

## Coordinating Paid Leave with other benefits

As an employer, you will need to coordinate Paid Leave with other benefits already available to your employees, like vacation or sick leave. These other benefits can affect **how much money** employees receive from Paid Leave or **how much time** they can take for leave.

### Benefits that affect payments

#### Some benefits can add to Paid Leave payments

Paid Leave replaces part of an employee's wages, but not the full amount. Some benefits can be used to "top off" Paid Leave – bringing employees up to, but not over, their regular pay. These are called *supplemental payments*.

As an employer, you decide whether to offer supplemental payments. When you review an employee's leave application, you will tell Paid Leave whether you are offering supplemental payments. If you are, employees can choose whether to take them. If they do, they must follow your documented workplace processes.

Supplemental payments could come from:

- Vacation, sick leave, or other Paid Time Off (PTO)
- Salary continuation
- Wage replacement

Short-term disability plans always work as supplemental payments with Paid Leave if both are taken for the same reason — no employer action is required.

#### Some benefits reduce Paid Leave payments

Some benefits lower the amount of money an employee gets from the state. These are called *substitute payments*.

- *PTO, Sick, Vacation*: Whether or not you allow supplemental payments, employees can choose to use other paid time off in place of Paid Leave during their absence. This will reduce the amount they get paid by the state (and will also count against their total leave time).
- *Workers' Compensation*: Employees who receive Workers' Compensation during their Paid Leave will get paid less by the state.

## Benefits that affect leave time

Some benefits may affect how much time an employee can take for leave and whether their job is protected.

Examples:

- As an employer, you can run the Family Medical Leave Act (FMLA) and/or Minnesota's Pregnancy and Parental Leave (PPL) at the same time as Paid Leave, if they are for the same condition. If you do, the time they take under Paid Leave will count as FMLA/PPL time.
- If an employer can show that an employee has already taken job-protected leave (such as PTO, sick, or vacation) for a reason that qualifies under Paid Leave once the program starts, then the amount of Paid Leave the employee can take may be reduced.

## Benefits that affect eligibility

If employees are already receiving certain kinds of payments, they may not be eligible for Paid Leave at all. These are called *disqualifying payments*.

Examples:

- Unemployment Insurance
- Social Security Disability (except in limited circumstances)

## Important reminders

- You cannot require employees to use PTO or other benefits before accessing Paid Leave.
- If you offer *supplemental payments*, employees get to decide whether to use them.
- Even if you don't offer *supplemental payments*, employees can choose to use PTO instead of a payment from Paid Leave.
- You should set clear policies and communicate with employees about whether *supplemental payments* will be offered when they are planning a leave.
- An employee's total pay (Paid Leave + other income) cannot exceed their usual weekly wage.
- Employers cannot interfere with, discourage, or retaliate against employees who apply for or use Paid Leave. For more information on employment protections, visit the [Minnesota Department of Labor and Industry website](https://www.dhs.gov/minnesota-department-of-labor-and-industry).

For more information, visit [paidleave.mn.gov](https://paidleave.mn.gov)

