

Paid Leave and small employers

Starting January 1, 2026, Minnesota Paid Leave will provide payments and job protections to Minnesotans who need time off during life's most important moments, like bonding with a new child, healing from a serious illness, or responding to domestic violence.

Are small employers covered by Paid Leave?

Yes, small employers are covered by Paid Leave. Most Minnesota employment is covered, including small and seasonal employers and part-time work. People who are self-employed or independent contractors are not covered, but can opt in to Paid Leave.

Premiums for Paid Leave

Paid Leave is funded by premiums paid by employers and employees. The standard premium rate for 2026 is 0.88% of employee wages. What employers pay depends on size of their workforce:

Employer type	Total premium	Employer pays	Employee pays
Large employer	0.88%	At least 0.44%	Up to 0.44%
Small employer	0.66%	At least 0.22%	Up to 0.44%

How much will my organization owe?

There's a calculator on our website to estimate premiums, by employee count and wages.

Small Employer Assistance Grants

If you qualify as a small employer under Paid Leave, you may apply for a grant to help cover costs when an employee takes leave. These grants help manage the cost of hiring temporary workers, or increasing hours, wages, or training for staff while an employee is on Paid Leave. Grants will be up to \$3,000 per leave or \$6,000 per employer. Funding is for costs already incurred, and is not guaranteed.

What do I need to do prepare for Paid Leave?

- **Set up your accounts:** Register for an Employer Account at uimn.org (if you don't already have one). Designate a Paid Leave Administrator in your Employer Account. Then, create a Paid Leave Administrator Account at paidleave.mn.gov
- **Notify employees:** By December 1, 2025, you must hang a poster and notify employees.
- **Prepare your workforce:** Check out the employer toolkit on our website.

What employment protections does Paid Leave cover?

- **Job protections:** Generally, workers must be restored to their job or an equivalent position when returning from leave. Job protections take effect 90 days following the date of hire.
- **Health insurance continuation:** Employers must continue to fund their portion of healthcare insurance premiums.
- **No retaliation:** Employers can't retaliate against workers for applying or using Paid Leave.

Can my organization opt out of Paid Leave?

No, you cannot opt out of Paid Leave.

There are some choices organizations can make about Paid Leave, including setting internal leave policies and exploring equivalent plans, which allow you to offer a same-or-better Paid Leave plan to your employees. Equivalent plans can be purchased from an insurance carrier or you can self-insure.

Minnesota Paid Leave is often the least expensive, easiest option for employers. For small employers, Paid Leave will make this benefit affordable when it might not otherwise be.

What about seasonal hospitality workers?

Under the Minnesota Paid Leave law, if someone is working in a designated seasonal hospitality position they will not be able to take Paid Leave from that job, and there are no premiums on wages in those positions. To designate a seasonal hospitality worker, employers must apply, and:

1. Your business must be in the hospitality industry, as defined in state law.
2. Your business must be seasonal as defined in law, demonstrated through receipts.
3. The person employed in the position must work less than 150 days in a year.

For more information, visit paidleave.mn.gov

