

HOUSE BILL NO. 4448

May 06, 2025, Introduced by Reps. Weiss, Glanville, Brixie, Andrews, Martus, Hope, Rogers, Xiong, B. Carter, Foreman, Neeley, Rheingans, Tsernoglou, MacDonell, Young, Pohutsky, Conlin, Steckloff, Mentzer, Wegela, McKinney, Longjohn, Dievendorf, McFall, Breen, Wilson, Byrnes, Paiz, Price, T. Carter and Tate and referred to Committee on Economic Competitiveness.

A bill to prohibit employers from wrongfully discharging employees; to provide for the powers and duties of certain state and local governmental officers and entities; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "wrongful discharge from
2 employment act".

3 Sec. 3. As used in this act:

4 (a) "Constructive discharge" means an employee's decision to
5 terminate employment because of a situation created by an act or
6 omission of the employer that an objective, reasonable person would

1 find so intolerable that termination is the only reasonable
2 alternative. Constructive discharge does not include the decision
3 to terminate employment because of an employer's refusal to promote
4 the employee or improve wages, responsibilities, or other terms and
5 conditions of employment.

6 (b) "Department" means the department of labor and economic
7 opportunity.

8 (c) "Director" means the director of the department or the
9 director's designee.

10 (d) "Discharge" includes constructive discharge and any other
11 termination of employment including, but not limited to, any of the
12 following:

13 (i) Resignation.

14 (ii) Elimination of the job.

15 (iii) Layoff for lack of work.

16 (iv) Failure to recall or rehire.

17 (v) Any other cutback in the number of employees.

18 (e) "Employee" means an individual who works for an employer
19 under an express or implied contract of hire. Employee does not
20 include an individual who is an independent contractor.

21 (f) "Employer" means a person that employs 1 or more
22 employees.

23 (g) "Fringe benefits" means any employer-paid vacation leave,
24 sick leave, medical insurance plan, disability insurance plan, life
25 insurance plan, or pension benefit plan in effect on the date of a
26 discharge.

27 (h) "Just cause" means reasonable job-related grounds for
28 dismissal based on a failure to satisfactorily perform job duties
29 or a disruption of the employer's operation.

1 (i) "Lost wages" means the gross amount of wages that would
2 have been reported to the Internal Revenue Service as gross income
3 on form W-2 had employment not been terminated, and includes
4 additional compensation deferred at the option of the employee.

5 (j) "Person" means an individual or a sole proprietorship,
6 partnership, corporation, association, or any other legal entity.

7 (k) "Public policy" means a policy in effect on the date of a
8 discharge concerning the public health, safety, or welfare
9 established by law.

10 (l) "Wrongful discharge" means a discharge if 1 or more of the
11 following conditions exist:

12 (i) The discharge was in retaliation for the employee's refusal
13 to violate public policy or for reporting a violation of public
14 policy.

15 (ii) The discharge was not for just cause and the employee had
16 completed the employer's probationary period of employment.

17 (iii) The employer violated the express provisions of the
18 employer's own written personnel policy.

19 Sec. 5. (1) Except as otherwise provided in subsection (2), an
20 employer shall not wrongfully discharge an employee.

21 (2) During a probationary period of employment, an employee is
22 an at-will employee. An employer shall not establish a probationary
23 period of employment that is longer than 3 months. There is not a
24 probationary period of employment if either of the following apply:

25 (a) The employer fails to establish the probationary period of
26 employment before or at the time of hire.

27 (b) The employer fails to give notice to the employee of the
28 employee's probationary period of employment before or at the time
29 of hire.

1 (3) The following factors must be used to determine whether
2 just cause exists:

3 (a) Whether the employer did 1 or more of the following:

4 (i) Notified the employee of the workplace policy or rule that
5 the employee allegedly violated before the alleged violation
6 occurred.

7 (ii) Before discharging the employee, conducted a fair and
8 objective investigation to determine if the employee violated a
9 workplace policy or rule.

10 (iii) Based on the investigation conducted under subparagraph
11 (ii), obtained substantial evidence that the employee violated a
12 workplace policy or rule.

13 (iv) Applied the employer's workplace policies and rules fairly
14 and without discrimination.

15 (b) Whether the workplace policy or rule that the employee
16 allegedly violated is related to reasonable business efficiency and
17 performance expectations for the employee.

18 (c) Whether the discharge was reasonably related to the
19 seriousness of the employee's alleged violation, taking into
20 consideration the employee's disciplinary record.

21 Sec. 7. (1) If an employer violates this act, the employee
22 affected by the violation may do either or both of the following:

23 (a) Bring an action to recover damages not later than 2 years
24 after the date of the violation.

25 (b) File a complaint with the department not later than 1 year
26 after the date of the violation.

27 (2) An employee who prevails in an action brought under
28 subsection (1)(a) may be awarded damages for 1 or more of the
29 following:

1 (a) Lost wages and fringe benefits. An award ordered under
2 this subdivision must not include wages that the employee earned or
3 could have reasonably earned less any expenses incurred by the
4 employee as a result of obtaining, searching, or relocating for
5 employment.

6 (b) Punitive damages if it is established by clear and
7 convincing evidence that the employer discharged the employee in
8 retaliation for the employee's refusal to violate public policy or
9 for reporting a violation of public policy and did so fraudulently
10 or with malice.

11 (3) The director shall enforce this act. The director shall
12 establish a system using multiple means of communication to receive
13 complaints of violations of this act and investigate complaints
14 received by the department in a timely manner.

15 (4) On receiving a complaint alleging a violation of this act,
16 the department shall investigate the complaint and attempt to
17 resolve it through mediation between the complainant and the
18 subject of the complaint, or other means. The department shall keep
19 complainants notified regarding the status of the complainants'
20 complaint and any resultant investigation. If the department
21 determines that a violation has occurred, the department shall
22 issue to the offending employer a notice of violation and the
23 relief required of the offending employer. The department shall
24 prescribe the form and wording of notices of violation that must
25 include the method of appealing the determination of the
26 department.

27 (5) The department may impose penalties and grant an employee
28 or former employee payment of wages lost because of a wrongful
29 discharge. The department is the trustee for the employee or former

1 employee and shall distribute and account for money collected under
2 this subsection.

3 (6) An employer that willfully violates this act is subject to
4 an administrative fine of not more than \$500.00.

5 Sec. 9. (1) Except as specifically provided in this act, this
6 act does not limit or affect any rights guaranteed an individual by
7 law.

8 (2) This act applies to public employers and public employees,
9 except to the extent that it is inconsistent with section 5 of
10 article XI of the state constitution of 1963.

11 (3) If a collective bargaining agreement or other contract
12 that is inconsistent with this act is in effect for an employee on
13 the effective date of this act, this act applies to that employee
14 beginning on the date the collective bargaining agreement or other
15 contract expires or is amended, extended, or renewed.

16 (4) This act does not apply to an employee if a collective
17 bargaining agreement or other contract in effect for the employee
18 provides for discharge only if there is just cause.

19 (5) This act does not limit an employee's right to bargain or
20 contract with an employer for protections against wrongful
21 discharge that are in addition to the employee's rights under this
22 act.

23 (6) An employer shall not require an employee to sign a waiver
24 of the employee's rights under this act. A waiver of an employee's
25 rights under this act is void.