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# MICHIGAN'S EARNED SICK TIME ACT: SAMPLE EMPLOYEE HANDBOOK POLICY

UPDATED ON 2/26/25

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**OPTION 1: SICK BANK (ACCRUAL) CAN COMBINE WITH AN EXISTING PTO POLICY SO LONG AS MINIMUM ACCRUAL AMOUNTS, USAGE REQUIREMENTS, CARRYOVER PROVISIONS AND ELIGIBILITY CRITERIA MEET THESE STANDARDS:**

All employees including full-time, part-time, seasonal, and temporary workers not already covered are eligible to accrue paid sick time. (Unpaid interns/trainees and employees covered under the Youth Employment Standards Act are not eligible for this benefit.)<sup>1</sup> Employees will accrue one (1) hour of paid sick time for every 30 hours worked. Paid time off hours for holidays, vacation, personal, PTO, sick time, etc. do not count as 'hours worked' for the purposes of this policy. Sick time will begin accruing on an employee's first day of employment **but cannot be accessed until after 120 days of employment (OPTIONAL)**. Employees can use earned sick time for any of the following reasons:

- a) The employee's mental or physical illness, injury or health condition; medical diagnosis, care or treatment of the employee's mental or physical illness, injury, or health condition; or preventative medical care for the employee.
- b) For the employee's family member's mental or physical illness, injury, or health condition; medical diagnosis, care or treatment of the employee's family members' mental or physical illness, injury or health condition; or preventive medical care for a family member of the employee.
- c) If the employee or the employee's family member is a victim of domestic violence or sexual assault, for medical care or psychological or other counseling for physical or psychological injury or disability; to obtain services from a victim services organization; to relocate due to domestic violence or sexual assault; to obtain legal services; or to participate in any civil or criminal proceedings related to or resulting from the domestic violence or sexual assault.
- d) For meetings at a child's school or place of care related to the child's health or disability, or the effects of domestic violence or sexual assault on the child; or
- e) For the closure of the employee's place of business by order of a public official due to a public health emergency; for an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency; or when it has been determined by the

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<sup>1</sup> 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.

health authorities having jurisdiction or by a health care provider that the employee's or employee's family member's presence in the community would jeopardize the health of others because of the employee's or family member's exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease.

For the purposes of this policy, "family member" includes all the following:

- a) Biological, adopted or foster child, stepchild, or legal ward, a child of a domestic partner, or a child to whom the employee stands in loco parentis.
- b) Biological parent, foster parent, stepparent, or adoptive parent or a legal guardian of an employee or an employee's spouse or domestic partner or a person who stood in loco parentis when the employee was a minor child.
- c) A person to whom the employee is legally married under the laws of any state or a domestic partner.
- d) A grand parent.
- e) A grandchild.
- f) A biological, foster or adopted sibling.
- g) Any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

**(IF EMPLOYER HAS 11 OR MORE EMPLOYEES USE THIS ENDING.)**

A maximum of 72 hours of accrued sick time can be used in a year. For the purposes of this policy, a year is defined as **(CALENDAR YEAR, FISCAL YEAR OR OTHER 12 MONTH PERIOD OF TIME)**. Sick time will be granted in 1-hour increments and paid at the employee's normal hourly rate/base wage. **CHOOSE: A maximum of 72 hours of unused sick time can be carried over from one benefit year to the next. OR Unused sick time will be paid out at the end of the benefit year at the employee's normal hourly rate/base wage.**

**CHOOSE: All unused, accrued sick time will be forfeited at the time of separation (unless the employee is reinstated within 2 months). OR All unused, accrued sick time will be paid out at the time of separation at the employee's normal hourly rate/base wage.**

Employees are asked to provide notice no more than 7 days in advance if they are aware of the need to use sick time or as soon as reasonably practicable following COMPANY NAME'S documented notice and call-in procedures.

Employees will not be penalized or retaliated against in any way for requesting or using accrued paid sick time for the purposes designated above.

**(IF EMPLOYER HAS 10 OR LESS EMPLOYEES USE THIS ENDING.)**

A maximum of 40 hours of accrued sick time can be used in a year. For the purposes of this policy, a year is defined as **(CALENDAR YEAR, FISCAL YEAR OR OTHER 12 MONTH PERIOD OF TIME)**. Sick time will be granted in

1-hour increments and paid at the employee's normal hourly rate/base wage. **CHOOSE:** A maximum of 40 hours of unused sick time can be carried over from one benefit year to the next. **OR** Unused sick time will be paid out at the end of the benefit year at the employee's normal hourly rate/base wage.

**CHOOSE:** All unused, accrued sick time will be forfeited at the time of separation (unless the employee is reinstated within 2 months). **OR** All unused, accrued sick time will be paid out at the time of separation at the employee's normal hourly rate/base wage.

Employees are asked to provide notice no more than 7 days in advance if they are aware of the need to use sick time or as soon as reasonably practicable following COMPANY NAME'S documented notice and call-in procedures.

Employees will not be penalized or retaliated against in any way for requesting or using accrued paid sick time for the purposes designated above.

**OPTION 2: SICK BANK (FRONTLOAD) CAN COMBINE WITH AN EXISTING PTO POLICY SO LONG AS MINIMUM ACCRUAL AMOUNTS, USAGE REQUIREMENTS AND ELIGIBILITY CRITERIA MEET THESE STANDARDS:**

All employees including full-time, part-time, seasonal, and temporary workers not already covered are eligible to accrue paid sick time. (Unpaid interns/trainees and employees covered under the Youth Employment Standards Act are not eligible for this benefit.)<sup>2</sup> Employees will accrue one (1) hour of paid sick time for every 30 hours worked. Paid time off hours for holidays, vacation, personal, PTO, sick time, etc. do not count as 'hours worked' for the purposes of this policy. Sick time will begin accruing on an employee's first day of employment and is available for immediate use.

COMPANY NAME will front-load sick banks for full-time employees with the maximum annual benefit amount of **XX** hours (72 hours minimum for employers with 11+ employees, 40 hours minimum for employers with 10 or less employees) on **DATE** (define the start date of your benefit year) of each year. The employee will then have the remaining 12 months to use their sick time. Employees who become eligible for sick time benefits after the start of the benefit year will have their maximum annual sick hours prorated based on date of hire/eligibility. Part-time employees will have their annual allotment of sick hours prorated based on their projected work schedule for the year using the one (1) hour of paid sick time for every 30 hours worked formula. An analysis will be completed periodically to ensure that the hours awarded continue to align with actual hours worked, and any shortages in sick time allotment will be corrected.

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<sup>2</sup> 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.

**Should separation of employment occur after sick time has been taken but not fully accrued, the employee will be required to repay the un-accrued time. The unaccrued portion will be charged back to the employee's final check within the provisions of the law. (OPTIONAL)**

Employees can use earned sick time for any of the following reasons:

- a) The employee's mental or physical illness, injury or health condition; medical diagnosis, care or treatment of the employee's mental or physical illness, injury, or health condition; or preventative medical care for the employee.
- b) For the employee's family member's mental or physical illness, injury, or health condition; medical diagnosis, care or treatment of the employee's family members' mental or physical illness, injury or health condition; or preventive medical care for a family member of the employee.
- c) If the employee or the employee's family member is a victim of domestic violence or sexual assault, for medical care or psychological or other counseling for physical or psychological injury or disability; to obtain services from a victim services organization; to relocate due to domestic violence or sexual assault; to obtain legal services; or to participate in any civil or criminal proceedings related to or resulting from the domestic violence or sexual assault.
- d) For meetings at a child's school or place of care related to the child's health or disability, or the effects of domestic violence or sexual assault on the child; or
- e) For the closure of the employee's place of business by order of a public official due to a public health emergency; for an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency; or when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or employee's family member's presence in the community would jeopardize the health of others because of the employee's or family member's exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease.

For the purposes of this policy, "family member" includes all the following:

- a) Biological, adopted or foster child, stepchild, or legal ward, a child of a domestic partner, or a child to whom the employee stands in loco parentis.
- b) Biological parent, foster parent, stepparent, or adoptive parent or a legal guardian of an employee or an employee's spouse or domestic partner or a person who stood in loco parentis when the employee was a minor child.
- c) A person to whom the employee is legally married under the laws of any state or a domestic partner.
- d) A grand parent.
- e) A grandchild.
- f) A biological, foster or adopted sibling.
- g) Any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

Sick time will be granted in 1-hour increments and paid at the employee's normal hourly rate/base wage.

**CHOOSE:** A maximum of XX hours of unused sick time can be carried over from one benefit year to the next.

**OR** Unused sick time will be paid out at the end of the benefit year at the employee's normal hourly rate/base wage. **OR** Unused sick time cannot be carried over into subsequent years, nor will any employee receive pay in lieu of unused hours.

**CHOOSE:** All unused, accrued sick time will be forfeited at the time of separation (unless the employee is reinstated within 2 months). **OR** All unused, accrued sick time will be paid out at the time of separation at the employee's normal hourly rate/base wage.

Employees are asked to provide notice no more than 7 days in advance if they are aware of the need to use sick time or as soon as reasonably practicable following COMPANY NAME'S documented notice and call-in procedures.

Employees will not be penalized or retaliated against in any way for requesting or using accrued paid sick time for the purposes designated above.

*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.*

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## QUESTIONS

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