



## Court of Appeals Ruling Halts Pending Minimum Wage Increase and New Earned Sick Time Act – For Now

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In a decision handed down January 26, 2023, the Michigan Court of Appeals (COA) overturned a lower court ruling that would have raised the state's minimum wage to \$13.03 per hour and increased the tipped minimum wage to \$11.73 per hour. See the full Court's full opinion [here](#).

The court's ruling also halts enactment of the Earned Sick Time Act (ESTA), which would have replaced the current Paid Medical Leave Act and required nearly all Michigan employers to allow employees to accrue and use paid sick time.

The minimum wage increase and ESTA were set to become effective when a court stay expired on February 19, 2023. Now both measures are on hold, which is a relief to restaurants and other businesses.

The relief may only be temporary, however, as it's likely that the COA's ruling will be appealed to the Michigan Supreme Court. If the state's high court decides to hear the case, it's unlikely that a ruling will be handed down until sometime next year.

### **What Does This Mean for Michigan Employers?**

- The minimum wage stays at \$10.10 per hour.
- The minimum wage for tipped employees stays at \$3.84 per hour.
- The Paid Medical Leave Act, which became effective in 2019, also remains in effect. This law requires employers with 50 or more workers to provide 40 hours per year of paid sick time for eligible employees.
- Employers should be aware that a Supreme Court decision or legislative action could revive the increased minimum wage and ESTA at a later date.

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Foster Swift's employment law team will continue to monitor the progress of both critical issues and provide you with additional updates:

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