

The Earned Sick Time 2.0

Top Things Employers Need to Know

1. Took effect on Feb. 21, 2025

The Earned Sick Time Act (1.0) was amended by the Michigan Legislature in Feb. 2025 to make the law more workable and implementable – but the changes in ESTA 2.0 were effective immediately.

2. Very few exemptions

ESTA applies to virtually every employer (any organization that employs one or more individuals) and employee (full-time, part-time, seasonal and temporary). Many employers will need to adjust their policies to comply with ESTA.

3. Small organizations are treated differently

Small businesses, defined as those with 10 or less employees, must provide up to 40 hours of EST annually and have longer to comply (Oct. 1, 2025). All other employers will need to provide up to 72 hours with a compliance date of Feb. 21, 2025. Keeping one PTO bank is allowed.

4. Frontloading time is allowed

Employers who choose this option, instead of the accrual method, can avoid tracking and carryover.

5. One-hour Increments

Time can be used in one-hour increments or the smallest increment that the organization uses to account for absences (employer choice).

6. No private right of action or rebuttable presumption

Enforcement responsibilities rest with the Michigan Department of Labor & Economic Opportunity (LEO).

7. Notice can be seven days (if foreseeable)

Employers have flexibility to set written policies for notice for unforeseeable events.

8. No-call, no-shows

These instances can be dealt with if you have written policy.

9. Rate of pay

Earned Sick Time is paid as the greater of the normal hourly wage, base wage or minimum wage.

The Michigan Supreme Court ruled in July of 2024 that a 2018 ballot initiative to mandate paid sick leave requirements should be put into effect — despite never being voted on by the people — saying the strategy the Michigan Legislature used to adopt alternative legislation violated the Michigan Constitution. The Michigan Chamber has been a steadfast leader in pushing for legislative changes to ESTA to soften the blow to businesses and make ESTA more workable for businesses and workers alike. This “Top Things Employers Need to Know” outlines the top compliance obligations of the statutory changes made by the Legislature (ESTA 2.0).

For full compliance information, visit the Chamber’s ESTA Toolkit at [michamber.com/toolkit](https://www.michamber.com/toolkit)

Questions?

Do you have questions about the changes?

Contact Wendy Block at wblock@michamber.com for assistance!

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