

# CLIENT ALERTS

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## Time is Running Out—Senate Attempts to Address ESTA, Minimum Wage Laws

### Client Alert

2.6.2025

Mere weeks before the Earned Sick Time Act (ESTA) and minimum wage changes are set to take effect on February 21, 2025, legislators in Lansing are making last-ditch efforts to modify the laws and lessen their impact on Michigan businesses. But will it be too little, too late?

On January 23, 2025, the House of Representatives passed legislation that would amend ESTA and the tipped wage legislation. House Bill 4002 included several key changes, such as defining small businesses as those with fewer than 50 employees, limiting carryover to 72 hours, changing the increment of use and removing the ability to file a private right of action. House Bill 4001 addressed tipped wages for servers, including maintaining the tipped minimum wage at 38% and gradually increasing the minimum wage to \$15.00 per hour by 2028.

After a very quiet last week in the Senate, Wednesday, February 5<sup>th</sup>, the Michigan Senate Regulatory Affairs Committee heard testimony on Senate Bill 15, which would modify the definition of a small business to be less than 25 employees, instead of the current definition of less than 10. Separately, Senate Bill 8 is being considered, which would modify the impending increases to the minimum wage. This bill would accelerate increases to the Michigan minimum wage to \$15.00 per hour by 2027 but keep the tipped wage at 38% of the minimum wage for 2025, with gradual increases in subsequent years. Both bills are set for hearings next week: ESTA on Tuesday, February 11<sup>th</sup> and Minimum Wage on Wednesday, February 12<sup>th</sup>.

Butzel is keeping close watch over this rapidly developing situation. For up-to-date advice on how these changes impact your organization and recommended next steps while the legislative efforts continue, please contact your Butzel attorney

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