



## Earned Sick Time Act

All Michigan employers must offer sick leave to their employees

### Key Provisions

The Earned Sick Time Act of 2025 requires all Michigan employers to offer sick leave to their employees. For large businesses with 11 or more employees, the law went into effect on February 21, 2025. Small businesses with 10 or fewer employees are subject to the law starting October 1, 2025. Newly established small businesses are not subject to the law for three years following the hiring of the first employee.

Under the Earned Sick Time Act, employees accrue 1 hour of sick time for every 30 hours worked. Large businesses must allow employees to take up to 72 hours of paid sick leave each year. Small businesses must allow employees to take up to 40 hours of paid sick leave each year. An employer is considered a large employer if it employs more than 10 employees in 20 or more workweeks in the current or previous calendar year. Workweeks do not have to be consecutive.

Sick time must be paid at the employee's regular hourly wage (or minimum wage if it is higher), not including piece-rate pay, bonuses, or overtime. For seasonal employees separating for less than 2 months, accrued sick time must be maintained through the separation. Accrued sick time does not need to be paid out upon the end of employment.

The law applies to all employees whose physical work location is in Michigan, whether they are salaried or paid hourly and full-time or part-time. Employees that schedule their own hours without being penalized for a minimum number of hours are exempt.

### Sick Leave Calculation Methods

The law provides two options for accrual of sick time:

1. **Accrued hours:** Employers can allow employees to accrue sick time on their actual hours worked. Salaried workers are assumed to work 40 hours per week unless their normal hours are less than 40 hours. Employers must allow sick time to be taken as soon as it is accrued, up to 72 hours of sick time per year (or 40 hours for small businesses). Unused hours must be carried over into the following year, up to 72 hours for a large business and 40 hours for a small business. Employers can restrict employees from using sick time until they have completed 120 days of employment, although they begin accruing hours as soon as their employment begins.
2. **Frontloading:** Employers can provide employees with the full 72 hours of sick time (or 40 hours for small

businesses) at the beginning of the year. Part-time employees would have a pro-rated number of hours. Under this method, employees can then begin to take sick time as soon as the year begins, up to the required 72 hours (or 40 hours for small businesses). There is no carryover requirement for front-loaded hours, but sick time must be made available immediately upon hire.

## Uses of Sick Leave

The Earned Sick Time Act provides a wide range of approved uses of sick leave. Time may be taken for the employee's physical or mental illness, as well as treatment and preventative medical care. Likewise, time can be taken for a family member's physical or mental illness, treatment, and preventative care. Additional approved uses can be found on the State of Michigan's [Frequently Asked Questions](#) for the Earned Sick Time Act website. An employer cannot require that the employee find a replacement worker as a condition of using earned sick time. Paid time off (PTO) programs established before the law came into effect can be utilized to meet these requirements as long as they offer at least the required number of hours and allow the use of all ESTA-required sick leave uses.

## Notification Requirements

An employer can require up to 7 days of advance notice for a foreseeable need for sick time. Unforeseeable needs can only require that the employee provide notice as soon as practicable. Some adjustments can be made based on an employer's stated absence policies. An employer can require documentation for more than 3 consecutive days of used sick time, but leave may not be withheld due to not receiving documentation. Employers must pay for the cost of any documentation that they require from the employee. Employers must post a written notice of employee rights at hiring. The State of Michigan offers posters for employers.

## Frequently Asked Questions

### **1. Are my workers subject to the Earned Sick Time Act provisions?**

All Michigan employees are entitled to sick leave under this law – salaried and hourly employees, full-time and part-time employees, and seasonal and year-round employees. You do not have to provide independent contractors with sick leave.

- A worker is considered an employee (rather than an independent contractor) based on the Michigan "economic realities" test. The determination is based on four factors: (1) the control of a worker's duties, (2) the payment of wages, (3) the right to hire, fire, and discipline, and (4) the performance of the duties as an integral part of the employer's business.
- An employee is considered a Michigan employee if their physical work location is in Michigan, regardless of the location of other company operations. They remain eligible if you send them out of state for work. An employee based out-of-state is not subject to the law if they spend less than 50% of their compensation time in Michigan.
- Employees who schedule their own hours without being penalized for a minimum number of hours are also exempt.

### **2. Is my business classified as a large business or a small business?**

An employer is considered a large employer if it employs 11 or more employees in 20 or more workweeks in the current or previous calendar year. Workweeks do not have to be consecutive. The total number of the company's employees includes all employees based in the US and its territories.

### **3. What pay rate must be used for paying sick leave?**

You must pay the employee their normal rate of pay (or base wage), not including piece-rate, overtime, or

bonus pay. You must pay at least the Michigan minimum wage.

**4. *Can employees accrue more than 72 hours of sick leave (40 hours in a small business)?***

Yes. If you use the accrual method of calculating sick leave hours, your employees may accrue more than the required 72 (or 40) hours of sick leave. However, you are only required to allow the required 72 (or 40) hours of sick leave in any given benefit year. You must also carry over any additional accrued hours up to 72 hours in a large business and 40 hours in a small business. If you use the frontloading method, employees begin the benefit year with 72 (or 40) hours of sick leave available and do not accrue more hours during the year.

**5. *Must sick leave hours be carried over to the next year?***

If you use the accrual method of calculating sick leave, then you must carry over up to 72 (or 40) hours of excess earned sick leave. If you use the frontloading method, you do not need to carry over sick leave hours.

**6. *Can I choose to pay out accrued sick leave hours instead of carrying them over from year to year?***

Yes. If you use the accrual method, you can choose to pay out the excess earned sick leave hours in lieu of carrying them over to the next year. You must either pay out or carry over at least 72 (or 40) hours.

**7. *Must the benefit year match the calendar year?***

You can start the benefit year on any particular date. For example, July 1 to June 30 is an acceptable benefit year. If you use the frontloading method, the number of sick leave hours available will reset. Under the accrual method, the number of allowed sick leave hours will reset to 72 (or 40) hours.

**8. *Can I use different calculation methods for different employees?***

An employer can use different calculation methods for different classifications of employees. For example, you can frontload full-time employees and accrue hours for part-time employees.

**9. *Can I allow more than the required 72 (or 40) hours of sick leave?***

Yes, you can set the maximum allowable sick leave hours above the requirements of the law. For example, you can allow 80 accrued sick leave hours per benefit year for your employees.

**10. *If I use the frontloading method, can I offer part-time employees less than 72 (or 40) hours of sick leave?***

Yes. If you use the frontloading method, you must provide the number of hours that is at least proportional to the 1 hour of sick leave per 30 hours worked requirement for their expected hours. You must provide them with written notice of their eligible sick leave hours. Under the accrual method, you would calculate sick leave as other employees, at 1 hour of sick leave per 30 hours worked.

**11. *Do seasonal employees retain their sick leave hours if they are rehired?***

Seasonal employees accrue sick leave based on whichever calculation method you have chosen. If the employee is rehired within 2 months of the separation date, they must retain their previously earned hours of sick leave. They begin to accumulate sick leave hours again once they restart employment. Employees separated for more than 2 months do not retain any sick leave hours unless allowed under employer policy.

**12. *When can employees use their sick leave hours?***

Under the accrual method, employees can take sick leave hours as soon as they have been accrued. However, employers can restrict eligibility to accrue and use sick leave hours to those employed for at least 120 days. Under the frontloading method, employees can take any allocated sick leave hours starting

at the beginning of the benefit year. Eligibility starts as soon as they are hired.

**13. *Must sick leave be taken in 1-hour increments?***

Sick leave may be allowed in 1-hour increments or in the smallest increments used for other types of leave.

**14. *Must ESTA sick leave time be allowed in addition to other types of leave?***

Sick leave time can be accumulated into the same “bank” of paid leave as vacation time, annual leave, or other types of paid time off as long as it is allowed under the same uses and at least 72 (or 40) hours are allowed.

**15. *Does the Earned Sick Time Act allow employees to no-call/no-show for three days without recourse?***

For unforeseeable sick leave needs, employees must notify you as soon as practicable, which may be after the sick leave is taken. Only in extreme circumstances would this extend beyond three days. However, you must have a written policy that informs the employee of absence policies, and these policies must allow for notification after the absence if not practicable. Employees must also be notified of changes in the absence policy. You can require up to 7 days of notice for foreseeable sick leave needs.

**16. *How long must sick leave records be maintained?***

Records of hours worked and sick leave used must be maintained for at least 3 years in such a way that they could be reviewed by the Wage and Hour division if requested.

**17. *How must I notify employees of the Earned Sick Time Act provisions?***

You must provide written notification upon hiring, and a poster must be posted with the specific rights from the Earned Sick Time Act. Notification requirements and posters are available at the [State of Michigan Earned Sick Time Act website](#).

The [State of Michigan Earned Sick Time Act website](#) has a summary of the law updates and a page of [Frequently Asked Questions](#). Employers may need to contact their trusted legal counsel for details on how the law might apply to their specific situation.