one-hour increments unless the employer has a different written increment policy that requires larger blocks of time.

To support the use of paid sick leave, employers can require employees to comply with their usual and customary notification, procedural, and supporting documentation requirements (though they must allow three days to produce) instead of the strict prescribed limits in the original legislation. Finally, the onerous presumption of employer liability for adverse employment action is struck with an exclusive administrative process to resolve disputes; there is no longer a private right of action.

For more detail, see the [enrolled legislation for Michigan's Paid Medical Leave Act](#). The Michigan Chamber of Commerce, which led the lobbying effort, also prepared a [summary of the changes \(ballot proposal vs. legislation\)](#), provided with permission.

The minimum wage legislation was also amended to make the law more workable for employers and employees alike. The increase in the minimum wage to \$12 per hour is pushed out to January 1, 2030, vs. January 1, 2023. There is no longer any indexing of the minimum wage to inflation. Most significantly, the tipped minimum wage remains tied to 38% of the regular minimum wage rather than the original phase-out by 2024.

For more detail, see the [enrolled legislation for Michigan's new minimum wage legislation](#). The Michigan Chamber of Commerce prepared a [summary of the changes](#) from ballot proposal to legislation, provided with permission.

Again, the governor is expected to sign both pieces of legislation. Please contact your Barnes & Thornburg attorney to confirm your strategy in response to these developments.

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