

How Michigan's Earned Sick Time Act (ESTA) law was manipulated to rob Nexteer workers of 32 vacation hours

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When 1,700 workers at Nexteer Automotive in Saginaw, Michigan opened their first paychecks after the United Auto Workers apparatus narrowly rammed through a fourth contract at the end of June, they found that 32 hours of vacation time, four full days they had earned, had disappeared. Not one official from UAW Local 699 or the International breathed a word of this before the vote. When workers demanded an explanation, they were handed two words: “gray area.”

There is nothing gray about it.

Michigan's Earned Sick Time Act (ESTA) requires every employer in the state to provide workers 72 hours of paid sick leave per year. Nexteer workers already had 40 hours of sick time. The law should have meant 32 new hours of paid time off on top of that. Instead, Nexteer took 32 hours out of workers' existing vacation banks and relabeled them “sick time.” This accounting trick is how they met the 72-hour requirement without spending an additional dime on paid time off.

Vacation time belongs to workers. They schedule it. They use it as they see fit. It is paid out when they leave. “Sick time” comes with strings: usable only for approved reasons, subject to demands for documentation, and worth nothing upon separation. At an average \$23 an hour across 1,700 workers, Nexteer avoided roughly \$1.25 million a year in obligations it should have borne. Workers call it what it is: a heist.

What happened in Saginaw is a warning to every unionized workplace in Michigan. The legal machinery was supplied by Democratic Governor Gretchen Whitmer, both big-business parties, and the Michigan Chamber of Commerce. The UAW stood silent and still stands silent.

How the law was gutted

In 2018, Michigan voters backed ESTA as a ballot initiative. The original law guaranteed 72 hours of paid sick leave, the right to sue employers who violated it, and a legal presumption that any discipline within 90 days of a worker using sick time

was retaliation. The Republican-controlled legislature adopted the initiative solely to keep it off the ballot, then gutted it in a lame-duck “adopt-and-amend” fraud without precedent in state history.

After six years of litigation, the Michigan Supreme Court ruled on July 31, 2024 that the maneuver was unconstitutional and ordered the original ESTA into effect on February 21, 2025. But the court added that the legislature “may, of course, amend the laws as it sees fit,” which handed the ruling class a roadmap to gut it again.

Big business followed the map to the letter. Late on the night of February 20, 2025, just hours before the voter-enacted law would have taken effect, the legislature passed a rewrite championed by an employer coalition led by the Michigan Chamber of Commerce, the bloc that speaks for companies like Nexteer, whose US operations chief sits on the Michigan Manufacturers Association board. Whitmer signed it as Public Act 2 of 2025, retroactive to 12:02 a.m. February 21. The law Michigan voted for was never in force for a single minute.

The rewrite kept the 72 hours on paper while stripping out every means of enforcement. Section 3(7)(a) allows an employer to “comply” by counting existing paid time off, including vacation time, toward the 72-hour mandate rather than providing a single new hour. That clause is the legal cover for the Saginaw theft: 40 existing sick hours plus 32 seized from vacation equals 72 on paper. Management-side law firms saw it instantly. Jackson Lewis P.C. told clients employers would welcome the changes; Ogletree Deakins called the law “employer-friendly.”

Gone, too, is the right to sue. Workers must instead petition an understaffed state agency. Gone is the retaliation presumption. Employers may now discipline workers for “improper” use of sick time or for violating notice rules the employer itself writes.

For union workers, the law contains a time bomb. ESTA does not apply to workers covered by a collective bargaining agreement in force on February 21, 2025 until that contract expires. Nexteer's contract expired March 27, 2026, making its workers among the first hit. As agreements lapse at plant after

plant, every UAW member, and every unionized worker in Michigan faces the same relabeling scheme.

Where was the UAW?

In December 2024, UAW President Shawn Fain declared that the union would oppose any bill undermining the Supreme Court's order. When Whitmer signed precisely such a bill, the UAW said nothing and has said nothing since, even as its own members are looted under the law's cover.

The swindle was unknowingly paid for with workers' own money. The UAW endorsed Whitmer in both her gubernatorial campaigns. In the 2018 cycle its political action committee spent over \$3.8 million: \$68,000 directly to Whitmer's campaign, \$200,000 to the Michigan Democratic Party, and \$250,000 through V-CAP to Build a Better Michigan, a shadowy pro-Whitmer ad vehicle. In 2022, the UAW was among five unions that poured \$3 million into Michigan races, virtually all to Democrats.

The investment has paid dividends for the corporations. Since 2021, Whitmer has handed automakers and other businesses over \$2 billion in subsidies while pitching Michigan to global capital as a cheap-labor platform and cutting school funding. Signing away sick leave at the Chamber's dictation was entirely in character.

Nor is the swindle unique to Michigan. In California, Governor Gavin Newsom, another Democrat, shelved a healthcare minimum wage the Service Employees International Union (SEIU) had championed, and the union applauded his budget anyway. The pattern is universal: the Democrats and the union apparatus promote a reform to corral workers' votes, gut it to appease business, then enforce silence.

The contract that made it possible

The stolen vacation is only the first entry on the bill at Nexteer. As of this writing workers' first checks contained none of the retroactive pay owed since March 27, 2026, and they still have not received it. The UAW, however, deducted union dues at the new, higher rate before the raise itself appeared and took dues twice in one month, one from the ratification bonus and the other from the paycheck. Promised double-time and double-time-and-a-half for the July 3–5 holiday weekend never materialized.

The ratification was illegitimate from the start. Workers rejected three successive UAW-backed deals and voted to strike by 86 percent. The bureaucracy refused to call one. It

extended the contract behind workers' backs. It colluded with management to fire Antwiane Sanders, a worker with over a decade of seniority, for criticizing UAW International Rep Jason Tuck at a contract rollout meeting which was held inside the plant under management's watchful eyes.

For the fourth vote, several members of the election committee were replaced by company loyalists. The vote was moved onto the shop floor, where management could monitor who cast ballots. Probationary employees were permitted to vote and promised signing bonuses, only to be laid off after the deal scraped through with 57 percent.

The conclusions are on the pay stub

The Nexteer Workers Rank-and-File Committee has raised the demands that flow from this experience: restore the 32 vacation hours, with ESTA sick time in addition to, not stolen from, existing benefits; immediate payment of all retroactive wages; reinstatement of Antwiane Sanders with full back pay; and rank-and-file control over votes, grievances, health and safety.

None of this will be granted by appeals to the Democratic Party, the courts, or the union bureaucracy that carried out the robbery. It requires building rank-and-file committees at Nexteer and every plant, independent of the UAW apparatus and both corporate parties, united through the International Workers Alliance of Rank-and-File Committees (IWA-RFC). If nine days of sick leave cannot survive the profit system's political machinery, then the fight for the most basic workers' rights must be seen as a fight against capitalism itself and for the industrial and political mobilization of the working class on a socialist program.

Contact the Nexteer Workers Rank-and-File Committee at nexteerworkersrffc@gmail.com or text (947) 622-2198.



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