



Minnesota Paid Leave

March 13, 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 the premiums to the state.
- The state will send payments directly to individuals on leave.

Covered Leave

Medical Leave

1-12 Weeks



Medical

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

Family Leave

1-12 Weeks



Bonding

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.



Active Duty

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.



Caring

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 hospitality employees

Railroad employees

Minnesota Employees

Paid Leave covers Minnesota employees. The Paid Leave law defines Minnesota employees as:

- A. Employees who worked 50 percent or more of the prior year in Minnesota, or
- B. For employees who did not work 50 percent or more of the year in any one state, those who live in Minnesota.

Scenarios

- I have employees who work mostly in Wisconsin, *are they covered?*
- I have employees who exclusively work remotely from Wisconsin, *are they covered?*
- My business is in North Dakota, but some of the people I hire live in Minnesota - *are they covered?*
- I'm a traveling salesperson and do work across the entire Midwest, *am I covered?*

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 yearly wage in the past year to be eligible (\$3,700 in 2024).



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**.



Building Minnesota Paid Leave

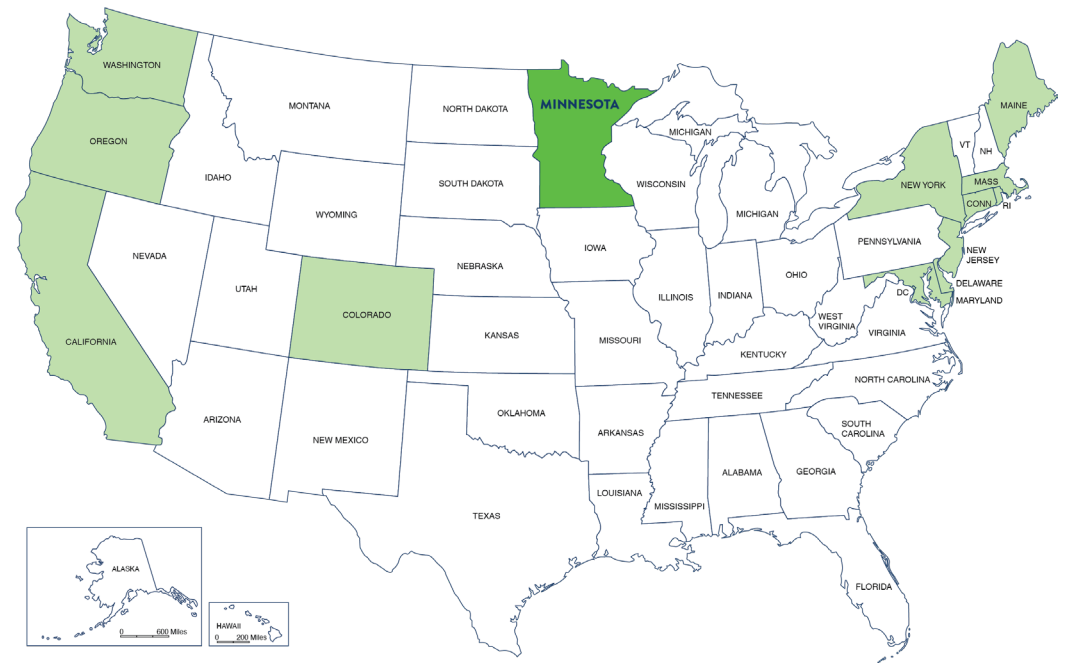
Partnering for Paid Leave that Works for All

Building Paid Leave

Minnesota will be the 13th state to implement Paid Leave, and we will leverage other states' experiences to build an intuitive, accessible program that works.

Based on lessons learned we:

- Launched wage detail in a system employers already know and trust;
- Drafted rules to support implementation of the statute, building on best practices from other states;
- Collaborated with the Department of Commerce to create a viable market for equivalent plans;
- Built off how people use paid leave elsewhere to simplify engagement with the division.



State Partners for Paid Leave



A new division at the Department of Employment and Economic Development (DEED) responsible for overall program build-out and benefits payments



Responsible for Paid Leave job protection



Responsible for approving private insurance plans to meet Paid Leave requirements



Responsible for UI Online system for employer wage reports and premium payment

Community Partners for Paid Leave



Small
Employers



Larger
Employers



HR
Professionals



Medical
Providers



Equity
Groups



Domestic
Violence and
Sexual Assault
Advocates



Hospitality
Industry



Insurance
Industry



Third Party
Administrators

- Input from businesses, organizations, and individuals helps to make Paid Leave work better for all Minnesotans.
- In the past year, Minnesota Paid Leave has held more than 150 engagement sessions with a variety of stakeholders to answer questions and gather input on the program.
- In addition to ongoing public meetings like this one, the division has gathered public input through rulemaking.

Paid Leave Rulemaking

First Round of Public Comment

January 22, 2024 – July 11, 2024

- Held 19 virtual engagement sessions with over 950 attendees
- Received nearly 600 unique comments

Notice of Intent to Adopt

November 28, 2024 – January 3, 2025

- Received over 100 additional comments from 17 organizations

What's next?

The division is reviewing comments received and will soon submit final rules to the Office of Administrative Hearings. Timeline for adoption is dependent on their review.

Topics Addressed

Health Care Provider Certification
Seasonal Employment
Opting In
Overpayment
Claims Administration
Leave Modifications
Benefit Payment Schedules
Private Plans
Role of the Employer
Small Employer Assistance Grants
Covered Employment
Job Protections
Intermittent Leave
Safety Leave



Employer Roles and Responsibilities

Making Paid Leave Work

Building Paid Leave: Key Employer 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

- Payroll deduction & premium payment
- Wage Reporting

Leave Administration

- Coordinate other leaves and payments to employees on leave
- Support return to work

Educate & Inform

- Workforce Posters
- Individual Notifications

Collaborate & Improve

- Collaborate on how to operationalize the law
- Provide input on how to improve over time

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

Reporting Wages

- To determine if someone is eligible for Paid Leave payments, Minnesota employers need to report wage data for their employees.
- The Paid Leave program is using the same online reporting system as Unemployment Insurance (UI) to reduce the administrative burden for employers.
- 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.

Need help?

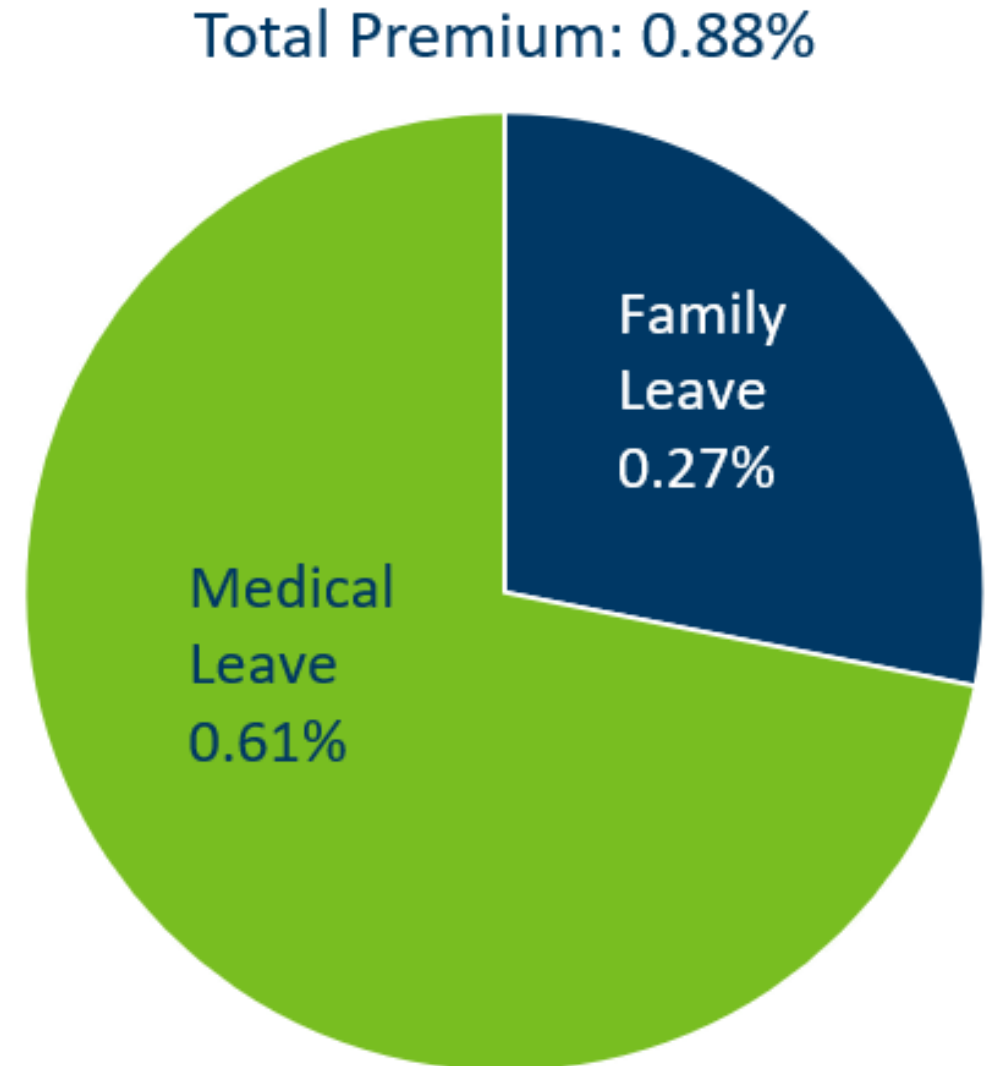
If you need assistance verifying or establishing your wage detail account, UI Customer Service Representatives are available to help.

- **Phone:** 651-296-6141
- **Hours:** M-F, 8:00 a.m. – 4:30 p.m.

Paid Leave Premiums

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

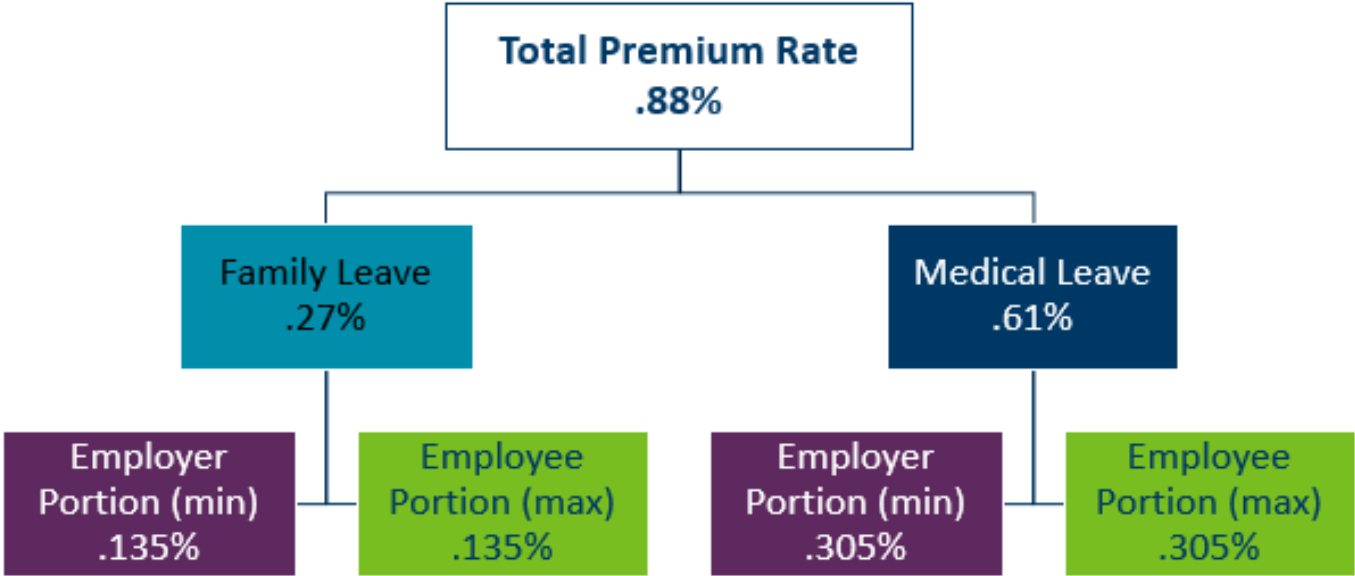
- When Paid Leave begins for Minnesotans in 2026, the premium rate will be .88%.
- The premium rate is applied on wages up to the Social Security cap (\$176,100).
- The total premium rate covers both family leave and medical leave.



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.

Standard
Employer
Rate



Small
Employer
Rate



Family Leave
0.135%

1/2



Family Leave
0.0675%

Medical Leave
0.305%

1/2



Medical Leave
0.1525%

Small Employer Assistance



Starting in January 2026, funding will be available to support small businesses during an employee's absence. Paid Leave administrators will be able to apply for this funding once an employee is approved for leave.

info.paidleave.mn.gov

Qualifications:

- 30 or fewer employees
- Average employee wage 150% or less of the Statewide Average Annual Wage (\$107,016 in 2025)

Benefits:

Funding up to \$3,000 to

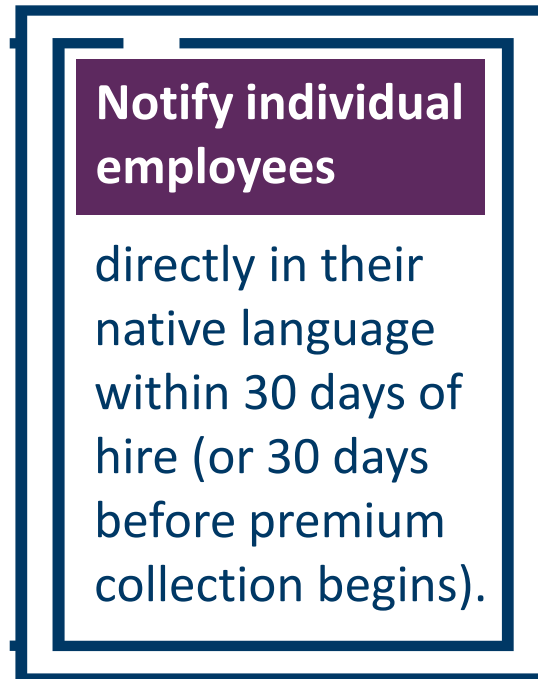
- Hire temporary workers
- Increase an existing workers' wages to substitute for an employee

Informing Your Workforce

By December 1, 2025, Minnesota employers must:



Hang a workforce poster
in a conspicuous place in English and any language spoken by five or more employees or independent contractors.



Notify individual employees
directly in their native language within 30 days of hire (or 30 days before premium collection begins).

Most Minnesotans learn about their rights and benefits in the workplace.

Minnesota Paid Leave will **help you be an effective and enthusiastic messenger** to your employees so you can benefit from the **improved retention, productivity, and morale** Paid Leave brings.

Minnesota Paid Leave will create the poster and a model notification letter and make them available in multiple languages on our website.

Coordinating Benefits and Leave

Paid Leave fits into a bigger picture for workers and employers, as many already offer various leave benefits to employees.

As a trusted messenger to your workers and with your experience in the workplace, employers will play an important role coordinating Paid Leave and other benefits.

Minnesota Paid Leave is partnering with employers and communities to deliver solutions that make Paid Leave work for all Minnesotans.

Your partnership and support for Paid Leave allows employees to take the time they need to care, builds connections in our communities and workplaces, and improves retention, productivity, and morale on the job.



Help Make Paid Leave Work

Your partnership and experience help make Paid Leave work.

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

Thank you + Questions

Linda Miller | Minnesota Paid Leave