



MICHIGAN'S EARNED SICK TIME ACT: EMPLOYER COMPLIANCE WORKSHEET

UPDATED ON 2/26/25

1. Do you currently offer paid time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>Employers will be required to offer paid sick time to all employees as of February 21, 2025 (10/1/25 for small employer with 10 or less employees). If you are already offering your employees paid time off, you may not need to add additional time off benefits to your offering, but you may need to restructure how your existing time off policies work to be in compliance with the ESTA.</i></p>	

2. How much paid time off do you offer per year?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>Employers will be required to offer a minimum of one hour of paid time off for every 30 hours worked to be used for the purposes outlined in the ESTA. (Employers with 10 or less employees can cap annual sick time usage at 40 hours/year. Employers with 11+ employees can cap annual usage at 72 hours/year.) Employers already offering more than this amount of time off (that can be used for any purpose) may satisfy this requirement. An additional bank of time may not be necessary.</i></p>	

3. Who is eligible to receive paid time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>ALL employees regardless of status or hours worked must be eligible to earn paid sick time as of the effective date of this law. This includes full-time, part-time, hourly, salary, temporary, and seasonal workers. (Generally only unpaid interns/trainees and employees covered under the Youth Employment Standards Act are exempted from this benefit.)¹ You can retain your eligibility requirements for any additional time off you offer that is above and beyond the paid sick leave mandate, but for the ESTA provisions, all employees must be eligible to receive those.</i></p>	

4. How long does someone have to work for you before they can earn/accrue paid time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>For the purposes of paid sick time, employees are entitled to begin accruing this immediately as of the effective date of this Act, and upon hire thereafter. Employers can impose an initial 120-day waiting period for employees hired after the effective date to access their accrued paid sick time, but the actual accrual must begin immediately. Employers choosing to frontload sick banks cannot impose a waiting period of any length. You can retain separate accrual schedules for any additional time off you offer that is above and beyond the paid sick leave mandate, but for the ESTA provisions, accrual</i></p>	

¹ Employers with employees who work in accordance with a policy that allows the individual to schedule his/her own hours and whose policy prohibits the employer from taking adverse personnel action if the individual does not schedule a minimum number of working hours may also exempt those employees from receiving benefits under this policy. Consult legal counsel before making determinations based on this provision.

	<i>begins on 2/21/25 or 10/1/25 (based on employer size).</i>	
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5. Do you currently allow for carryover of unused paid time off from one year to the next?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<i>Unless you frontload all sick time hours at the start of the benefit year or pay out for unused hours at the end of the benefit year, carryover of unused earned sick time must be allowed from one year to the next up to 72 hours max (for employers with 11+ employees) or 40 hours max (for employers with 10 or less employees). You can retain carryover rules for any additional time off you offer that is above and beyond the paid sick leave mandate if you choose.</i>	

6. Do you cap the number of paid time off hours you award each year?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<i>The ESTA requires that employees earn one hour of paid sick time for every 30 hours worked without limitation or annual maximum caps*. There is a cap on annual usage of sick time (72 hours for large employers and 40 hours for small employers) and a cap on carryover. You can retain annual maximum allotments for any additional time off you offer that is above and beyond the paid sick leave mandate, if you choose.</i>	

*Employers choosing to frontload all sick time hours at the start of the benefit year can cap the award at 72 hours for large employers and 40 hours for small employers.

7. Do you cap the maximum number of hours an employee can have in their paid time off bank at any given time?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>The ESTA does not place a maximum on the number of hours an employee can accrue in a given year, unless the employer is frontloading the sick time bank. The Act does limit the number of hours an employee can USE or rollover in a given year. The ESTA caps that amount at 72 hours (40 for small employers). You can retain maximum thresholds for any additional time off banks you offer, if you choose.</i></p>	

8. Do you cap the maximum number of hours an employee can use from their paid time off bank at any given time?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>The ESTA has a cap on the total number of paid sick time hours an employee can use annually (72/40 hours) but does not impose a limit on the number of hours an employee can use at any one time, so long as it is less than 72/40 hours. If you choose to offer an additional bank of paid time off, you can place any limits you see fit on the number of hours that can be requested/granted at one time.</i></p>	

9. Do you dictate the increments of time (1-hour, 4-hour, 8-hour) that paid time off can be taken in?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>Under the ESTA, employees must be allowed to take accrued sick time in 1-hour increments or the smallest increment of time the employer's payroll/timekeeping system can track. If you choose to offer an additional bank of paid time off, you can determine the increment of time those requests can be taken in.</i></p>	

10. Do you have advanced notice requirements for employees who want to use their paid time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>Under the ESTA, employees with a need to take sick time for a foreseeable event can be required to provide up to 7 days advanced notice.</i></p> <p><i>For unforeseeable events employers may require the employee to give notice in either of the following manners:</i></p> <ul style="list-style-type: none"> • <i>As soon as practicable or</i> • <i>In accordance with the employer's policy on requesting/using sick time or leave IF (a) on the date of hire, or the effective date of HB 4002, whichever is latest, employer provides the employee with a written copy of the policy that includes procedures for how the employee must provide notice and (b) that notice requirement allows the employee to provide notice after the employee is aware of the need for the EST.</i> 	

11. Do you require documentation for the use of paid time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>If the employee is pulling from their earned sick time under the ESTA provisions, you are unable to request documentation to substantiate the absence unless the employee has been out for more than 3 consecutive days and the employer is responsible for paying any out-of-pocket costs associated with obtaining the documentation. Otherwise, you are unable to ask for supporting documentation for time off associated with ESTA.</i></p>	

12. Do you enforce an attendance policy or point system to curb excessive time off?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
no	<p><i>Employers are prohibited from retaliating against an employee for exercising their rights under the ESTA. Assigning attendance points or disciplinary action to absences stemming from the use of earned sick time is viewed as retaliation under the law. You can still enforce adherence to your notice/call-in procedures and attendance standards for time off that is not covered by the ESTA.</i></p>	

13. How do you notify your current employees and new hires of your time off policies?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>If you are like most companies, your time off benefits are explained in your employee handbook and perhaps outlined in an offer letter. That will likely not be enough under the ESTA provisions, which require employers to provide written notice to current employees and all new hires outlining the following:</i></p> <ul style="list-style-type: none"> <i>(a) The amount of earned sick time required to be provided to an employee under this Act.</i> <i>(b) The employer’s choice of how a ‘year’ will be calculated.</i> <i>(c) The terms under which earned sick time can be used.</i> <i>(d) That retaliatory personnel action taken against an employee for request or using earned sick time is prohibited.</i> <i>(e) The employee’s right to file a complaint with the Department (LEO) for any violation of this Act.</i> <p><i>Notices must be written in English, Spanish and any other language spoken by at least 10% of the employer’s workforce.</i></p>	

14. Do you have defined banks for paid time off? I.e: sick, vacation, personal, medical, parental leave, etc.?

CURRENT POLICY	NEW REQUIREMENTS	CHANGES TO MAKE
	<p><i>If you are currently using separate banks of paid time off for sick vs. vacation/personal, you will need to ensure that your sick bank meets all the terms and conditions of the ESTA, including the broad range of reasons an employee could access this bank of time. Under the ESTA, employees can use their earned sick time for their own mental/physical health, to care for a family member’s mental/physical health, or to care for someone whose close association with the employee is the equivalent of a family relationship.</i></p> <p><i>If you currently combine all your paid time off into one general bank, you will need to determine if your current PTO bank needs to be updated to meet the minimum accrual amounts, usage requirements, eligibility criteria and carryover provisions of ESTA.</i></p> <p><i>If you currently offer no paid time off to your employees, you will need to develop a policy that offers paid sick time in accordance with ESTA standards no later than February 21, 2025 (10/1/25 for small employers).</i></p> <p><i>If you offer unlimited paid time off (flexible time off) to your employees, you will still need to comply with employee notification and recordkeeping requirements of the ESTA. This may mean that you begin tracking the time off employees use and are careful about how you impose disciplinary measures if you determine an employee’s absences to be excessive.</i></p>	

This document was created by HRM Services to aid in employer compliance with the ESTA and is not meant to be used as legal advice. The information contained herein is subject to change.

QUESTIONS



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