



Minnesota Paid Leave

Paid Leave overview for employers
September 2025

About Paid Leave



Get to know the basics of the program

- When would my employees need Paid Leave?
- Who is covered under the law?
- What are benefits and job protections like under the law?





Minnesota's Paid Leave law

- Minnesota Paid Leave was enacted in 2023 and **begins 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 to 12 weeks



Medical

Leave to care for an individual's own serious health condition.

Family Leave

1 to 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.

Military Family



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 healthcare or other specified provider.



Covered employees

Covered employees include:

Full-time and 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



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

- My business is located in Minnesota, but some of my employees live in Wisconsin. *Are they covered?*
It depends on where they work.
- My business is located in Wisconsin, but some of my employees work remotely in Minnesota. *Are they covered?*
Yes.
- I work in multiple states, but I live in Minnesota. *Am I covered?*
It depends on how much you work in each state.



Paid Leave 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 \$1,423 per week (based on 2025 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 (\$3,900 in 2025).



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.



Employment protection



- **Job protections:** Generally, you must be restored to your job or an equivalent position when returning from leave. Job protections take effect 90 days after your date of hire.
- **Health insurance continuation:** Generally, employers must continue to fund their portion of healthcare insurance premiums while you are on leave.
- **No retaliation or interference:** Employers must not interfere with or retaliate against you if you apply for or use Paid Leave. Employers cannot take your Paid Leave payments.



Leave schedules

Leave under Paid Leave can be taken either continuously or intermittently.

- **Continuous leave is taken in a single block of time.**
(ex. 4 weeks of leave)
- **Intermittent leave is taken in smaller blocks of time**
(ex. 2 days a week for 4 hours each over 2 months)

Continuous Leave

M	T	W	Th	F

Intermittent Leave

M	T	W	Th	F



Paid Leave premiums

Premiums will be shared between employers and employees.

- When Paid Leave starts, the premium rate will be 0.88%. This covers both family and medical leave.
- The premium rate is applied on wages up to the Social Security cap (\$176,000).
- The first premiums are due April 30, 2026.





Small employer premiums



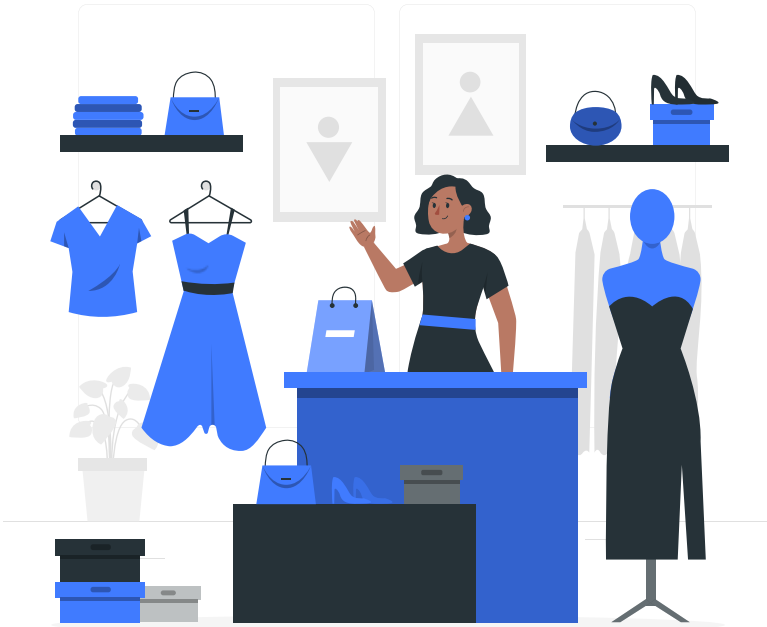
Small employers pay a reduced premium.

- 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.



Small Employer Assistance Grants

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



Qualifications:

- Qualify as a small employer under Paid Leave
- Costs already incurred
- Funding not guaranteed

Benefits:

Up to \$3,000 per leave or \$6,000 per employer to:

- Hire temporary workers
- Increase existing workers' pay
- Train workers to cover for an employee on leave



Estimate premiums and payments

Employers and individuals can use our online calculators to estimate costs and payments under Paid Leave.

- You can plan for 2026 and compare program cost and benefits.
- For example, if someone earns \$70,000:

Weekly premium (if split 50% with employer)	\$5.93
Weekly payment on leave	\$1,059.22

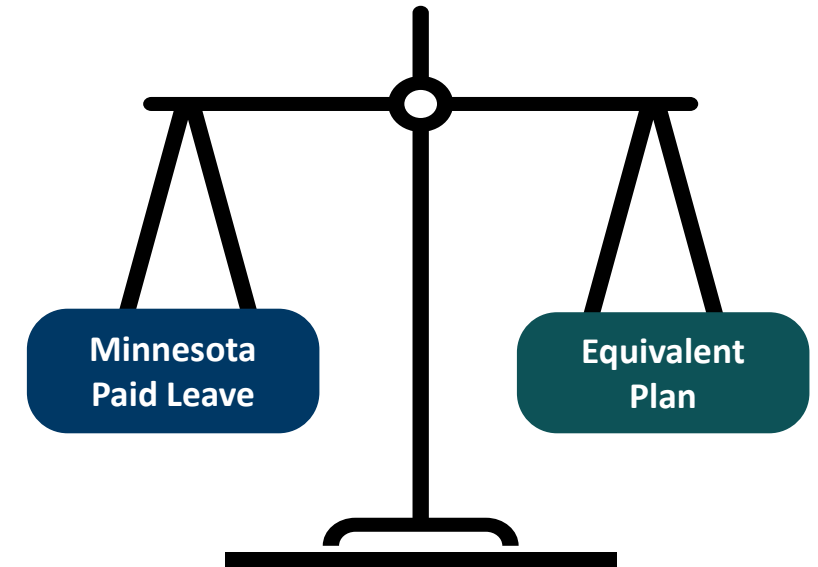
The screenshot displays two overlapping web forms. The background form, titled 'Estimate Premiums', is at step 1, 'Estimate Premiums', where a user has selected 'An individual' and entered '\$70,000' for their annual wages. The foreground form, titled 'Estimate Paid Leave payments', shows the results of the calculation. It indicates that the user is eligible for weekly payments of \$1,059.22. A breakdown shows the highest earning quarter at \$17,500.00, divided by 13 weeks to result in an average weekly wage of \$1,346.15. The final calculation is 90% of \$1,346.15, which equals \$1,059.22. The form also includes a 'How was this calculated?' section and a 'Calculation successful' message.



Equivalent plans for Paid Leave

Employers can choose to meet their responsibilities under Minnesota Paid Leave by providing employees an equivalent plan that meets or exceeds the coverage offered by the state.

- Minnesota Paid Leave is often the **least expensive** and **easiest option**. But no matter how you decide to bring Paid Leave to your employees, the process is easy and intuitive.
- Equivalent plans can be purchased from a private insurance carrier, or an employer can self-insure and provide coverage to employees themselves.
- Employers approved for an equivalent plan still have obligations under the law including submitting wage detail.



An equivalent plan can cover family leave or medical leave in combination with Minnesota Paid Leave - or can cover both.

Employers cannot charge employees more than they would pay under the state plan (0.44% of wages in 2026) to fund an equivalent plan.



Employer tax responsibilities for Paid Leave, Part I

Premiums:

- Premiums are collected on post-tax wages.
- Employers can deduct their required premium contributions as an excise tax.
- If an employer pays more than the minimum share of the premium, they can deduct this additional contribution as an ordinary and necessary business expense.
- Employers should put the amount of the employee contribution and the amount of any employer pickup contribution in Box 14 of the W2 labeled as MNPFML.

22222 Employee's social security number OMB No. 1545-0008

1 Wages, tips, other compensation 2 Federal income tax withheld

3 Social security wages 4 Social security tax withheld

5 Medicare wages and tips 6 Medicare tax withheld

7 Social security tips 8 Allocated tips

9 10 Dependent care benefits

11 Nonqualified plans 12a

12b

12c

12d

14 Other MNPFML

15 State Employer's state ID number 16 State wages, tips, etc. 17 State income tax 18 Local wages, tips, etc. 19 Local income tax 20 Locality name

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

Copy 1—For State, City, or Local Tax Department



Employer tax responsibilities for Paid Leave, Part II

Family Leave Payments:

- These payments are not counted as wages.
- Paid Leave will issue employees who take Family Leave a 1099 at the end of the year.

Medical Leave Payments:

- Part of the Medical Leave payments sent to employees will be counted as wages (third party sick pay) and subject to Social Security and Medicare taxes.
 - This amount will be 50% for most employers, and 33% for small employers.
 - This amount should be reported as wages on a W2.
- The state will provide employers the taxable amount of Medical Leave payments.

Additional information on taxes for Paid Leave, including responsibilities for employees, can be found on the Paid Leave website.

Preparing for Paid Leave as an employer



Step One

Set up your accounts



Step Two

**Notify your
employees**



Step Three

**Prepare your
workplace**

Step One

Set up your accounts



You'll need two accounts: an Employer Account and an Administrator Account

m MINNESOTA
UNEMPLOYMENT INSURANCE

Friday, July 18,

☰

Welcome to the Minnesota Unemployment Insurance (UI) and Paid Leave Employer System

Message updated: 13-Jul-2025 12:00 AM

Do not click on links in text messages. We will NEVER send you a text message unemployment account.

For account security, your password is the same as signing your name.

Existing employer account

Log in to your account

* User ID

* Password

[Login](#) [Forgot your Password?](#)

m MINNESOTA
PAID LEAVE

Sign in to your employer account

Sign in using the email address associated with your employer.

Email

Password

[Show password](#)

[Sign in](#)

[Forgot your password?](#)



Your Employer Account

To make things easier for employers, UI and Paid Leave use the same Employer Account to submit wage detail and submit payments to the state.

You must also use this account to designate a Paid Leave Administrator. Take this step today to be ready when Paid Leave launches on January 1, 2026.

The screenshot shows the login page for the Minnesota Unemployment Insurance (UI) and Paid Leave Employer System. The header includes the Minnesota logo, the text 'MINNESOTA UNEMPLOYMENT INSURANCE', the date 'Friday, July 18, 2025', and a language dropdown set to 'English'. The main heading is 'Welcome to the Minnesota Unemployment Insurance (UI) and Paid Leave Employer System' with a note '* Indicates required field'. Below this is a message box stating 'Message updated: 13-Jul-2025 12:00 AM' and 'Do not click on links in text messages. We will NEVER send you a text message about your unemployment account.' A security note reads 'For account security, your password is the same as signing your name.' The section 'Existing employer account' prompts the user to 'Log in to your account' with input fields for '* User ID' and '* Password'. At the bottom are 'Login' and 'Forgot your Password?' buttons.

Need help?

If you need assistance verifying or establishing your Employer Account, UI Customer Service Representatives are available to help.

- Phone: 651-296-6141
- Hours: Monday through Friday, 8:00 a.m. – 4:30 p.m.



Your Administrator Account

In addition to your Employer Account, you will need a Paid Leave Administrator Account on our website to do things like:

- Review leave applications
- See Paid Leave determinations
- Submit an Equivalent Plan Substitution Request

The account will make it easy to support your employees during important times in their lives.

The screenshot shows the login interface for the Minnesota Paid Leave website. At the top is a dark blue header with the 'm MINNESOTA PAID LEAVE' logo. The main content area is white and titled 'Sign in to your employer account'. Below the title, it instructs users to 'Sign in using the email address associated with your employer.' There are input fields for 'Email address' and 'Password'. A 'Show password' link is next to the password field. A dark blue 'Sign in' button is positioned below the fields. A link for 'Forgot password?' is located below the sign-in button. At the bottom of the white area, a link says 'Don't have an account? [Create an account.](#)'. The entire page is framed by a dark blue border at the top and a dark red footer bar containing the text 'paidleave.mn.gov' in white.

Step Two

Notify your employees



Employers are required to notify their workforce about Paid Leave in two ways:

- 1.** Display a workforce poster
- 2.** Notify individual employees directly



Display a workplace poster

The workplace poster must be displayed in **English and any language spoken by 5 or more employees** or independent contractors.

The poster is available on our website in English, with **more languages available soon.**

A version of this poster for **employers with an equivalent plan** will also be available soon.

MINNESOTA PAID LEAVE

Effective January 1, 2026

Minnesota Paid Leave provides payments and job protections when you need time off to care for yourself or your family.

What can I use Paid Leave for?

Medical Leave:

- To care for your own serious health condition, including care related to pregnancy, childbirth, and recovery

Family Leave:

- **Bonding Leave** – to care for and bond with a new child welcomed through birth, adoption, or foster placement
- **Caring Leave** – to care for a family member with a serious health condition
- **Military Family Leave** – to support a family member called to active duty
- **Safety Leave** – to respond to issues related to domestic violence, sexual assault, or stalking for yourself or a family member

Generally, conditions must last more than seven days and be certified by a healthcare provider or other professional.

Am I covered by Paid Leave?

Most workers in Minnesota are covered by Paid Leave. You are covered no matter the size of your employer, or the hours or days you work. Independent contractors and self-employed individuals are not automatically covered but may opt in. You may qualify for payments if you've been paid a minimum amount for work in Minnesota in the last year (\$3,900 for the start of Paid Leave in 2026).

How long can I take leave?

You may qualify to take up to 12 weeks of family or medical leave per benefit year. If you need both family and medical leave in the same benefit year, you may qualify for up to 20 weeks in total.

How much will I get paid?

When you use Paid Leave, the state makes payments to you. Paid Leave will pay up to 90% of your wages, based on your income level, with a maximum weekly amount set at the state's average weekly wage. This amount changes each year, and is \$1,423 for the start of Paid Leave in 2026.

Who pays for Paid Leave?

Paid Leave is funded by premiums paid by employees and employers. The initial premium rate is 0.88% of covered wages. Your employer may deduct up to 0.44% of your wages to fund your portion of the premium.

What are my employment protections?

- **Job protections:** Generally, you must be restored to your job or an equivalent position when returning from leave. Job protections take effect 90 days after your date of hire.
- **Health insurance continuation:** Generally, employers must continue to fund their portion of healthcare insurance premiums while you are on leave.
- **No retaliation or interference:** Employers must not interfere with or retaliate against you if you apply for or use Paid Leave. Employers cannot take your Paid Leave payments.

For inquiries related to Paid Leave, please contact Minnesota Paid Leave at 651-556-7777 or visit our website.

If you think your employer is violating employment protections, contact the Labor Standards Division at the Minnesota Department of Labor and Industry.



LEARN MORE: paidleave.mn.gov

This information can be provided in alternative formats to people with disabilities or people needing language assistance by calling the Paid Leave Contact Center at 651-556-7777 or 844-556-0444 (toll-free).

7/2025

m MINNESOTA
PAID LEAVE

Minnesota Paid Leave | 180 E 5th St Suite 1200 | Saint Paul, MN 55101



Notify individual employees



You must notify individual employees directly within 30 days of hire or 30 days before premium collection begins.

For program launch, this means you must notify employees by December 1, 2025.

This notice must be provided to employees in their **primary language**. Paid Leave will provide **sample notifications in different languages**.

Employees must acknowledge receipt of the notice, or employers will need to demonstrate how their workforce was notified.

Congratulations! You're compliant.

- If you **set up your accounts** and **notify your workforce** by December 1, 2025, you are ready for Paid Leave on January 1, 2026.
- But there are other important decisions you can make today to make Paid Leave work for your workplace and employees.



Step Three

Prepare your workplace



There are important decisions employers can make before January 1.

- 1.** How Paid Leave will work for your employees
- 2.** How Paid Leave will work with other benefits
- 3.** Update your workplace policies



How Paid Leave will work for your employees

Premiums

- Starting January 1, 2026, employers can deduct up to 50% of the standard premium rate from employee paychecks.
- Employers may choose to pay more than their required portion for some or all employees.
- Get set up with your payroll system or another method to collect premiums when the program goes live.

Equivalent plans

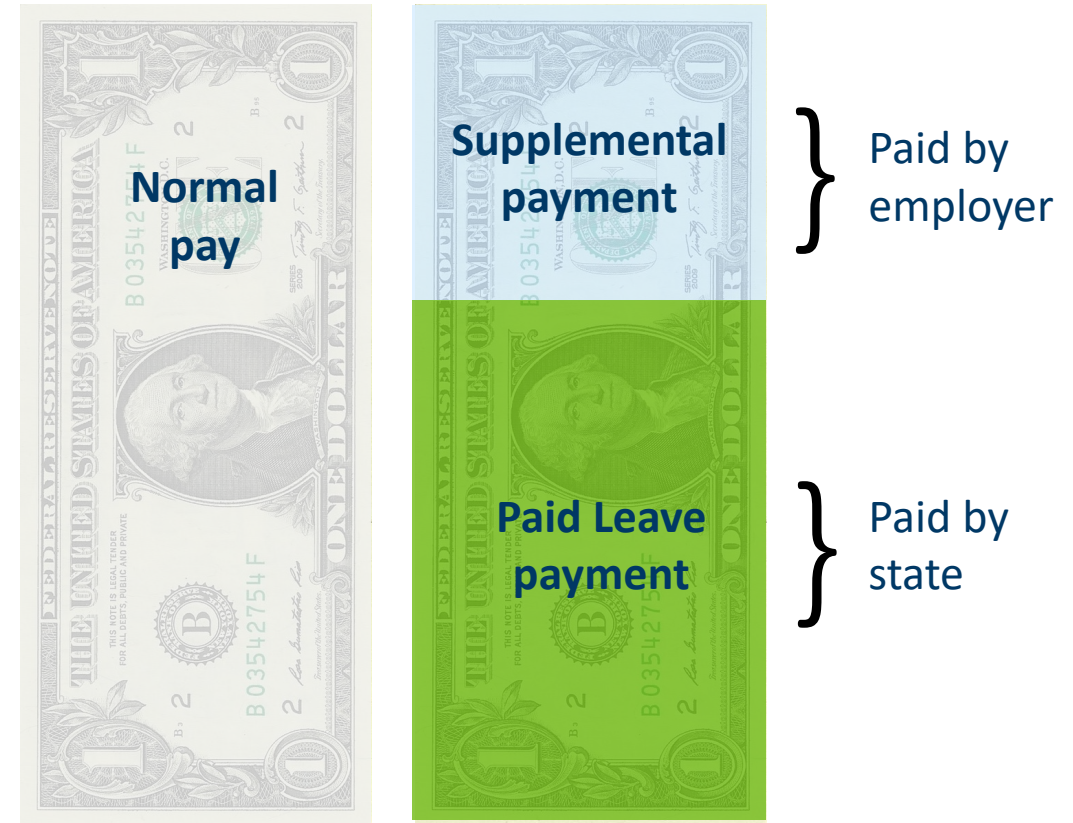
- Compare your costs and decide if the state plan or an equivalent plan will work best for your business.





How Paid Leave will work with other benefits

- Paid Leave provides payments that are a percentage of an employee's usual pay.
Employers can choose to offer supplemental payments to employees on leave through PTO or other benefits.
- Think of it like “topping off” Paid Leave payments.
- Other payments can reduce or replace Paid Leave payments.



Scenarios: Coordinating payments

We currently offer new parents six weeks of full wage replacement.
Can we still?

Yes, and at a lower cost to your business.

We want to offer senior managers full wage replacement. Can we?

Yes. You decide who can take supplemental payments.

Can we require employees to use their PTO so they get full wage replacement?

No. If you offer it, employees choose whether to use their PTO this way.

What if an employee takes a full day of PTO during leave?

This would not be a supplemental payment. PTO would replace their Paid Leave payment for that day.



Coordinate other job protections

In addition to Paid Leave, employees may qualify for job protections under other programs. Employers should clarify to employees how these programs will work together.



These job protections can run concurrent with Paid Leave:

- **Family and Medical Leave Act (FMLA).** FMLA is a federal law that provides up to 12 weeks of unpaid, job-protected leave per year.
- **Pregnancy & Parental Leave (PPL).** PPL is a state law that provides up to 12 weeks of unpaid, job-protected leave during pregnancy or upon the birth or adoption of a child.

Other Leaves: If an employer shows that an employee has already taken job-protected leave 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.



Example: Coordinating leave time and payments

Scenario: An employee takes two weeks of PTO with FMLA, then begins taking Paid Leave.

Leave time (weeks)

	1	2	3	4	5	6	7	8	9	10	11	12
FMLA Leave	employer pays											
Paid Leave			state pays									

*Because the employer designated the two weeks of PTO as FMLA,
the Paid Leave start date is the same as the FMLA start date.*

*The employee uses two weeks of PTO before beginning Paid Leave.
The state pays for the remaining 10 weeks.*



Update your workplace policies

Leave notice policies

- You can require employees to comply with your usual and customary leave notice requirements, unless the reason for an employee's leave prevents this.

Intermittent leave policies


- You decide the shortest block of time that employees are allowed to use intermittent leave (from one minute up to one day).
- You can also decide if employees can take more than 480 hours of leave intermittently each year, if they qualify, or if leave over 480 hours must be taken in one continuous block.



In 2026: Administer leave



When Paid Leave begins, your Administrator Account will keep your organization in the loop

**MINNESOTA**
PAID LEAVE

Employer portal

[Home](#)[My account](#)[Sign out](#)

[Home](#)[Employee Leave Applications](#)[Equivalent Plan Exemptions](#)[Item](#)

Employee leave applications

Needs Review **29**

Past Applications

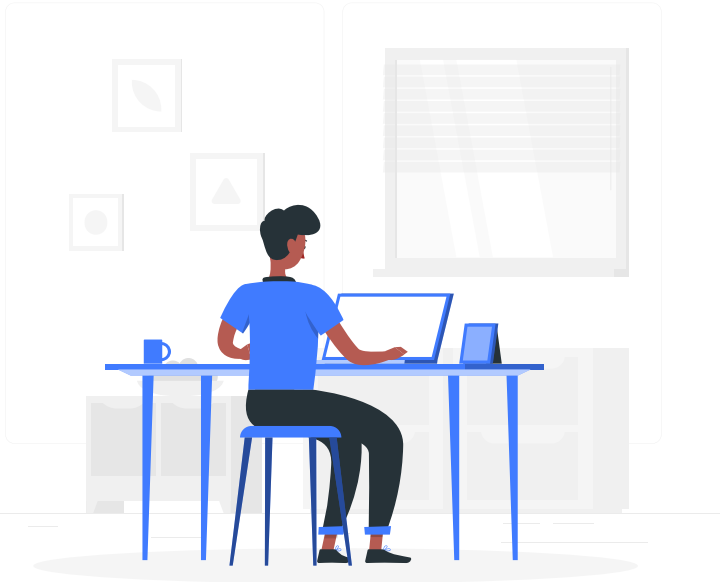
Below is a list of all Paid Leave applications previously submitted by your organization's employees, where you can see the status and determination notice for each application.

Application ID	Name	SSN or ITIN	Leave Type	Start Date	End Date	Status	Docume...
PLA-3H5-8SU-L28	Smith, Bob	***-**-1234	Medical	01/01/2025	01/01/2025	Approved	View notice
PLA-3H5-8SU-L28	Smith, Bob	***-**-1234	Family	01/01/2025	01/01/2025	Denied	View notice



Who is a Paid Leave Administrator?

The Paid Leave Administrator is the point of contact within your organization for Paid Leave.



As a Paid Leave Administrator, you will be able to:

- Manage your account with Paid Leave
- Coordinate Paid Leave with other benefits
- Request an Equivalent Plan Substitution
- Review applications submitted by employees
- Apply for small employer assistance funding



Roles in Paid Leave application

The employee, employer, and Paid Leave all play a role in the application process.

The Paid Leave application process

1. **Employee** notifies **Employer** about intention to take leave.
2. **Employee** starts an application for Paid Leave.
3. **Employee** submits application for Paid Leave.
Paid Leave Administrator is asked to review the application.
4. **Paid Leave division** adjudicates the application.
5. **Employee** and **Paid Leave Administrator** are notified of determination.

The screenshot shows the 'MINNESOTA PAID LEAVE' application interface. It includes a section for 'Employment Information' and a question: 'Have you told your employer that you are taking leave?'. The 'Yes' radio button is selected. Below this is a date field for 'When did you tell them?' with a calendar icon. At the bottom are 'Back' and 'Save and continue' buttons.

MINNESOTA PAID LEAVE

Employment Information

Have you told your employer that you are taking leave?

☒ Yes

☐ No

When did you tell them?

This can be an approximate date.
Format: mm/dd/yyyy

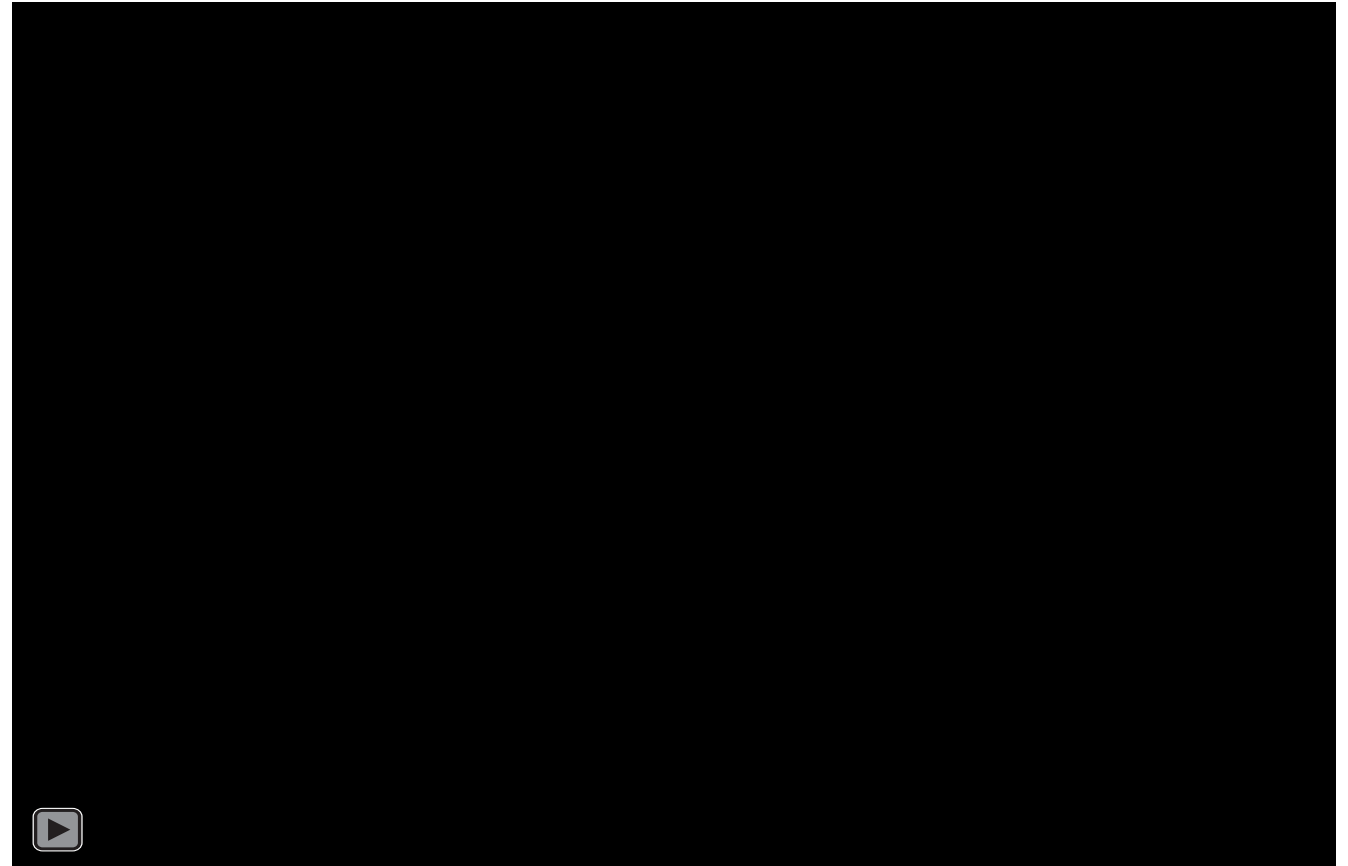


Paid Leave application review

[video has no sound]

Employers will be able to:

- **Review leave applications** submitted by employees
- **Confirm the information submitted** by employees is correct.
- **Track the status of** applications
- **View past determinations** from Paid Leave



We're listening



Small
Employers



Larger
Employers



HR
Professionals



Medical
Providers



Equity
Groups



Domestic
Violence and
Sexual Assault
Advocates



Social Service
Organizations



Insurance
Industry



Third Party
Administrators

- Input from businesses, organizations, and individuals helps to make Paid Leave work better for all Minnesotans.
- We've held over 200 engagement sessions with a variety of stakeholders to answer questions and gather input on the program.
- We are also conducting user research interviews to get feedback on everything from leave administration to safety leave certification.

Learning from employers

Minnesota Paid Leave is engaging with employers big and small across the state.

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 feedback from businesses, workers, and other stakeholders
- Partnered with the Department of Commerce to create a viable market for equivalent plans



Help make Paid Leave work

Your partnership and experience help make Paid Leave work.

Visit the [Paid Leave website](https://paidleave.mn.gov) to:

- Review the three steps employers should take to be ready
- Check out frequently asked questions for employers.
- Estimate premium payments using our online calculator.
- Set up your accounts for Paid Leave.
- Sign up to receive Paid Leave updates.
- Send us questions.

To reach the Contact Center by phone, call 651-556-7777 or 844-556-0444 (toll-free). Paid Leave staff are available 9:00 a.m. to 4:00 p.m., Monday through Friday, except state holidays.



Thank you + Questions

Greg Norfleet | Minnesota Paid leave

Please use this QR code to answer a few quick questions about today's session.

[Paid Leave Feedback Survey](#)

