

Michigan Appeals Court Reverses Paid Sick Leave Expansion

The Michigan Court of Appeals has <u>reversed</u> a lower court opinion that would have expanded paid sick leave for employees under state law. Absent further court action, the law remains unchanged and employers will **not** have to comply with more generous provisions of an earlier version of the law.

Background

The <u>Earned Sick Time Act</u> (ESTA) was submitted to the Michigan legislature in 2018 as a ballot initiative. The legislature adopted the measure, amending it after the 2018 election to limit the employee leave rights it provided. The amended law was renamed the <u>Paid Medical Leave Act</u> (PMLA); it took effect in 2019.

The amendment procedure was challenged in court, and the Michigan Court of Claims declared the amended law unconstitutional in July 2022, ordering that the original ESTA take effect. The order was delayed through Feb. 19, 2023, pending appeal. On Jan. 26, 2023, the Michigan Court of Appeals reversed the lower court's decision, upholding the legislature's amendments and the validity of the PMLA. This means the existing, more employer-friendly PMLA will remain in effect.

Differences Between the ESTA and the PMLA

Unlike the PMLA (which the appeals court upheld), the original ESTA would have, among other things:

- Covered all employers (the PMLA exempts small employers);
- Covered all employees (the PMLA contains employee exemptions);
- Required accrual of one hour of leave per every 30 (not 35) hours worked;
- Allowed 72 hours of leave to be used in a year instead of 40; and
- Prohibited employers from taking retaliatory action against employees.

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Important Dates

Sept. 5, 2018

ESTA ballot initiative adopted.

Dec. 13, 2018

Amendments to ESTA passed.

July 19, 2022

Lower court ruled the original, unamended law must take effect; order delayed through Feb. 19, 2023.

Jan. 26, 2023

Appeals court reversed the lower court ruling, affirming validity of amended law.

Under the appellate ruling, employers will not have to provide expanded paid sick leave.