

Earned Sick Time Act

Key Changes

Feb. 25, 2025

Compliance Deadlines

New small businesses have 3 years; small businesses (≤ 10 employees) must comply by Oct. 1, 2025. All others immediately.

Accrual & Usage

Employees earn 1 hour of sick time per 30 hours worked, with a 72-hour annual usage cap (40 hours for small business employees).

Carryover & Frontloading

Employers can cap carryover at 72 hours, or frontload 72 hours (40 for small businesses) at the start of a benefit year, eliminating tracking requirements and carryover.

Part-Time Employees

Frontloading is allowed if employees receive a written expected-hours notice, with additional hours provided if they work more.

Exempt Employees

Only those who (1) set their own hours without penalties, (2) are unpaid interns or trainees, (3) work under the Youth Employment Standards Act, or (4) work for the federal government.

Waiting Period

Employers can require new employees to wait 120 days before using sick time.

Rate of Pay

ESTA pay excludes overtime, bonuses, commissions, or gratuities.

Employer Requirements

Employers (including small employers) must update posters and notify employees about ESTA rules within 30 days of February 21.

PTO Compliance

Employers meet ESTA requirements if their existing plans provide at least 72/40 hours of PTO that can be used for any purpose.



Employee Notice Required

- Foreseeable leave: Up to 7 days' notice may be required.
- Unforeseeable leave: Employees must give notice ASAP or follow the employer's written policy provided the policy allows for notice after employee learns of need for it. (No call/no show discipline retained.)

Documentation

Employers can request documentation after three consecutive days off with a 15-day deadline for submission. Employers must reimburse employees' out of pocket expenses in complying.

Legal & CBA

No automatic assumption of retaliation for adverse actions within 90 days of a complaint. Employees can no longer go directly to court for violations. ESTA applies once collective bargaining agreements expire. Multiemployer sick leave plans meet compliance.

Usage & Enforcement

Sick time can be used in one-hour increments or the smallest unit tracked by the employer. Employers may take action against employees who fail to provide notice or misuse leave. If an employee is rehired within two months, any unused sick time must be reinstated unless it was paid out. The MI Department of Labor and Economic Opportunity will oversee compliance, and employers who fail to provide sick time may face fines up to eight times the employee's hourly wage. Employees have three years to file complaints.