

Appellate Court Overturns Lower Court's Decision on Minimum Wage, Paid Sick Leave Requirements

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Many Michigan employers can breathe a sigh of relief today.

Just weeks before the looming Feb. 19 deadline for significant changes to Michigan minimum wage and paid sick leave requirements, the Michigan Court of Appeals issued a critical decision, overturning the ruling of the Michigan Court of Claims.

Employers now have short term certainty regarding the status of these two significant laws.

In an opinion issued today, the appellate court upheld the legislative changes to the 2018 Ballot Initiatives that would have granted much expanded paid medical leave; raised the state's minimum wage and eliminated tip credit wages.

The appellate court unanimously voted to overturn the court of claims' decision from July. Key takeaways:

- Minimum wage stays at \$10.10 per hour
- Tipped wage stays at \$3.84 per hour
- Employers with 50 or more employees are still subject to Paid Medical Leave Act

This decision is likely to be appealed to the Michigan Supreme Court, but for now, this means employers that were otherwise compliant with the law prior to the court of claims' decision do not have to rush to change their policies! The current minimum wage table will continue to apply and the tip credit will still be available to employers with tipped employees.

We will continue to watch the path of these two cases and keep you advised of any new developments.