408.963.amended Paid medical leave to be provided by employer; accrual; use; carry over for benefit year; pay rate; "hours worked" and "paid leave" defined.

Sec. 3. (1) An employer shall provide paid medical leave to each of the employer's eligible employees in this state.

(2) Except as otherwise provided in subsection (3), an eligible employee must accrue paid medical leave at a rate of at least one hour of paid medical leave for every 35 hours worked. An employer is not required to allow an eligible employee to accrue more than 1 hour of paid medical leave in a calendar week. An employer may limit an eligible employee's accrual of paid medical leave to not less than 40 hours per benefit year. An employer is not required to allow an eligible employee to carry over more than 40 hours of unused accrued paid medical leave from one benefit year to another benefit year. An employer is not required to allow an eligible employee to use more than 40 hours of paid family medical leave in a single benefit year.

(3) As an alternative to subsection (2), an employer may provide at least 40 hours of paid medical leave to an eligible employee at the beginning of a benefit year. For eligible employees hired during a benefit year, an employer may prorate paid medical leave provided under this subsection. If an employer elects to provide paid medical leave to an eligible employee pursuant to this subsection, the employer is not required to allow the eligible employee to carry over any of that paid medical leave to another benefit year.

(4) Paid medical leave as provided in this section shall begin to accrue on the effective date of this law, or upon commencement of the employee's employment, whichever is later. An employee may use accrued paid medical leave as it is accrued, except that an employer may require an employee to wait until the ninetieth calendar day after commencing employment before using accrued paid medical leave.

(5) There is a rebuttable presumption that an employer is in compliance with this act if the employer provides at least 40 hours of paid leave to an eligible employee each benefit year.

(6) An employer shall pay each eligible employee using paid medical leave at a pay rate equal to the greater of either the normal hourly wage or base wage for that eligible employee or the minimum wage rate established in section 4 of the improved workforce opportunity wage act, 2018 PA 337, MCL 408.934. An employer is not required to include overtime pay, holiday pay, bonuses, commissions, supplemental pay, piece-rate pay, or gratuities in the calculation of an eligible employee's normal hourly wage or base wage.

(7) As used in this section:
(a) "Hours worked" does not include, unless otherwise included by an employer, hours taken off from work by an eligible employee for paid leave.
(b) "Paid leave" includes, but is not limited to, paid vacation days, paid personal days, and paid time off.


Compiler's note: Public Act 338 was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. On September 5, 2018, the initiative petition was approved by an affirmative vote of the majority of the members of the Senate and an affirmative vote of the majority of the members of the House of Representatives, and filed with the Secretary of State on September 5, 2018.