



Minnesota Paid Leave

Employer Roles & Responsibilities March 5, 2025

Why Paid Leave Matters

- Minnesotans take care of each other. In our communities, families, and workplaces, we step up and help the people we care about.
- Minnesota Paid Leave will support people when they need time
 to care for themselves and their loved ones.
- Supporting your employees when they need time for leave builds connections in our families, communities, and workplaces, and improves employee retention, performance, and morale on the job.
- Minnesota Paid Leave will help ensure Minnesotans don't need to choose between financial stability and being there for their families.



Minnesota's Paid Leave Law

- The Minnesota Paid Leave law, enacted in May 2023 and updated in May 2024, makes paid family and medical leave coverage available to Minnesota workers beginning Jan. 1, 2026.
- The law provides **job protections and payments** to individuals who take leave for a qualifying condition, such as to bond with a new child or for medical care for themselves and their loved ones.
- Minnesota Paid Leave will be funded by premiums made up of contributions from employees and employers, with employers responsible for paying these premiums to the state.
- The state will send payments directly to individuals on leave.

Covered Leave

Medical Leave

1-12 Weeks

Family Leave

1-12 Weeks

Bonding



Leave to care for an individual's own serious medical condition

Medica



Leave to bond with an individual's child during the first 12 months after the child's birth or after the placement of the child through adoption or foster care.



Leave because a family member is on active duty or has been notified of an impending call or order to active duty in the Armed Forces.



Leave to care for a family member with a serious health condition.



Safety
Leave because of
domestic abuse, sexual
assault, or stalking of
the individual or
individual's family
member.

Maximum of 20 weeks combined in one year if someone qualifies for both medical and family leave.

Qualifying conditions must last more than seven days and be certified by a health care provider or designated professional.

Covered Employees

Covered employees include:

Full-time, part-time workers

Most seasonal employees

Owner-officers who draw a

salary

Agricultural workers

Employees of religious

organizations

Temporary workers

Student workers

Employed family members

First responders

Elected and appointed officials

Not covered, can opt in:

Independent contractors

Self-employed individuals

Tribal Nations

Not covered, can't opt in:

Federal government employees

Exempt seasonal employees

Railroad employees

Paid Leave Wage Payments

- Paid Leave helps Minnesotans focus on what matters, whether that's caring for a child, recovering from an illness, or supporting a loved one.
- Minnesotans can get up to 90% of usual wages, up to a maximum of \$1,372 per week (based on 2024 numbers).
- Lower-wage workers get more support. If you earn less, you'll get a higher percentage of your paycheck covered while on leave.
- You must have earned at least 5.3% of the statewide average annual wage in the past year to be eligible (\$3,700 in 2025).



Paid Leave Job Protection



- Job protected leave improves employee retention, as workers can take the time they need to bond and care without having to choose between their job and their family.
- An employee who has taken family or medical leave must be restored to the same position or an equivalent position with the same pay, status, benefits, length of service, and seniority as prior to the date of leave.
- Job protections for employees begin after 90 calendar days from the date of hire.





Employer Roles and Responsibilities

Making Paid Leave Work

Building Paid Leave: Key Milestones

2024

- Public Comment on rulemaking for Paid Leave, summer, fall and winter 2024
- Quarterly wage reporting started Oct. 31, 2024
- **Equivalent Plan guidance** issued Dec. 17, 2024

2025

- Equivalent Plan applications open for employer exemptions in spring 2025
- Rules adopted mid-year
- Employers need to notify their employees about Paid Leave benefits by Dec. 1, 2025

2026

- Payroll Deductions start Jan. 1,
 2026
- Benefits and leave available to Minnesotans Jan. 1, 2026
- Small Business Assistance funding available Jan. 1, 2026
- First quarterly premium due by April 30, 2026

Employers' Role in Paid Leave

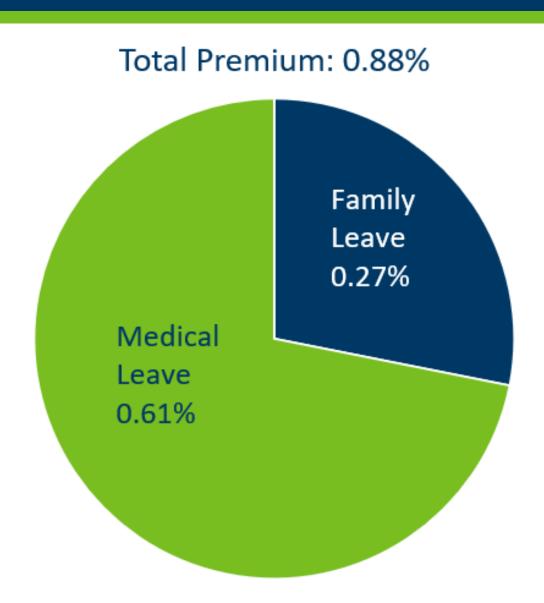
Reporting & Premiums	Educate & Inform
☐ Payroll deduction & premium payment	☐ Workforce Posters
☐ Wage Reporting	☐ Individual Notifications
Lagran Administration	Callabanata O Incomessa
Leave Administration	Collaborate & Improve
Leave Administration ☐ Coordinate other leaves and payments to employees on leave	Collaborate & Improve Collaborate on how to operationalize the law

As an employer, you play an important role in helping your employees learn about and access Paid Leave and in building an effective program.

Paid Leave Premiums

Paid Leave will be financed by premiums collected from employee payroll deductions and employer contributions.

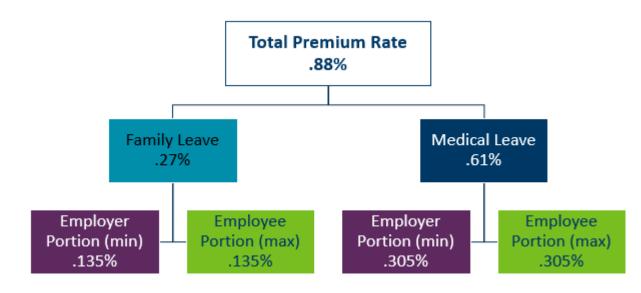
- When Paid Leave begins for Minnesotans in 2026, the premium rate will be .88%.
- The premium rate is applied on wages up to the Social Security cap (\$176,100).
- The total premium rate covers both family leave and medical leave.



Sharing the Premiums

Premiums will be shared between employers and employees.

- The first premiums are due by April 30, 2026.
- Starting January 1, 2026, employers can deduct up to 50% of premiums from employee paychecks.
- Employers may choose to pay more than their required portion for some or all employees.



Small Employer Premiums

Small employers pay a reduced premium.

- For small employers, their standard contribution is reduced by half.
- To qualify, an employer must have 30 or fewer employees, and an average employee wage of 150% or less of the statewide average (\$107,016 in 2025).
- This reduced employer premium does not change the amount owed by employees.



Reporting Wages

To determine if someone is eligible for Paid Leave payments, Minnesota employers need to report wage data for their employees.

- To make things easier for employers, Paid Leave is using the same online reporting system as Unemployment Insurance (UI) to collect wage data now, and premiums starting in 2026.
- Wages will be reported once per quarter using the current UI wage detail reporting process and format.
- As of February 1, employers have reported wages for more than 3.4 million employee records through the UI online portal.







Your Employer Account

Making Paid Leave Work

Creating an Account

Who needs to create an account?

If all your employees are covered by Unemployment Insurance (UI), you do not need to take any new action. Your UI account has been converted into a joint UI & Paid Leave account.

You may need to create a Paid Leave Only Account if:

You do not have a UI account

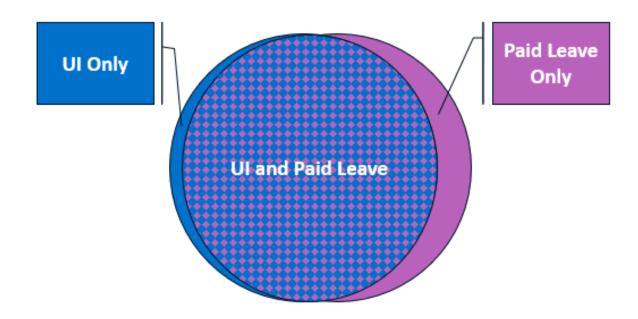


Some of your employees are not included in your UI wage account

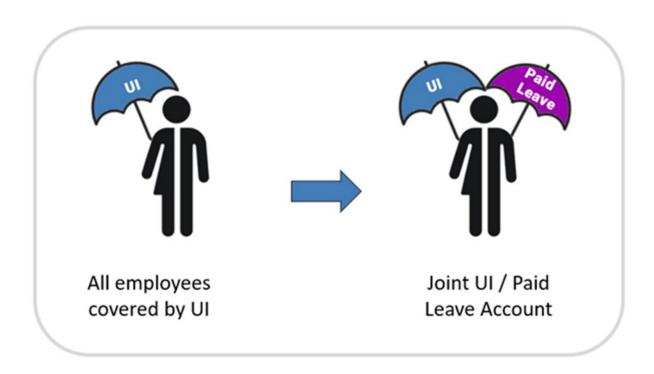


- Leveraging UI
- Similarities, differences
- Basic overview of registration
- Questions

Most work in the state is covered by both UI and Paid Leave



UI accounts become UI/Paid Leave Joint accounts



Benefit of Joint UI/Paid Leave Accounts

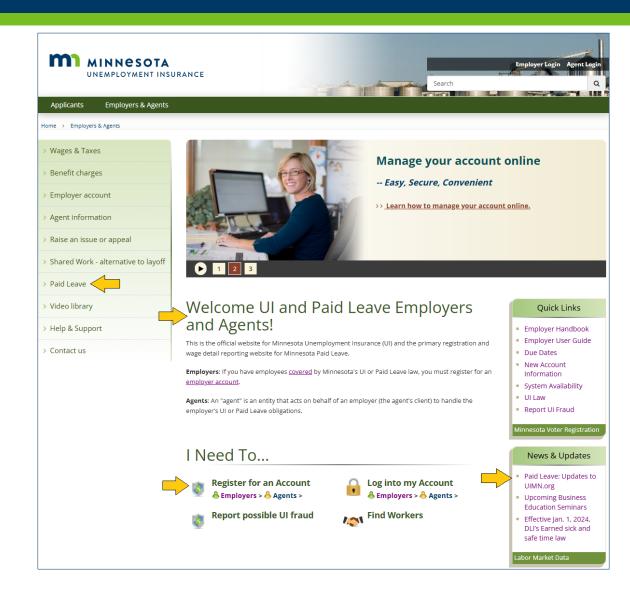
- For most employers, no further action is necessary.
- Just keep reporting wage detail as you have.
- All the processes are the same and file formats are the same.
- If you use a Third-Party Administrator, they will just keep sending us files on your behalf.
- Paid Leave Premiums are not due until April 2026 which will be for wages paid during Q1 2026.

We are re-branding – www.uimn.org



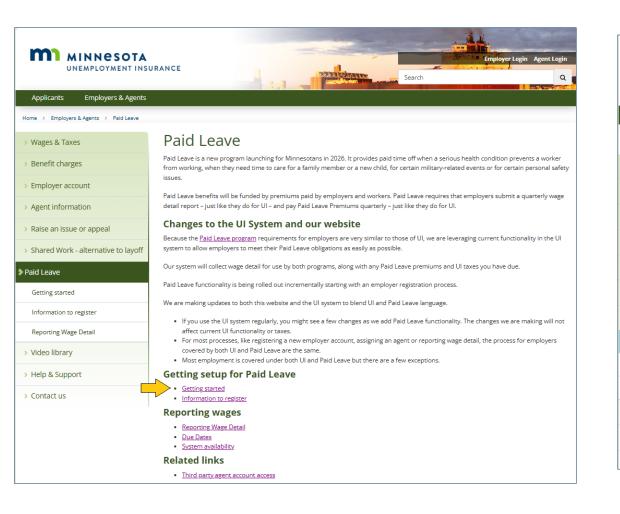
UI to UI/Paid Leave 1

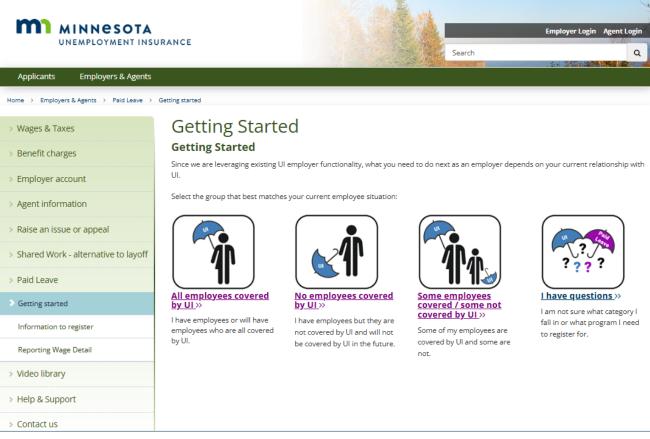
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UI to UI/Paid Leave 2

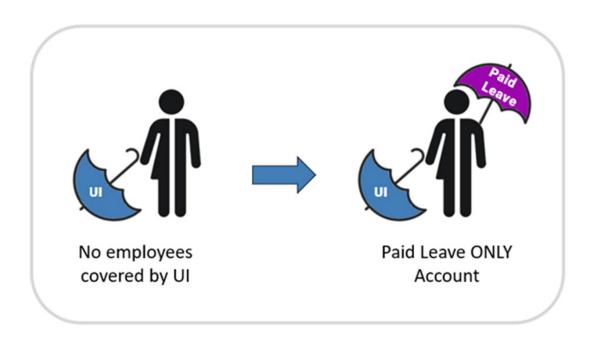
Pick your current relationship to UI



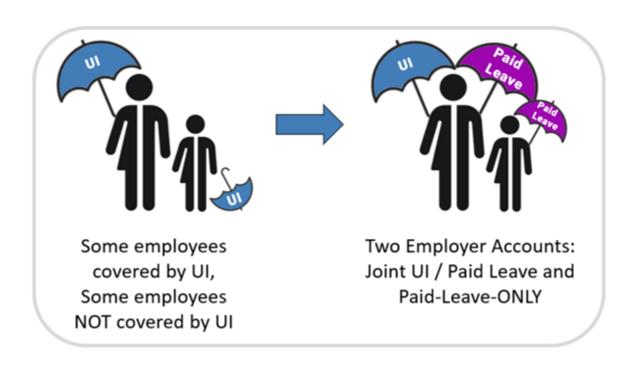


Aside from Joint UI/Paid Leave employer accounts, what are the other types?

No UI account? Make a Paid Leave Only account



Only some employees covered by UI? Make a UI/Paid Leave Joint account and Paid Leave ONLY account



Paid Leave Employer Registration

Priority – Register employers that need a **Paid Leave ONLY** account

Start at the UI website: www.uimn.org

Welcome to the Minnesota Unemployment Insurance (UI) Program

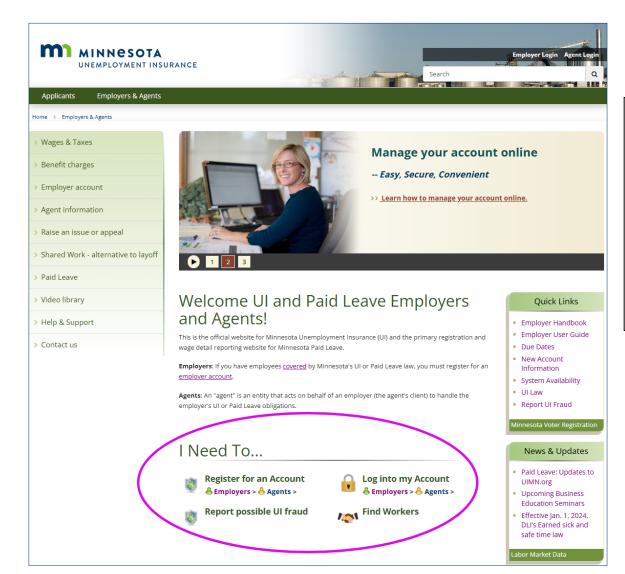
This is the official website of the Minnesota Unemployment Insurance Program, administered by the Department of Employment and Economic Development (DEED).

Select who you are:



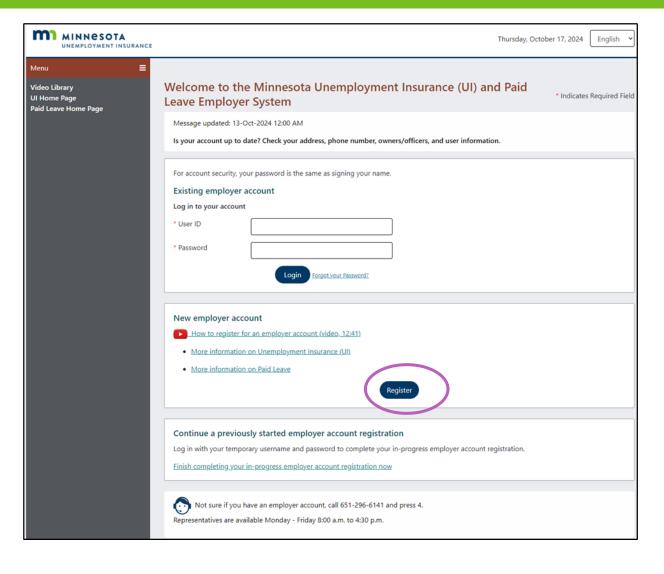


Select Register for an Account





Employer Login Page



Employer login page

If you already have an account, you can login

- Review and update your information
- Submit wage detail
- Pay UI amounts due
- In April 2026, Paid Leave Premiums will be paid here too

If you need a new account, select Register

Let's select Register

Registering for a Paid Leave ONLY Account

- We need to gather some information to set up your account
- Your account will be set up based on the information you provide
- Read all the options and select the choices that fit your organization best

The following shows some key points in the process

Things you should have

Federal and state identification numbers:

- Federal Employment Identification Number (FEIN)
- · Minnesota Department of Revenue Tax ID number

✓ Business/organization information:

- · Type of business/organization (Sole proprietorship, LLC, corporation, etc.)
- State and date of incorporation (if applicable)

✓ Information to determine program coverage and effective date: What is coverage?

- Date wages were paid for Minnesota employment (first payroll date)
- Number of employees you are paying <u>UI covered wages</u> to in Minnesota
- Number of employees you are paying Paid Leave covered wages to in Minnesota

Business/organization names and addresses:

- "Legal Entity" name (as registered with the Secretary of State)
- "Doing Business As" name (when different than "Legal Entity" name)
- Physical address of business/organization (where the work is done)
- Business address for correspondence mailings (when different from business location)

Owner/Officer information:

- Owner/officer/director names(s), home address, phone number
- · Social Security Number(s) or FEIN
- Percentage of ownership

The information that you enter matters

Tell us what you want to do – ultimately your responses during the registration process will determine your account type.

Register for an Unemployment Insurance (UI) and Paid Leave account

* Indicates Required Field

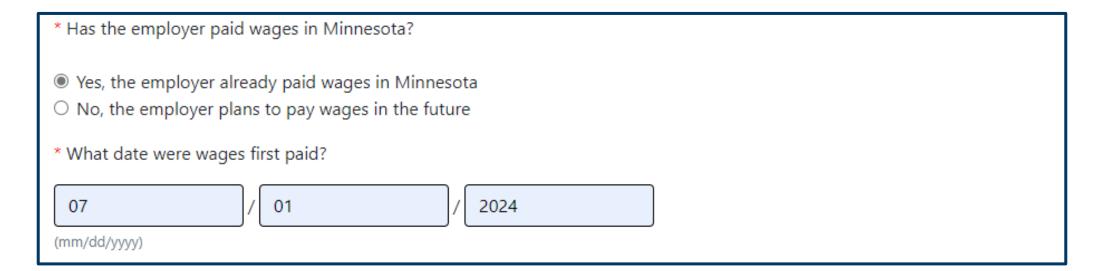
- * What would you like to do today?
- O I don't have an account yet and need to register for a joint UI/Paid Leave account
- I don't have an account yet and need to register for a Paid-Leave-ONLY account
- I already have a joint UI/Paid Leave account and need a second Paid-Leave-ONLY account for employees who are not covered by
 UI
 - · You will need the FEIN associated with your current employer account
 - You will also need your current employer account number
- Report a change of <u>legal entity</u>



Screens that matter - Wages first paid

Have you paid wages in Minnesota?

- "Coverage" for both UI and Paid Leave starts when you make your first wage payment
- Enter the date you issued your first paycheck
- Paid Leave ONLY account?
 - Enter the actual date if you know it
 - If you don't know the actual date, enter 7-1-2024
- All other types of employer registrations: enter the actual date wages first paid



Screens that matter – Entity Type & Legal Entity Subtype

Select your Legal Entity Type

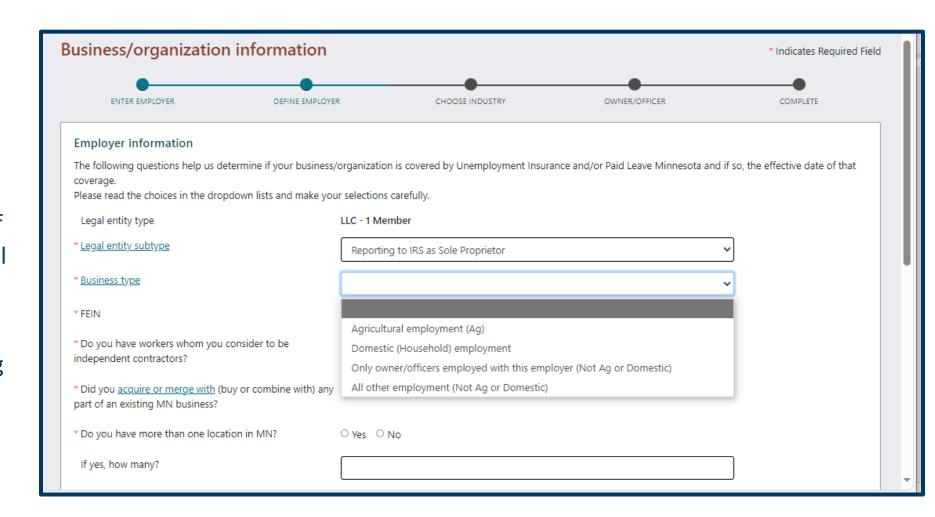
- Read the choices carefully
- Your choice on this page will determine the entity sub types available for you to choose



Screens that matter – Business type

Business Type

- Narrows things down a bit more
- Select Agricultural or Domestic if that fits for you
- Select Only owner/officer if the only employees you will be reporting are the owner(s) and officer(s)
- Most employers including religious organizations will select the fourth option



Screens that matter – Additional Questions

Business Type

- Narrows things down a bit more so you are registered for the correct type of an account
- The questions refer to the current or prior calendar year
- Read the choices carefully
- If none of the questions apply to you select the option at the bottom, "None of the above."

Select which of the following scenarios applies and supply the date when it occurred.		
Legal Name N	lame of Agricultural Employer	
Have you paid 10 employees for 20 weeks, including family farm officers and workers age 16 and under?		
If yes, please provide the date occurred	this / /	
O Have you paid \$20,000 cash wages in a quarter, including wages to family farm officers & workers age 16 and under?		
If yes, please provide the date occurred	this / /	
O Have you paid 4 employees for 20 weeks, excluding family farm officers and workers age 16 and under?		
If yes, please provide the date occurred	this / /	
O Have you paid \$20,000 cash and non-cash wages in a quarter, excluding wages to family farm officers and workers age 16 and under?		
If yes, please provide the date occurred	this / /	
O None of the above		

Screens that matter – Number of employees

How many employees covered by UI, how many covered by Paid Leave?

Enter the number for each

Enter zero if you selected "None of the above" on the previous page

If you enter a zero, we do not need a date

If you enter something other than zero, enter the date work was first performed in Minnesota

For Paid Leave, if you don't know the date, and it was BEFORE 7/1/2024, use 7/1/2024

Will covered employees * How many employees do you currently have or plan to have in Minnesota? Only count those you expect to be covered by Minnesota's Unemployment Insurance Law. UI covered wages	
* Date covered services were first performed in Minnesota.	
Paid Leave Minnesota covered employees * How many employees do you currently have or plan to have in Minnesota? Only count those you expect to be covered by the Paid Leave Minnesota Law. Paid Leave covered wages	
* Date covered services were first performed in Minnesota.	

Screens that matter —Industry codes

We need to know what industry you are in

- There will be five steps
- Select the choice that fits best for you.
- Religious
 organizations are
 under "Other
 Services"

We need to identify the industry for this business. There are 5 steps. Each step defines the industry in greater detail. Step 1: Select the industry that best describes this business: Agriculture, Forestry, Fishing and Hunting O Mining, Quarrying, and Oil and Gas Extraction Utilities Construction Manufacturing Wholesale Trade Retail Trade Transportation and Warehousing Information O Finance and Insurance O Real Estate and Rental and Leasing O Professional, Scientific, and Technical Services Management of Companies and Enterprises Administrative and Support and Waste Management and Remediation Services Educational Services O Health Care and Social Assistance Arts, Entertainment, and Recreation Accommodation and Food Services Other Services (except Public Administration) Public Administration

Screens that matter –Person Responsible

Ownership needs to add up to 100%

- For LLC and Corporations
- Total percent for all owners must equal 100%
- It's not unusual that a corporation would need 3 names, but most of these already have a
 joint account

Non-profit and Governmental entities

• Officers, board members or persons responsible

Need

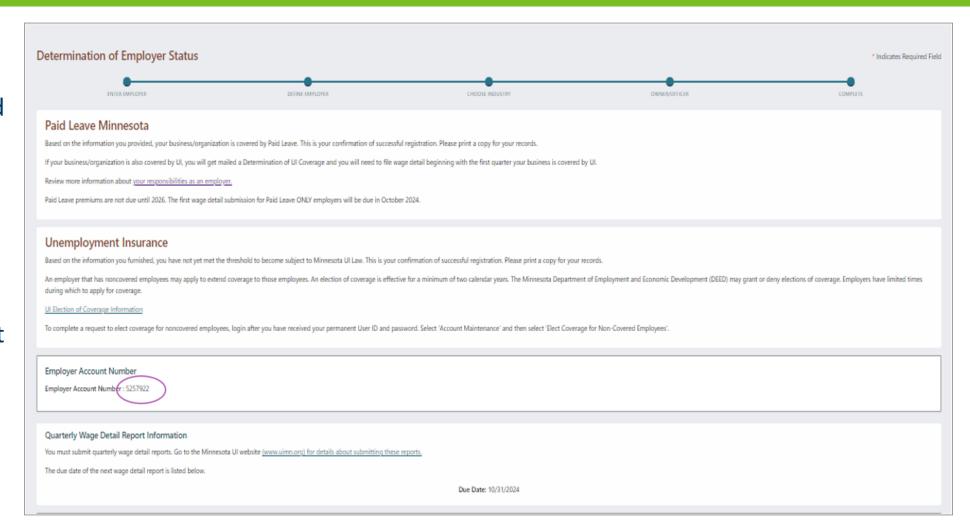
- Names
- Social Security Number
- Address

Confirmation with EAN

Confirmation Page

- We'll confirm your Paid Leave registration
- We'll confirm your UI registration – and tell you your UI tax rate if required
- Your Employer Account Number for UI and Paid Leave will be at the bottom – keep this

Good job and thanks!



Next Steps

We will mail you:

- Password
- UI/Paid Leave Determination
- Paid Leave ONLY letter

Give us a day to review your account

Submit wage detail

After you register

We will mail you a UI Determination and password (same letter)

Your UI Determination will show a UI tax rate of 0.00% if you are Paid Leave only.

We will mail you a Paid Leave Determination

It's your account.

- You can review and make updates.
- You can assign a third-party agent if you want to.
- You can submit wage detail
- You can make UI payments
- In 2026, Paid Leave Payments

We know this process feels new for some folks, so we are reviewing all your data and correcting errors if we can. We may contact you if we have questions.

Otherwise, you're all set.

Need Help

Friends -- Most accountants and bookkeepers in your community work with UI regularly

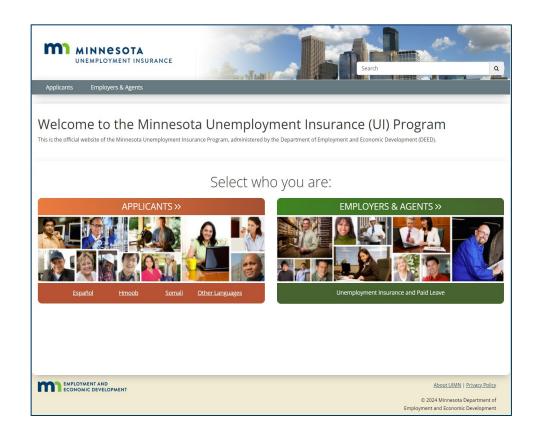
Website -- www.uimn.org

Call: with any questions

651-296-6141

8am to 4:30 pm Mon-Fri

Press 4 to speak to a person



Help Make Paid Leave Work

Your partnership and experience help make Paid Leave work.

- Check out FAQs on our website: info.paidleave.mn.gov
- Register for a Paid Leave UI account: <u>uimn.org/employers/</u>
- Sign up for the Paid Leave updates: Minnesota Paid Leave Newsletter
- Send us questions: <u>Paid Family and Medical Leave Question Form</u>
- Watch for upcoming opportunities to engage and provide feedback on program and product design



Thank you + Questions

Greg Norfleet | Minnesota Paid Leave

Amber Stowe | Minnesota Unemployment Insurance