

Minnesota Paid Leave

June 12, 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** from the state to individuals who need time off to care for themselves or their loved ones.
- Minnesota Paid Leave will be **funded by premiums** made up of contributions from employees and employers.
- Paid Leave will **send benefit payments directly** to Minnesotans 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	Agricultural workers	Student workers
Most seasonal employees	Employees of religious organizations	Employed family members
Owner-officers who draw a salary	Temporary workers	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?*

No.

- My business is in North Dakota, but some of the people I hire live in Minnesota - *are they covered?*

It depends on where they work.

- I'm a traveling salesperson and do work across the entire Midwest, *am I covered?*

It depends on how much you work in each state.

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 2024).



If you receive payments from Unemployment Insurance, Workers' Compensation, or Social Security Disability Insurance during an absence, you are not eligible for Paid Leave payments.

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.
- Paid Leave job protections begin **90 days from the date of hire**, but employees may have additional job protections under other state programs like Minnesota Pregnancy and Parental Leave.



Employer Roles and Responsibilities

Making Paid Leave Work

Building Paid Leave: Key Employer Milestones

2025

- **Equivalent Plan Exemption requests** open for employers
- 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

Educate & Inform

- ☐ Workforce Posters
- ☐ Individual Notifications

Leave Administration

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

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?

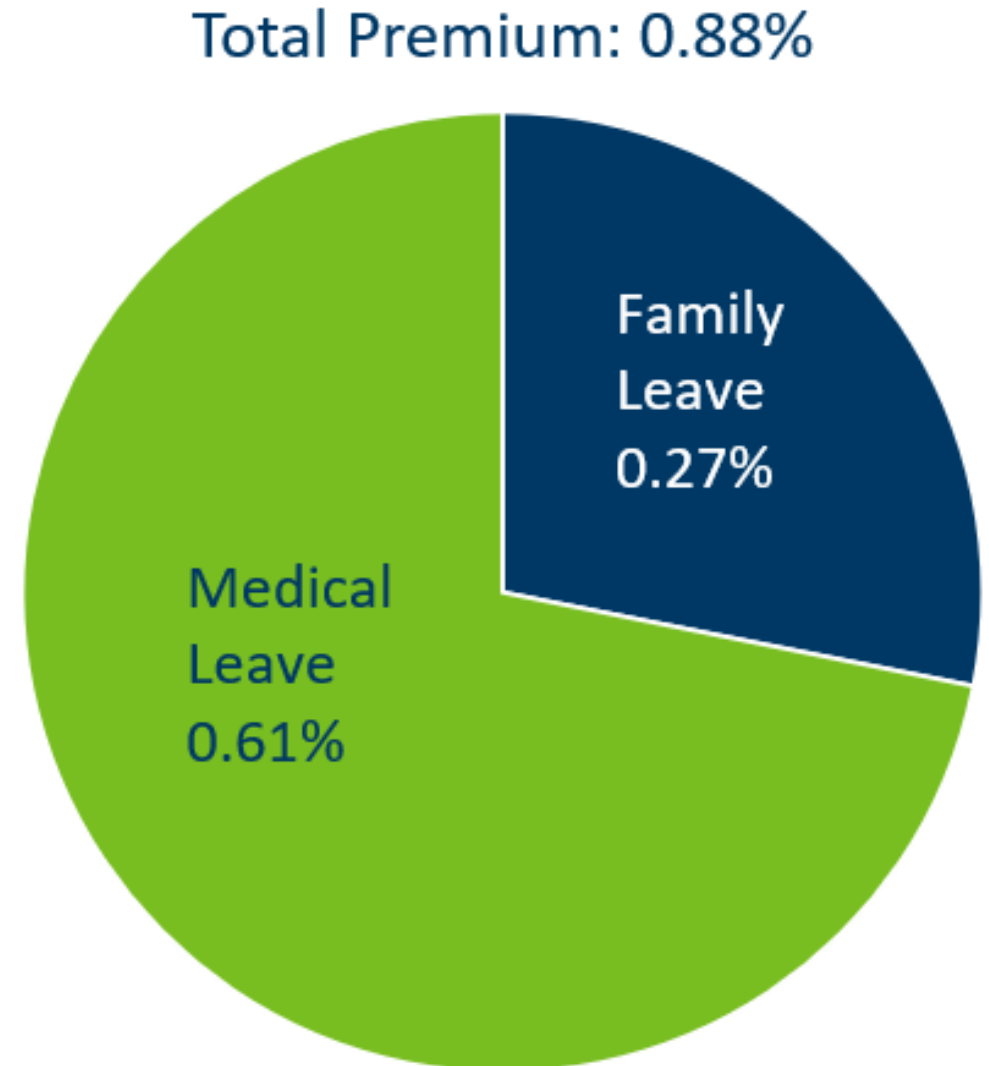
If you need assistance verifying or establishing your wage detail account, UI Customer Service Representatives are available to help.

- **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.

Scenario: Paid Leave Premiums

Scenario
Employees: 50
Average employee wage: \$70,000
Total annual payroll: \$3,500,000

Total Workforce (Quarterly)

	Family Leave	Medical Leave	Total
Employer's Portion (min):	\$1,181.25	\$2,668.75	\$3,850.00
Employees' Portion (max):	\$1,181.25	\$2,668.75	\$3,850.00
Total Contribution:	\$2,362.50	\$5,337.50	\$7,700.00

Average Employee (Weekly)

	Family Leave	Medical Leave	Total
Employee's Portion (max):	\$1.82	\$4.11	\$5.93

Scenario: Small Employer Premiums

Scenario

Employees: **10**

Average employee wage: **\$70,000**

Total annual payroll: **\$700,000**

Total Workforce (Quarterly)

	Family Leave	Medical Leave	Total
Employer's Portion (min):	\$118.13	\$266.88	\$385.01
Employees' Portion (max):	\$236.25	\$533.75	\$770.00
Total Contribution:	\$354.38	\$800.63	\$1,155.01

Average Employee (Weekly)

	Family Leave	Medical Leave	Total
Employee's Portion (max):	\$1.82	\$4.11	\$5.93

Small Employer Assistance

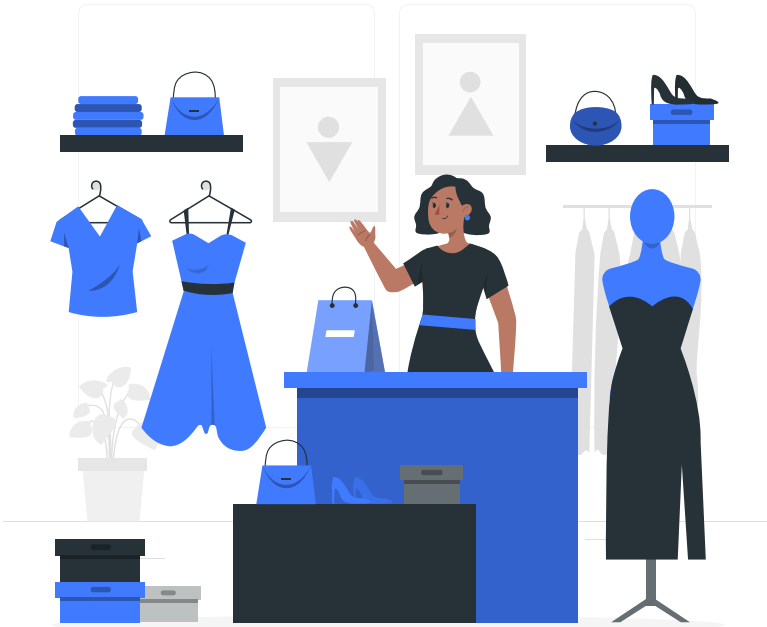
Starting in January 2026, funding will be available to support small businesses during an employee's absence. Leave administrators will be able to apply for this funding once an employee is approved for leave.

Qualifications:

- 30 or fewer employees
- Average employee wage of under 150% of 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



Coordination of Benefits

Paid Leave will provide tools to support employers in coordinating different benefits.

Supplemental Benefits

Some benefits can be **used with Paid Leave** to bring payments closer to a worker's regular salary. Think of it like "topping off" Paid Leave payments.

- Sick time
- Vacation pay
- Paid time off
- Short-term disability

Benefit Offsets

Some benefits, if taken during an absence, could **reduce payments**:

- If a payment is not designated as a supplemental benefit, it's likely an offset.

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.

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