

Michigan Court Stays Minimum Wage Increase and Sick Pay Change until February 2023

Article By:

Epstein Becker & Green, P.C.

Pursuant to two voter initiatives, Michigan has a new minimum wage of \$12 per hour, as well as a requirement that employees be provided up to 72 hours of paid sick leave – but those changes will not go into effect until February 19, 2023.

In 2018, two initiatives – the Improved Workforce Opportunity Wage Act (2018 PA 368) and the Earned Sick Time Act (2018 PA 369) – were presented to the Michigan legislature. The wage initiative raised the minimum wage to \$12 per hour by 2022. The paid sick time initiative required most employers to provide up to 72 hours of paid sick leave per year.

The legislature adopted the two initiatives, but then amended them within the same session to make them significantly less robust. The amended versions were then signed into law (SB 1171 and SB 1175) with an effective date of March 29, 2019.

On the minimum wage initiative, the legislature reduced the minimum wage increase to \$10.10 per hour instead of \$12 per hour, removed the annual adjustment for inflation, and eliminated language for tipped employees.

On the sick time initiative, the legislature exempted employers with fewer than 50 employees, lowered the number of hours that could be used to 40, and removed a section prohibiting retaliation for taking the sick leave.

On July 19, 2022, in *Mothering Justice v. Dana Nessel and the State of Michigan*, Mich. Ct. Cl., No. 21-000095-MM, the Michigan Court of Claims held that the state legislature could not adopt-and-amend the two voter initiatives presented in 2018 as the tactic violated the state constitution's provision on voter initiatives. It held that tactic did not fit into one of the three options that the legislature can take with a voter initiative. The legislature's tactic deprived the people the opportunity to vote on whether they preferred the original voter initiative or the legislature's proposed modification. As such, the Court ruled that the original versions of the two voter initiatives remain in effect without amendment.

The next day, July 20, 2022, the State of Michigan filed an appeal and moved to stay the decision while the appeal is pending.

On July 29, 2022, the Court of Claims declined to stay its decision pending appeal, but it did stay the effect of its decision until February 19, 2023, citing concerns about the ability of employers and state agencies to immediately accommodate the changes. That date could be further extended pending appeals.

©2025 Epstein Becker & Green, P.C. All rights reserved.

National Law Review, Volume XII, Number 228

Source URL: <https://natlawreview.com/article/michigan-court-stays-minimum-wage-increase-and-sick-pay-change-until-february-2023>