



Michigan's "Paid Medical Leave Act" and Increased Minimum Wage Take Effect in 2019

Paid Medical Leave Act

Michigan Governor Rick Snyder recently approved a bill (the "Act") amending previous medical leave requirements under Michigan law. The Act makes the following relevant changes, among others:

- **Covered Employers**

- ◇ To be covered by the Act, a private employer must have 50 or more employees.

- **Eligible Employees**

- ◇ The Act excludes the following from the definition of "eligible employees:"
 - * employees who are exempt from the Fair Labor Standards Act's overtime requirements;
 - * employees subject to a collective bargaining agreement;
 - * employees of the U.S. Government, the government of another state, or a political subdivision of another state;
 - * specific air carrier employees and other employees subject to the Railway Labor Act;
 - * employees whose primary work location is not in Michigan;
 - * temporary employees, i.e., employees hired to work 25 weeks or less;
 - * employees whose average hours worked is fewer than 25 hours per week during the immediately preceding calendar year; and
 - * "variable hour" employees.

- **Leave Accrual**

- ◇ Employees may accrue one hour of paid medical leave for every 35 hours worked. Employers are not required to allow an employee to accrue more than one hour of paid medical leave in a calendar week. Employers may limit an employee's accrual of paid medical leave to a maximum of 40 hours per benefit year. Employers are not required to allow employees to carry over more than 40 hours of unused accrued paid medical leave from one benefit year to the next. Employers are not required to allow employees to use more than 40 hours of paid medical leave in a single benefit year.



- ◇ As an alternative to allowing employees to accrue paid medical leave, employers may provide at least 40 hours of paid medical leave to employees at the beginning of each benefit year. If an employee is hired during a benefit year, employers may prorate paid medical leave provided. If an employer elects to provide at least 40 hours of paid medical leave to employees at the beginning of each benefit year, the employer is not required to allow employees to carry over any of that paid medical leave to the next benefit year.
- **Covered Family Members**
 - ◇ The Act narrows who qualifies as a covered “family member” by eliminating “domestic partner” and “[a]ny other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.”

The Act is expected to be effective in March or April 2019. Before the effective date, Michigan employers should consult with legal counsel to update existing sick leave policies, to adopt new sick leave policies, and to ensure compliance with the Act.

Minimum Wage

Michigan’s current general minimum wage of \$9.25 per hour will increase according to the following schedule:

- Beginning January 1, 2019 – \$9.45
- Beginning January 1, 2020 – \$9.65
- Beginning January 1, 2021 – \$9.87
- Beginning January 1, 2022 – \$10.10
- Beginning January 1, 2023 – \$10.33
- Beginning January 1, 2024 – \$10.56
- Beginning January 1, 2025 – \$10.80
- Beginning January 1, 2026 – \$11.04
- Beginning January 1, 2027 – \$11.29
- Beginning January 1, 2028 – \$11.54
- Beginning January 1, 2029 – \$11.79
- Beginning January 1, 2030 – \$12.05

These yearly increases will not take effect if Michigan’s unemployment rate, as determined by the Bureau of Labor Statistics is 8.5% or greater for the preceding calendar year. If a yearly increase does not take effect because of an unemployment rate of 8.5% or greater, it will take effect in the first calendar year following a calendar year for which Michigan’s unemployment rate is less than 8.5%.



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If you have any questions regarding the Paid Family Leave Act or Michigan's new minimum wage requirements, please contact a member of our Labor and Employment Law Practice Group.

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