

# PAID SICK LEAVE & MINIMUM WAGE

- These were Ballot Proposals in 2018 that were adopted and changed by the Legislature
- After 6 years of court battles, the Michigan Supreme Court ruled that amending the approved ballot language in 2018, at the urging of NFIB and other business groups, was unconstitutional
- The changes made to minimum wage and paid sick leave will be replaced with the original ballot language as of February 21, 2025, if no legislative changes are made

## MINIMUM WAGE

- Will increase minimum wage to \$12.48 on February 21, 2025.
- Minimum wage will increase each year reaching \$14.97 in 2029 and increase each year after according to the consumer price index
- Tip credit for restaurant servers, currently at 38% of minimum wage, will be phased out and eliminated by 2030

## PAID SICK LEAVE

- Applies to ALL employers except the federal government with any employees and ALL employees include part-time, temporary, seasonal, and independent contractors (independent contractors are still under debate – seeking clarification through legislation)
- Employees accrue one hour of paid earned sick time for every 30 hours worked but will not be entitled to use more than 72 hours per year
- Employees of small businesses who have less than ten employees can use no more than 40 hours of PAID leave. If the employee accrues more than 40 hours, he or she will be entitled to use an additional 32 hours of UNPAID earned sick time
- Can use for illness for self, family, or those with “affinity like family”, sexual assault for self, family, or those with “affinity like family, school meetings, public health emergencies or if an employee or family could jeopardize their health due to their presence in the community
- An employer can ask for prior notification of sick time, but cannot penalize or retaliate for lack of notification

- For earned sick time of more than three consecutive days, an employer may require reasonable documentation but cannot deny the use of sick time due to the lack of documentation.
- If an employer chooses to require documentation for earned sick time, the employer is responsible for paying all out-of-pocket expenses the employee incurs in obtaining it. If the employee does have health insurance, the employer is responsible for paying any costs charged to the employee by the health care provider for providing the specific documentation
- The employee may use the time in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time
- Can use for illness for self, family, or those with "affinity like family", sexual assault for self, family, or those with "affinity like family, school meetings, public health emergencies or if an employee or family could jeopardize their health due to their presence in the community
- All earned sick time carries over and must be reinstated if the employee separates for less than 6 months
- An employer's absence control policy may not treat earned sick time taken under the Act as an absence that may lead to or result in retaliatory personnel action.
- "Retaliatory personnel action" means any of the following: a) denial of any right guaranteed under the Act; b) a threat, discharge, suspension, demotion, reduction of hours, or other adverse action against an employee or former employee for exercise of a right guaranteed under the Act.
- Must retain records for 3 years and an employee can file a complaint up to 3 years after a violation
- If an employer takes any of what is considered "retaliatory personnel action" within 90 days of an employee doing any of the following – they will be considered guilty until proven innocent and can be fined/penalized by both state government and sued by the employee
  - Files a complaint with LARA or a court alleging a violation of the Act.
  - Informs any person about an employer's alleged violation of the Act.
  - Cooperates with LARA or another person in the investigation or prosecution of any alleged violation of the Act.
  - Opposes any policy, practice, or act that is prohibited under the Act.
  - Informs any person of his or her rights under the Act.

## **NFIB HAS FOUGHT FOR 6 YEARS & WILL CONTINUE!**

- Working with other to make legislative changes
- Reach out to your legislator – Democrats and Republicans – let them know how this will affect your business
- NFIB will offer webinars from a labor law attorney on compliance