
CAP
CON
2025

Labor Policy: A Snapshot for Local Governments

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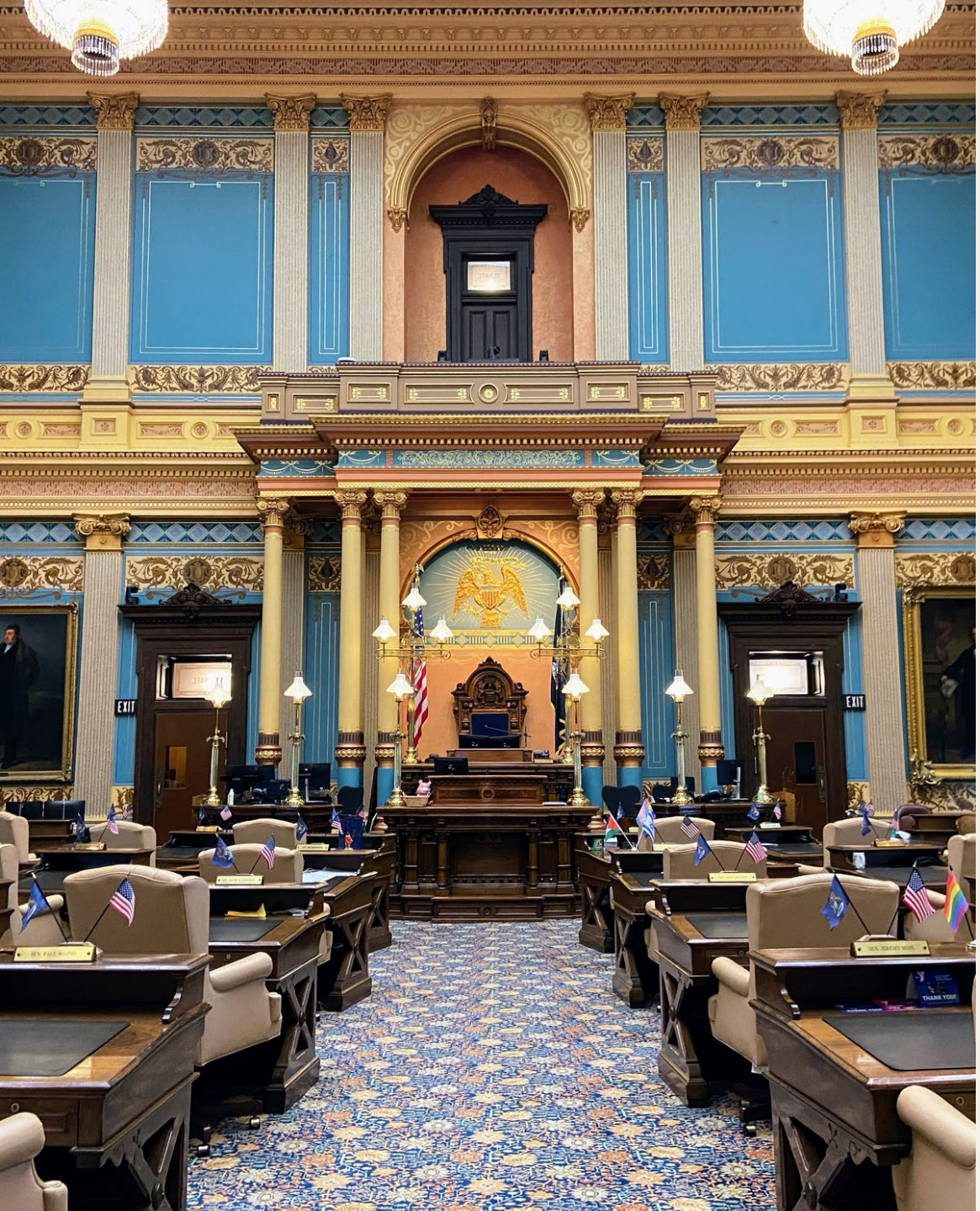


Earned Sick Time Act

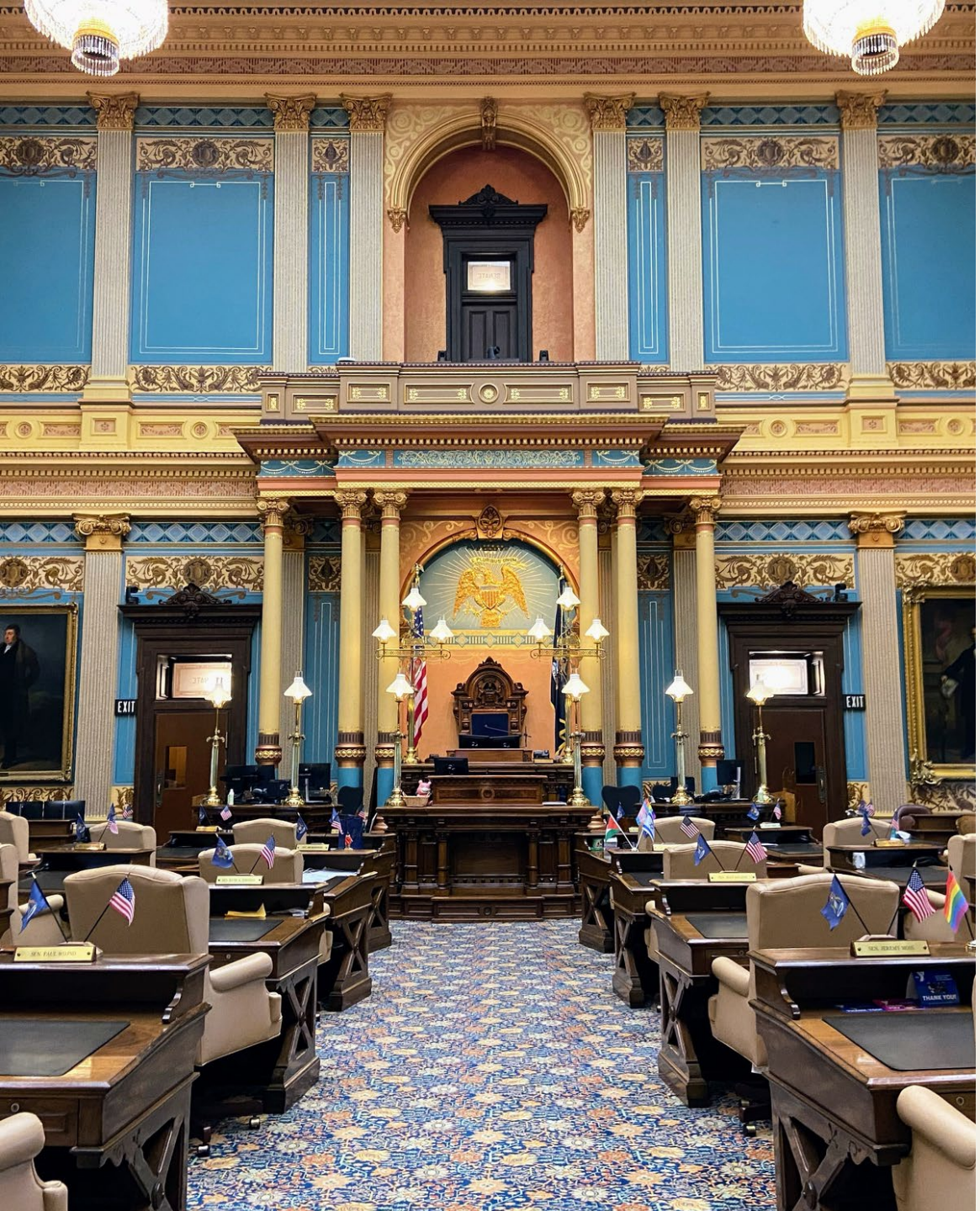
A brief history:

2018 Voter initiated petition drive.

2018 Michigan Legislature adopt and amend Paid Medical Leave Act (“PMLA”)

2024 Michigan Supreme Court reinstates the 2018 voter initiated law.

2025: ESTA Amendments are adopted.

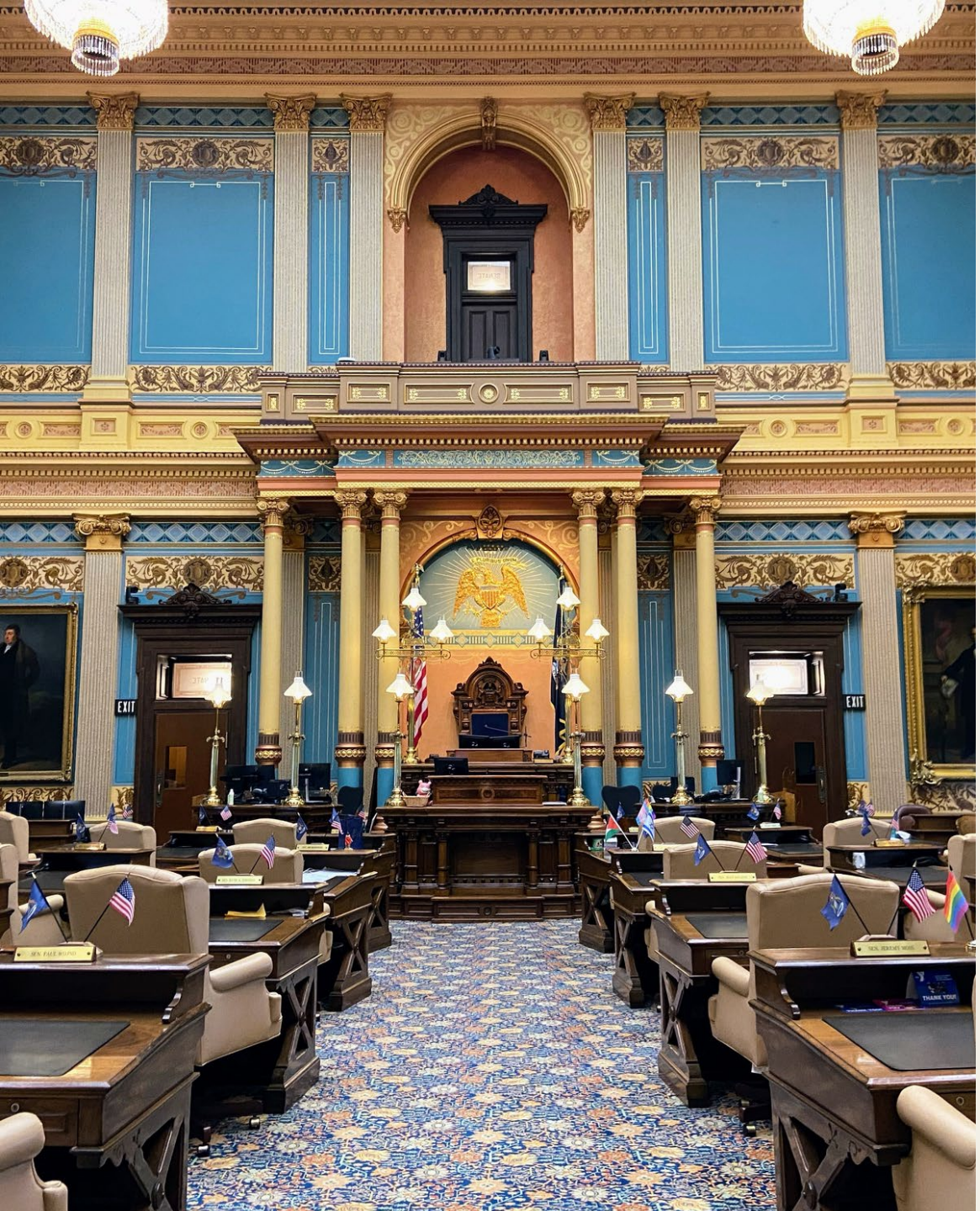


Earned Sick Time Act

The final law reduces carryover to 72 hours only if you use the accrual method.

An employer may require an employee to give notice in accordance with the employer's policy on requesting/using sick time or leave if on the date of hire, the effective date of HB 4002, or the date the employers policy took effect whichever is latest, provides the employee with a written copy of the policy that includes procedures for how the employee must provide notice

Proportional frontloading based on initial estimate provided by employer at time of hiring.



Earned Sick Time Act

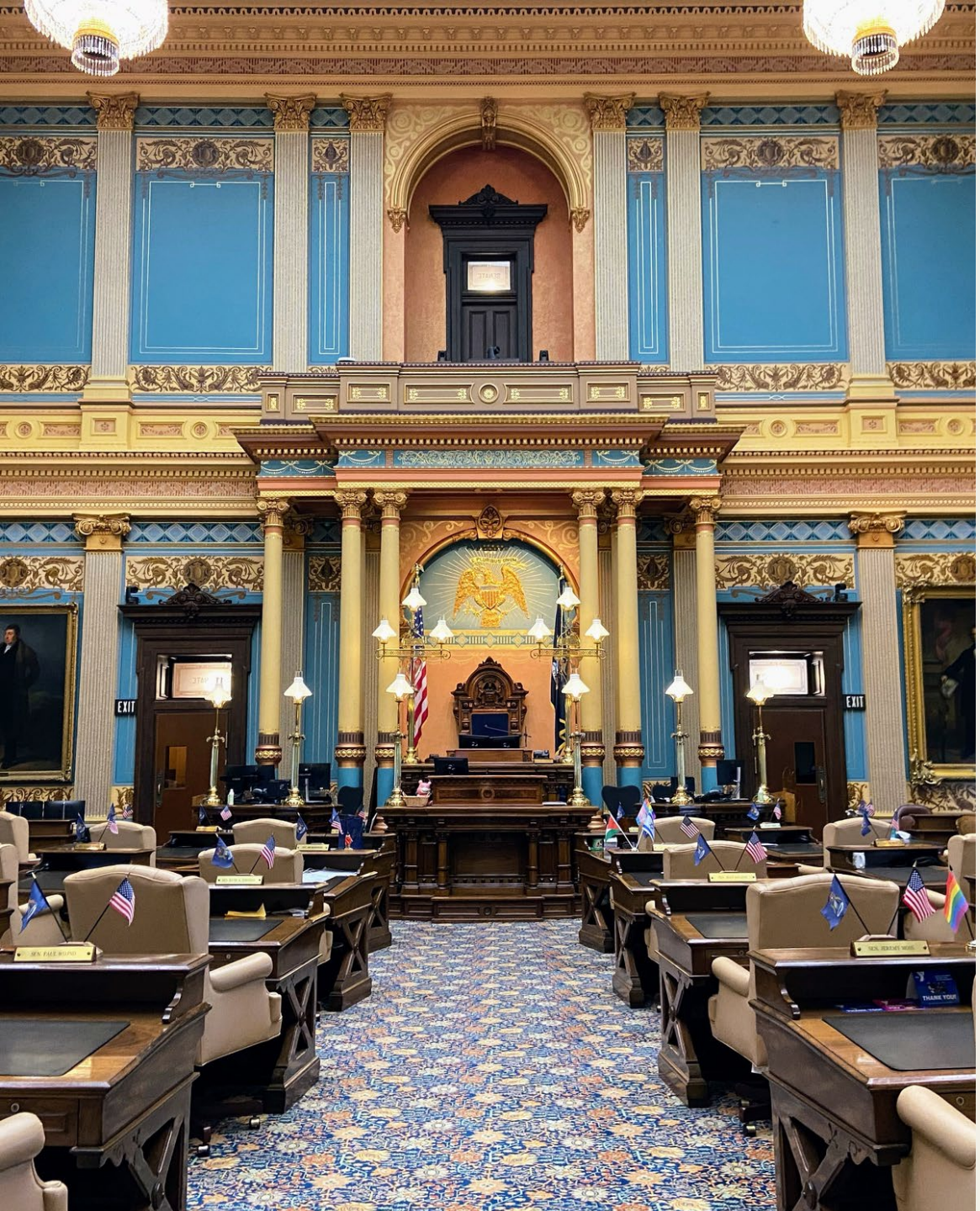
If the employee works above this estimate, accrues hours at normal rate (1 hour/30 hours worked).

Frontloading can use time immediately.

Frontloaded time is use it or lose it and does not need to carryover.

Does not require calculating and tracking accrual

72 hours are subject to ESTA conditions, anything above that can be used according to employer's vacation or PTO policies/usage requirements.



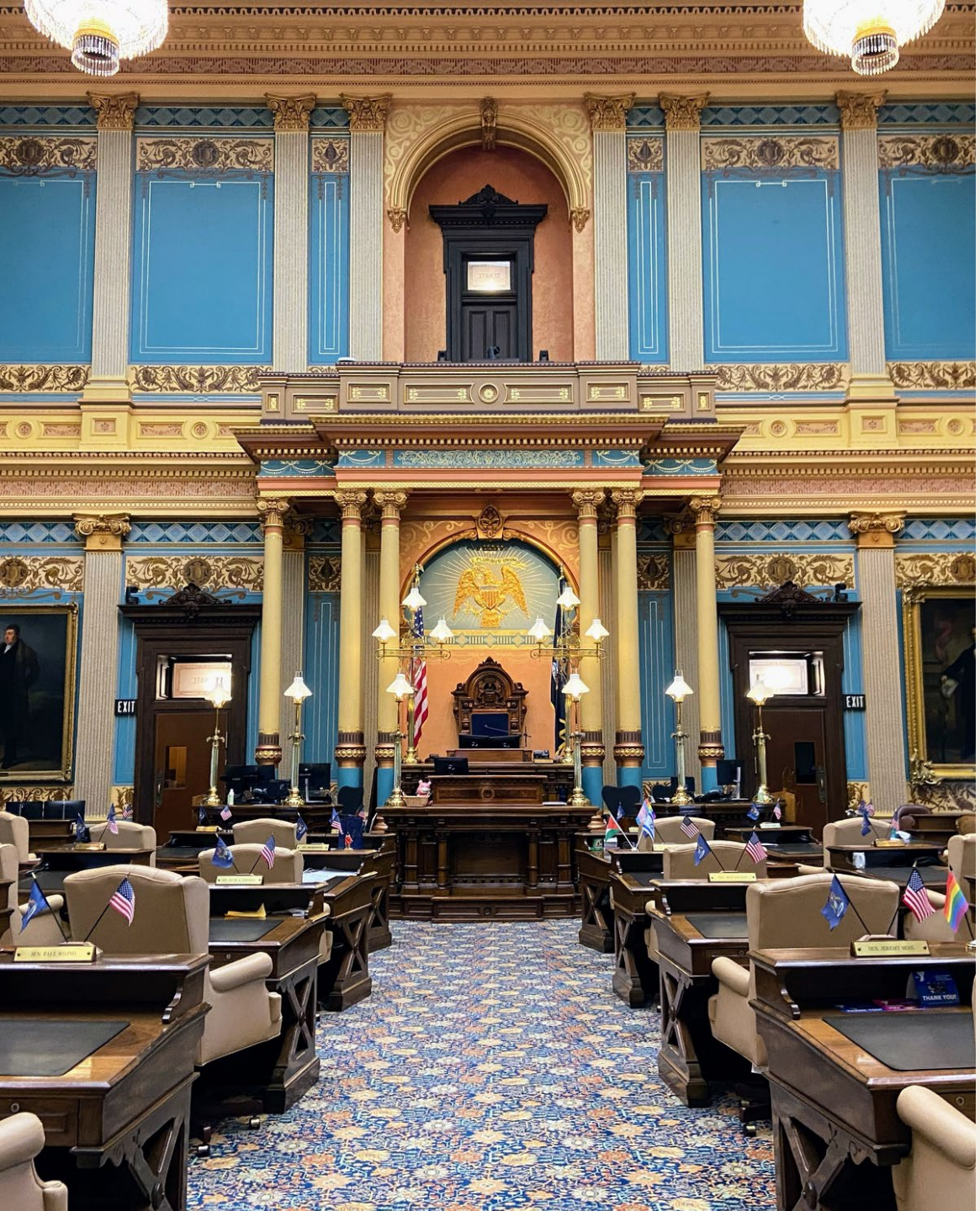
Public Act 152

Modification to PA 152 of 2011. The modification includes several key changes. This includes an increase to the base hard cap rates.

A. $8,258.54 times the number of employees and elected public officials with single-person coverage.

B. $17,271.17 times the number of employees and elected 29 public officials with two- person coverage.

C. $22,523.34 times the number of employees and elected 3 public officials with family coverage.

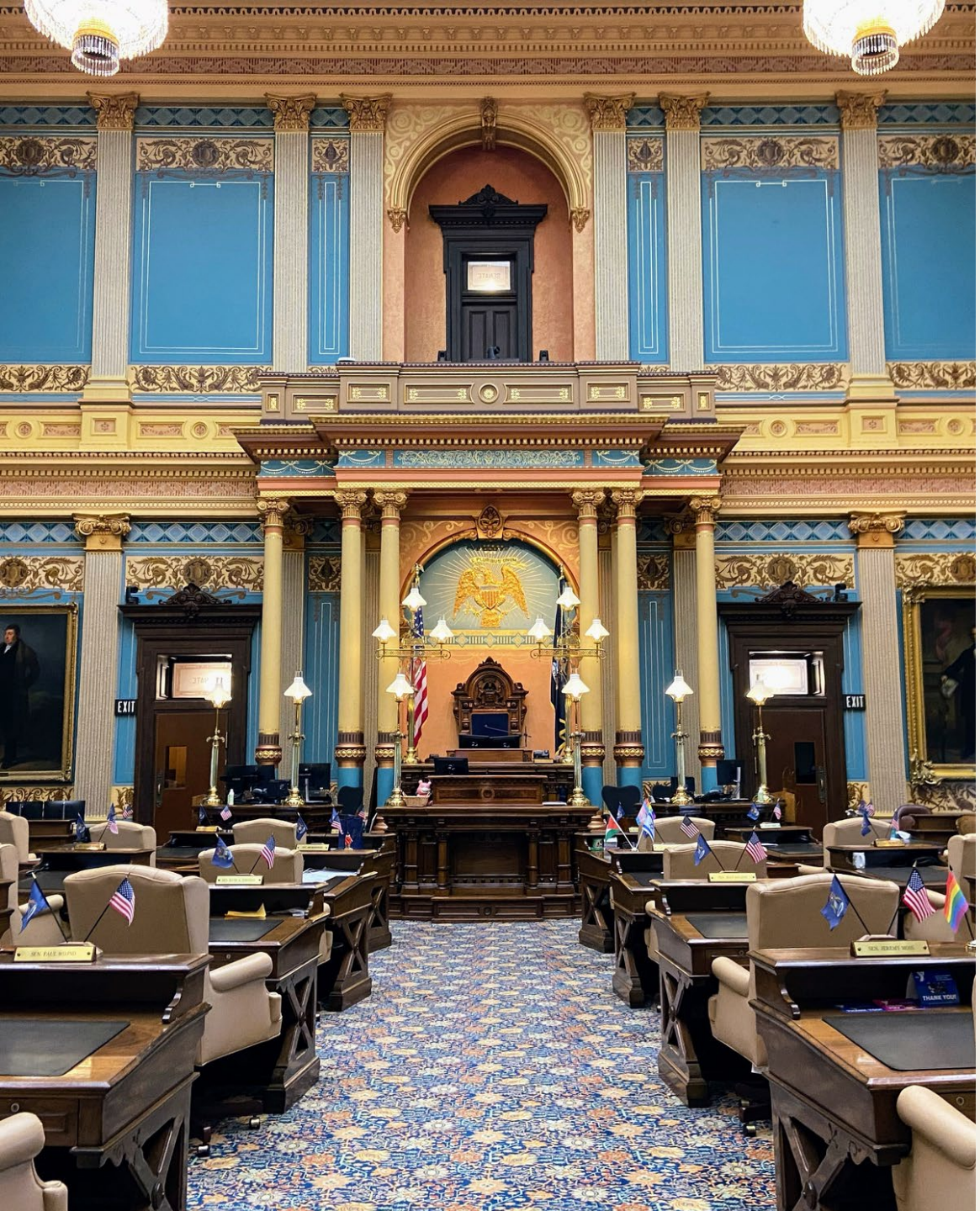


Public Act 152

The 80/20 option now establishes an employer will contribute a **minimum** dollar amount contribution as opposed to a limit:

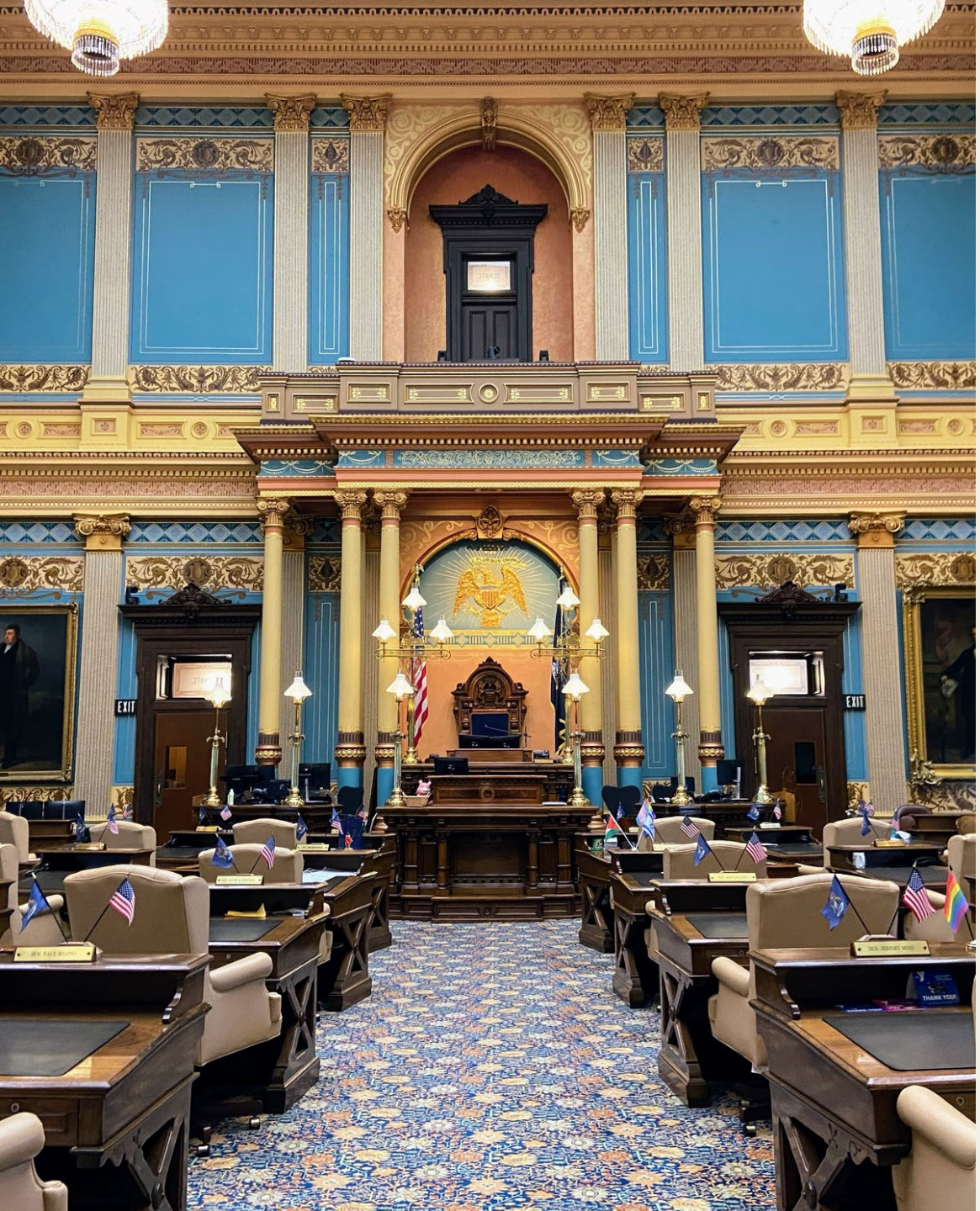
A. a public employer shall pay **not less** than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected public officials.

The Bill includes a modification for future cost growth for the Hard Cap applying an increase based on “the average of the Michigan health insurance rates, as approved by the department of insurance and financial services, or by 3%, whichever is greater.”



Public Act 152

Where it stands….



Minium Staffing

Senate Bill 1167 of 2024:

Would have enshrined in the Public Employment Relations Act (“PERA”) that Act 312 eligible employees minimum staffing was a mandatory subject of bargaining.

House did not bring the issue to a vote.

This remains a key piece of the Michigan Association of Firefighters Legislative agenda.

FLSA Overtime:

Proposed updated overtime rules have once again been stopped by a Federal Judge. The rule that was set to increase the salary threshold for overtime exemptions was halted by a federal judge less than two months before the full effective date. The Judge held the U.S. Department of Labor (DOL) exceeded its authority by raising the amount from $35,000 to $44,000 and then $59,000. The Judge struck down the phase-two increase to of $59,000 set to take effect on January 1 and also the to $44,000 from July setting the threshold back to $35,000.

Pregnant Workers Fairness Act:

The Pregnant Workers Fairness Act 2023 (PWFA) is a federal law that requires employers to make reasonable accommodations for employees who have a known limitation due to pregnancy, childbirth, or related medical conditions, unless the accommodation poses an undue hardship to the employer. On April 19, 2024, the Equal Employment Opportunity Commission (EEOC) published its final rule adopting a rule for what is a pregnancy-related condition that triggers employer accommodation obligations under the recently enacted Pregnant Workers Fairness Act (PWFA). Employers have 60 days to prepare before the new rule goes into effect.

An Employer must make reasonable accommodations for employees such as additional breaks to drink water, eat, or use the restroom; a stool to sit on while working; time off for health care appointments; temporary reassignment; temporary suspension of certain job duties; telework; or time off to recover from childbirth or a miscarriage, among others. The rule clarifies that an employer is not required to seek supporting documentation when an employee asks for a reasonable accommodation and should only do so when it is reasonable under the circumstances.

TPOAM v. Renner:

The Michigan Supreme Court in a unanimous ruling found that it was a violation of PERA for a labor union to require a non-dues paying member to pay the cost of processing a grievance to arbitration through a fee agreement.

The Court held “To the extent MERC’s conclusions of law reflected a finding that the pay-for-services fee policy violated the duty of fair representation, this decision does not constitute a substantial and material error of law, nor does it violate a statutory or constitutional provision.”

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City of Dearborn

MERC Case No. 22-C-0811-CE

CBA “No Union business will be performed on City time, other than as required in order to represent members involved in administrative procedures or as permitted elsewhere in this Agreement.”

Cease and desist from retaliating against employees for their exercise of rights protected

by Section 9 of PERA, including, but not limited to, by changing an existing practice allowing the presentation of ceremonial axes to retiring employees on the Employer’s premises, and by threatening discipline against employees for storing union retirement gifts on the Employer’s premises in the absence of any disruption of operations.

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City of Wayne

City brought action against former member of city council. Member counterclaimed, asserting claims for gender and sexual orientation discrimination and retaliation under Elliott-Larsen Civil Rights Act (ELCRA).

Exclusion of elected officials from definition of “employee” under Title VII did not requiring reading exclusion of member's employment discrimination claim;

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Act 345

Michigan Supreme Court denied leave.

Court of Appeals upheld that employers had a right to levy Act 345 millage to pay for “other retirement benefits”.

This includes retiree health care.

Allen Park

The Michigan Supreme Court denied hearing the City's appeal regarding retirement health care.

Macomb remains the standard.

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