

# How Did We Get Here?

- In 2018, Michigan voters collected enough signatures for two ballot initiatives: the Improved Workforce Opportunity Wage Act (IWOWA) and the ESTA
- Before voters could vote on the initiatives, the state legislature adopted and amended them
- A labor advocacy group and others sued to challenge the constitutionality of the legislature's actions
- The Michigan Supreme Court ruled that the legislature's actions violated the Michigan Constitution
- The court ordered that the ESTA and the minimum wage law be reinstated as they appeared on the ballot initiatives
- ESTA will take effect on February 21, 2025





## **Who Is Impacted:**

All Michigan employers with 1 or more employees must comply with the Earned Sick Time Act.

## **Employees:**

- Full time
- Part time
- Temporary
- Seasonal
- Commissioned



## Accrual of Sick time:

### Small business:

- Employees shall accrue a minimum of 1 hour for every 30 hours worked but shall not be entitled to use more than 40 hours of PAID earned sick time in a calendar year.
- The employee is entitled to use an additional 32 hours of UNPAID-earned sick time in that year.

### All other employees:

- Employees shall accrue a minimum of 1 hour for every 30 hours worked but shall not be entitled to use more than 72 hours of PAID earned sick time in a calendar year.
- Employees must be employed 90 days before using accrued earned sick time.
- Unused accrued time must be carried over to the following year.
- Employers are not required to pay out earned sick time if an employee leaves or is terminated from employment.

## Notice:

- An employer may require advance notice of intention to use if the need is foreseeable, not to exceed 7 days before the date the earned sick time is to begin.
- An employer may require an employee to give notice as soon as practicable if the need for earned sick time is not foreseeable.
- An employer may require reasonable documentation for earned sick leave of 3 or more consecutive days for a permissible purpose.
- However, if documentation is required, an employer is responsible for all out-of-pocket costs for the employee. This follows FMLA requirements.





# Improved Workforce Opportunity Wage Act



Date	Minimum Wage Amount Per Hour (to be increased by state treasurer for inflation)	Minimum Tipped Wage (Percentage of Regular Minimum Wage)
February 21, 2025	\$10.00	48%
February 21, 2026	\$10.65	60%
February 21, 2027	\$11.35	70%
February 21, 2028	\$12.00	80%
February 21, 2029 (and every year afterwards)	Treasurer to calculate the inflation-adjusted minimum wage	Same as regular



## What's Next?

- Today, the Michigan Senate will debate SB 8 & 15 on the Senate floor.
- The Michigan House passed HB 4001 & 4002 as their first bills in the new session three weeks ago.
- The Legislature must now reconcile the differences between the two chambers to pass a final version of the bill before the February 21<sup>st</sup> implementation date.