

CLIENT ALERT

December 14, 2018

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LABOR AND EMPLOYMENT

GOVERNOR SNYDER IMPLEMENTS CHANGES TO MICHIGAN'S MINIMUM WAGE AND SICK LEAVE LAWS

by Christy McDonald and David Deromedi

Governor Rick Snyder signed bills today implementing changes to Michigan's minimum wage and paid sick time laws. These changes have the potential to affect most employers with Michigan employees.

Public Act 368 of 2018 ("PA 368") effectively slows down the Legislature's initial proposal to increase Michigan's minimum wage significantly. Under the new law, Michigan's minimum wage will be \$9.45 in 2019; \$9.65 in 2020; and \$9.87 in 2021. PA 368 will not implement a \$12 per hour minimum wage increase until 2030. However, no minimum wage increases will be implemented if the unemployment rate is 8.5% or greater in the preceding year.

In addition, PA 368 implements the following:

- Changes in overtime pay for police and firefighters
- Changes in overtime pay for employees of public hospitals and health care services

Public Act 1175 of 2018 ("PA 1175") provides certain employees with mandatory paid medical leave for personal or family health needs. Subject to limitations in the legal text, nonexempt employees will accrue one hour of paid medical leave for every 35 hours worked up to 40 hours per year. The accrual begins as of December 14, 2018. An employer that provides at least 40 hours of paid leave to eligible employees each benefit year is presumed to be in compliance, with PTO, vacation, or paid personal days provided under an employer's current policies included in that definition. Employers may also comply by providing eligible employees with 40 hours of paid leave at the start of the benefit year. Leave must be used in one hour increments unless an employment policy provides otherwise.

The full text of the laws are available here:

<https://www.legislature.mi.gov/documents/2017-2018/billenrolled/Senate/pdf/2018-SNB-1171.pdf>

<https://www.legislature.mi.gov/documents/2017-2018/billenrolled/Senate/pdf/2018-SNB-1175.pdf>

Employers are encouraged to consult knowledgeable counsel concerning decisions with respect to compliance under the new laws.

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FOR MORE INFORMATION CONTACT:



Christy McDonald is a Member in Dickinson Wright's Grand Rapids office. She can be reached at 616-336-1039 or cmcdonald@dickinsonwright.com.



David Deromedi is a Member in Dickinson Wright's Detroit office. He can be reached at 313-223-3048 or dderomedi@dickinsonwright.com.



Timothy Howlett is a Member in Dickinson Wright's Detroit office. He can be reached at 313-223-3662 or thowlett@dickinsonwright.com.



Kathryn Wood is a Member in Dickinson Wright's Troy office. She can be reached at 313-223-3115 or kwood@dickinsonwright.com.



Aaron Burrell is a Member in Dickinson Wright's Detroit office. He can be reached at 313-223-3118 or aburrell@dickinsonwright.com.

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