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Michigan Court Upholds Immediate Application of Earned Sick Time Act to Collective Bargaining Agreements Silent on Sick Pay

In a significant decision that will impact unionized workers across Michigan, on July 17, 2025 the Michigan Court of Claims ruled that the Michigan Earned Sick Time Act (“ESTA”) applies to employees covered by collective bargaining agreements (“CBAs”) that are silent on the issue of sick pay. The court rejected arguments from the Michigan Chapter of the National Electrical Contractors Association (NECA) that applying the ESTA to employees covered by CBAs would violate constitutional protections and federal labor law.

The case centered on a single phrase in the ESTA: whether a CBA "conflicts with this act." Under the statute, if a CBA conflicts with ESTA, the ESTA does not apply until the CBA expires. However, the ESTA does not specify whether it applies to CBAs that are silent on the subject of sick pay.

NECA argued that silence equals conflict based on the legal argument that because sick time is a mandatory subject of collective bargaining, if a CBA does not mention sick time, then the CBA excludes sick time from the CBA by operation of law. NECA argued that these "silent" CBAs would therefore conflict with the ESTA.

The Michigan Department of Labor and Economic Opportunity (“LEO”) disagreed, taking the position that only CBAs that actually address sick pay conflict with the ESTA’s requirements because "conflict" requires active opposition, meaning that only CBAs that address sick pay are contradictory or inconsistent with the ESTA’s requirements. LEO argued that a CBA that is silent on sick pay does not actively conflict with ESTA -- it simply does not address the topic.

The Court upheld LEO’s interpretation of the ESTA and held that employers signatory to CBAs that are silent on the subject of sick pay are required to provide employees covered by the CBA with the sick pay required by the ESTA.

This decision has immediate consequences.

1. **CBAs silent on sick pay do not "conflict" with ESTA** – the ESTA applies to covered employees.
2. **Express sick time language still protects existing CBAs** – if a CBA entered into prior to the effective date of the ESTA explicitly covers sick pay – even if it provides less sick pay than the employees would be entitled to receive under the ESTA - the ESTA does not apply to employees covered by that CBA until it expires.
3. **Constitutional challenges failed** – the Court found ESTA's application reasonable and within the state's power to mandate.
4. **Federal labor law does not preempt state minimum standards** – ESTA joins minimum wage and other baseline protections as valid state regulations that are not preempted by the National Labor Relations Act.

It is possible that NECA will appeal this decision, and courts of appeal reviewing legal issues such as the challenges raised to the ESTA in this case do so with a clean slate. However, appeals are always an uphill battle with uncertain outcomes and can take years to resolve.

In the meantime, employers that have not already done so should evaluate their CBAs and prepare to comply with the ESTA unless their CBA addresses sick pay.