



# Minnesota Paid Leave for Agency Payroll and HR

Katie Karow | Statewide Payroll Director

- |                  |                                   |
|------------------|-----------------------------------|
| 2:00 - 2:15 p.m. | Minnesota Paid Leave Overview     |
| 2:15 - 2:30 p.m. | Payroll Codes and Examples of Use |
| 2:45 - 3:00 p.m. | Submitted Questions and Answers   |
| 3:00 - 3:15 p.m. | Extra time if possible            |

# Minnesota Paid Leave Overview



**Minnesota  
Paid Leave**

**Minnesota Paid Leave (MPL)** program provides job-protected leave and partial wage replacement benefits to Minnesota workers.

The program is administered through the Minnesota Department of Employment and Economic Development's (DEED) MPL Division.

# Minnesota Paid Leave Types



**Family Leave**  
Up to 12 weeks.



**Medical Leave**  
Up to 12 weeks.



- \* Bonding with a new child
- \* Caring for a loved one
- \* Supporting a military family member called to active duty
- \* Safety leave



- \* Employee's own serious health condition
- \* Pregnancy, childbirth, and related medical conditions



Maximum of 20 weeks per 12-month leave period

# Minnesota Paid Leave Timecard Codes



**Family Leave**  
Up to 12 weeks.



**Medical Leave**  
Up to 12 weeks.



Timecard Code:  
**PFF**

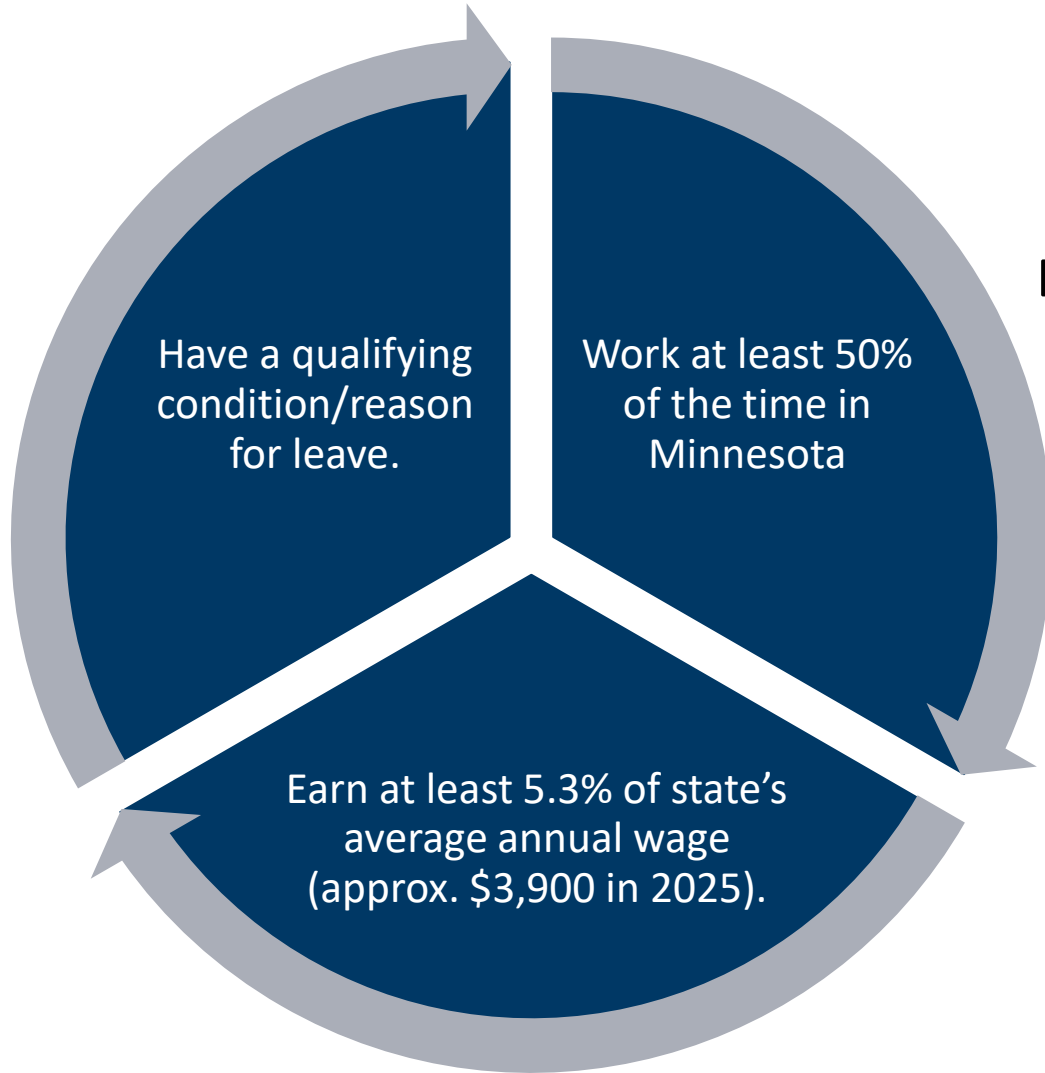


Timecard Code:  
**PFM**



Maximum of 20 weeks  
per 12-month leave  
period

# Who is Eligible for Minnesota Paid Leave?



Eligibility is **not** impacted by other factors like:

- Full-time, part-time, temporary or seasonal employment
- Probationary, classified or unclassified status

Eligibility determinations for MPL benefit payments are issued by DEED's MPL Program.

# Minnesota Paid Leave Protections



## Job Protections

Generally, employees must be restored to their job or an equivalent position when they return from leave.



## Health Insurance

The employee's health insurance and other group insurance plans must continue while they are on leave, with continued employer contributions. The employee is responsible for the premiums that are normally paid.



## No retaliation or interference

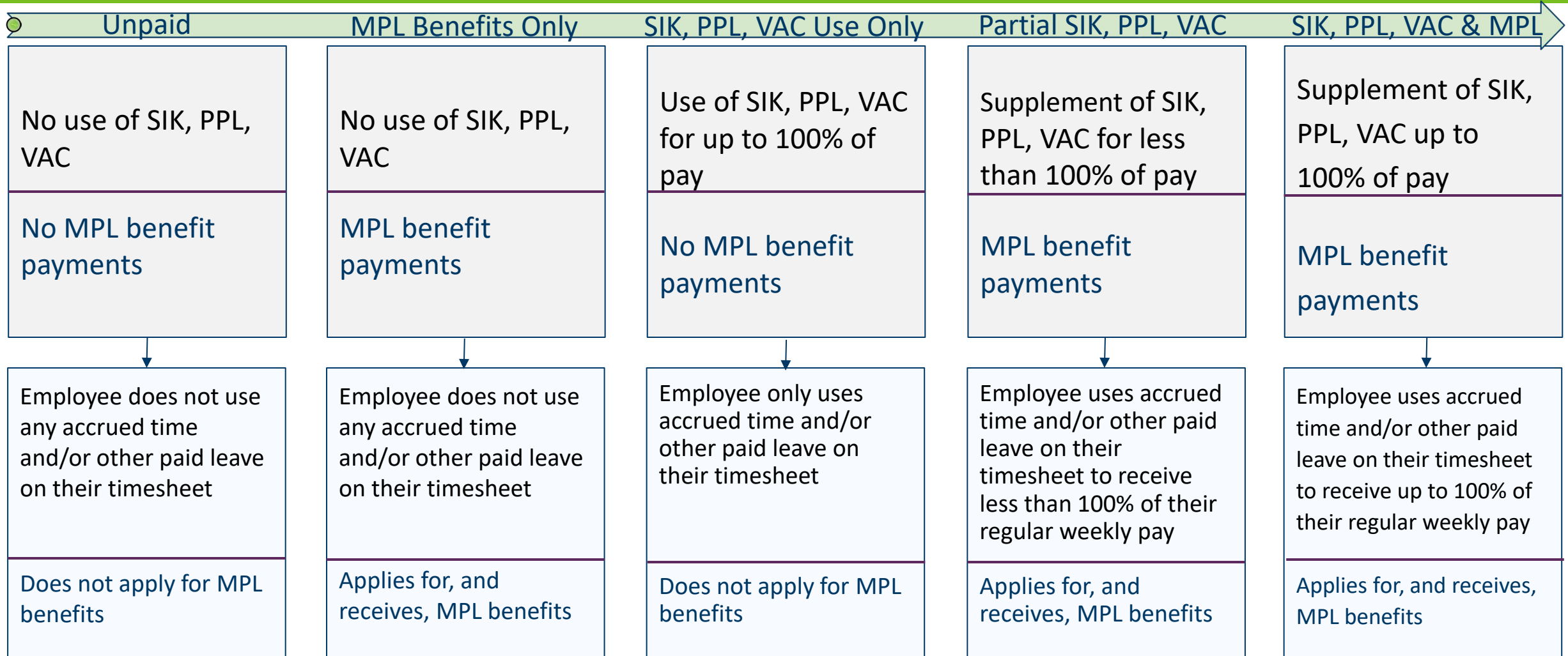
Employers must not interfere with or retaliate against the employee if they apply for or use Paid Leave. These protections apply no matter how long the employee has been at the job.



## Other Programs

Employees may qualify for other job protections under programs like the Family and Medical Leave Act (FMLA), Minnesota's Pregnancy and Parenting Leave Act, or Earned Sick and Safe Time (ESST).

# MPL Payment Options





**Minnesota  
Paid Leave**

## **Minnesota Paid Leave Examples**

# Things to Note

## Payroll Earning Codes

**PFM** → MN Paid Leave – Medical Leave

**PFF** → MN Paid Leave – Family Leave

These are unpaid codes and must be used for tracking MPL-qualified time, regardless of any benefit payments through MPL or supplemental benefits

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**SHU** → Scheduled Hours Not Worked-Unpaid

*\*brand new code\** This code should be used, instead of ETL, to track hours that are not covered by supplemental earnings codes, when the employee is not eligible for FMLA.

## HR Action/Reason Codes

**LOA/MPL** → employee is not supplementing with, or has exhausted all, available leave balances. This puts the employee into an **Unpaid Leave** status and **will trigger** direct billing for benefits.

**PLA/MPL** → employee is supplementing with available leave balances. This keeps the employee in a **Paid Leave** status and **will not trigger** direct billing for benefits.

**PLA/MP9** → employee is supplementing with available leave balances but will not use enough to cover employee insurance premiums. This keeps the employee in a **Paid Leave** status and **will trigger** direct billing for benefits.

**MPL & PPL** → **Programming changes are coming** to allow paid parental leave earnings codes when the employee is on a PLA/MPL & PLA/MP9 Action/Reason type leave.

# Regular Wage or Salary

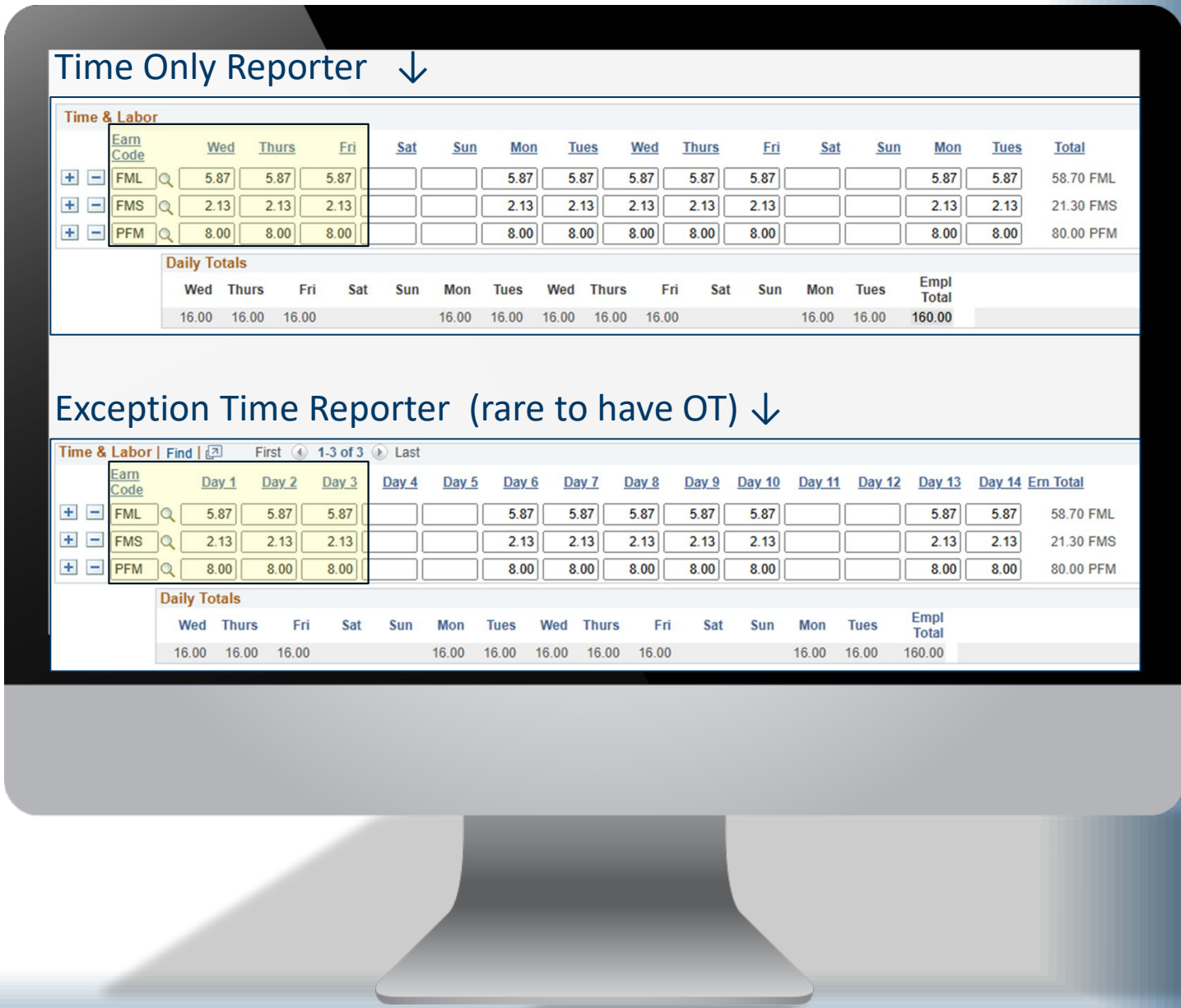
- **What is the “regular wage or salary” for purposes of supplementing? Will the determination notice from DEED provide this information?**
  - The MPL law does not define “*regular wage or salary*.” Absent a clear statutory definition, “regular wage or salary” is reasonably interpreted as the **amount an employee would be paid if they were not on leave**. An agency can include overtime and/or differentials in calculating the “regular wage or salary” if part of the employee’s regular schedule.
  - When the MPL Program approves an employee’s application, it will post a Determination of Eligibility to the online portal. The Determination will contain the employee’s weekly benefit amount (WBA) but will not identify the regular wage or salary of the employee. The **remainder up to the employee’s current normal weekly wage is the maximum amount that can be supplemented**. The dollar amount can be converted into an hourly amount that should be entered for every day the employee is absent.

# Scenario 1a – Continuous Leave (full-time employee)

Employee went on continuous leave day 1 of the pay week and will be out for 6 weeks. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take Medical Leave (code PFM)
- \* eligible for MPL benefit payments
- \* eligible for FMLA and supplementing with accrued sick leave up to 100% of regular weekly wage (code FMS and unpaid FML)

Hourly wage:	\$26.50
Regular weekly wage (with OT):	\$1,139.50
MPL Weekly Benefit Amount:	\$857.16
Available to supplement:	\$282.34
[or 10.65 hours per week, 2.13 per day]	
$\$1,139.50 - \$857.16 = \$282.34$	
$\$282.34 / \$26.50 = 10.65 \text{ hours}$	
$10.65 \text{ hours} / 5 \text{ days} = \mathbf{2.13} \text{ hours per day}$	



# Scenario 1b – continuous leave (part-time employee)

Employee went on continuous leave day 1 of the pay week and will be out for 6 weeks. Employee is:

- \* a part-time (20 hour) employee, working M, W, F and needing to take Medical Leave (code PFM)
- \* eligible for MPL benefit payments
- \* eligible for FMLA and supplementing with accrued sick leave up to 100% of regular weekly wage (code FMS and unpaid FML)

Hourly wage: \$26.50

Regular weekly wage: \$530.00

MPL Weekly Benefit Amount: \$442.55

Available to supplement: \$87.45  
[or 3.30 hours per week, 1.10 per day]

$\$530.00 - \$442.55 = \$87.45$   
 $\$87.45 / \$26.50 = 3.30$  hours  
 $3.30 \text{ hours} / 3 \text{ days} = \mathbf{1.10}$  hours per day

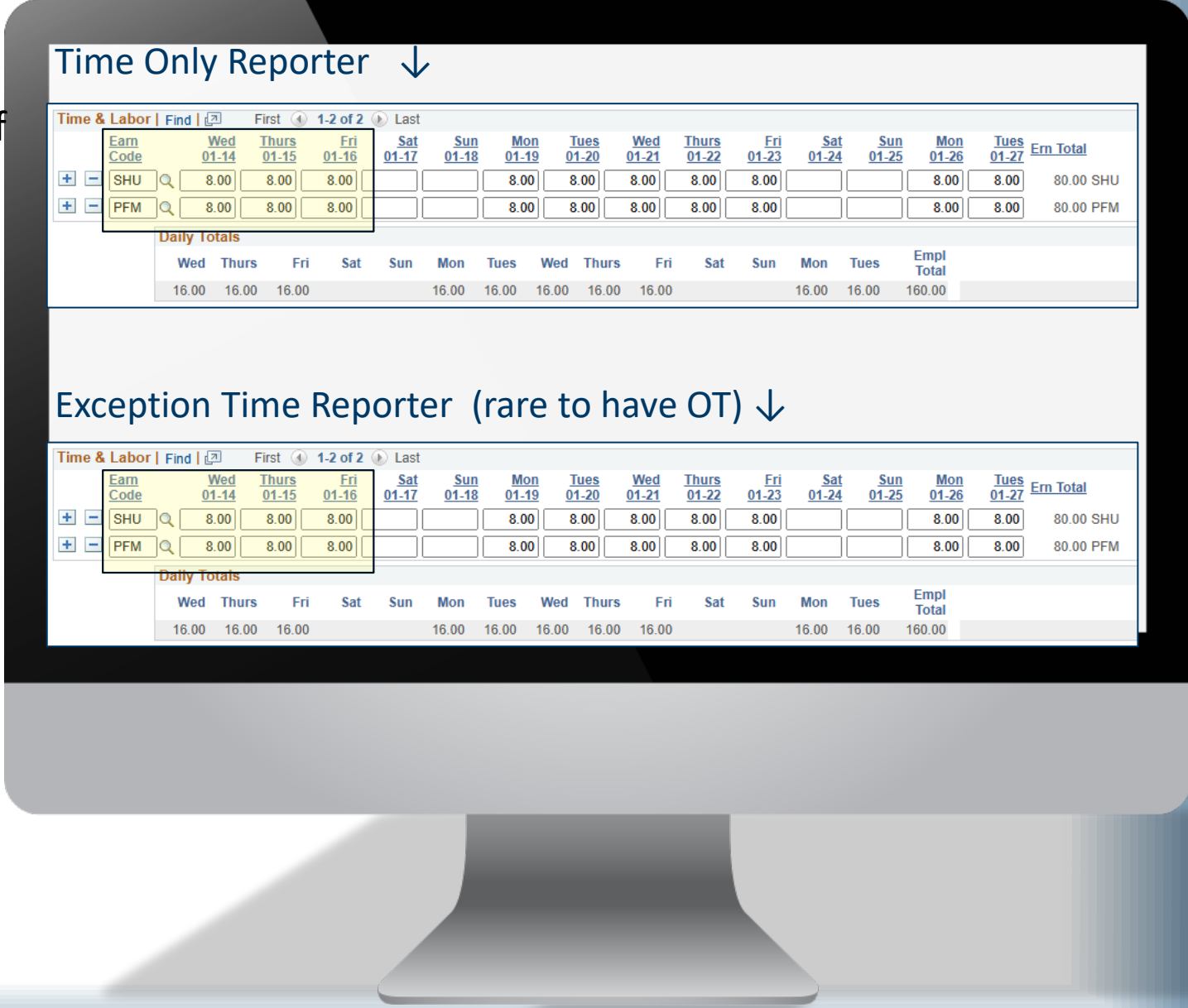


# Scenario 2 – leave with no supplementation

Employee went on continuous leave day 1 of the pay week and will be out for 6 weeks. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take leave for a personal injury (code PFM)
- \* eligible for MPL benefit payments
- \* **NOT eligible for FMLA and NOT supplementing** with qualified leave (code SHU)

Hourly wage:	\$26.50
Regular weekly wage:	\$1,139.50
MPL Weekly Benefit Amount:	\$857.16
Supplementing:	\$0.00
Gross Pay:	\$0.00

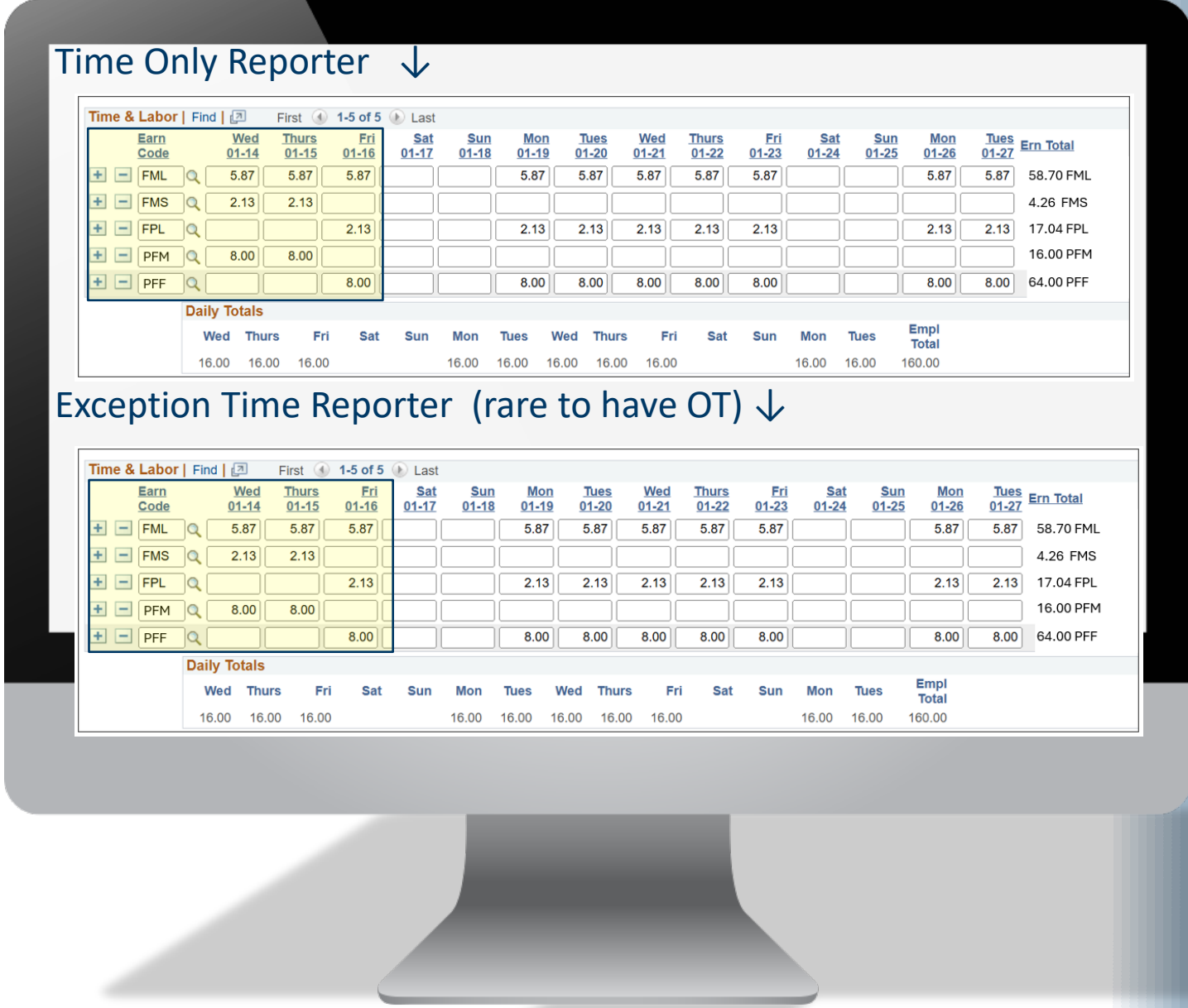


# Scenario 3 – Birth & Bonding

Employee has been out on continuous medical leave and is changing to continuous bonding leave. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take leave for birth and bonding with their newborn (code PFM and PFF)
- \* eligible for MPL benefit payments
- \* eligible for FMLA, Paid Parental Leave, and supplementing with qualified sick leave up to 100% of regular weekly wage (code FMS, FPL, and unpaid FML)

Hourly wage:	\$26.50
Regular weekly wage (with OT):	\$1,139.50
MPL Weekly Benefit Amount:	\$857.16
Available to supplement:	\$282.34
[or 10.65 hours per week, 2.13 per day]	
$\$1,139.50 - \$857.16 = \$282.34$	
$\$282.34 / \$26.50 = 10.65 \text{ hours}$	
$10.65 \text{ hours} / 5 \text{ days} = \underline{2.13} \text{ hours per day}$	

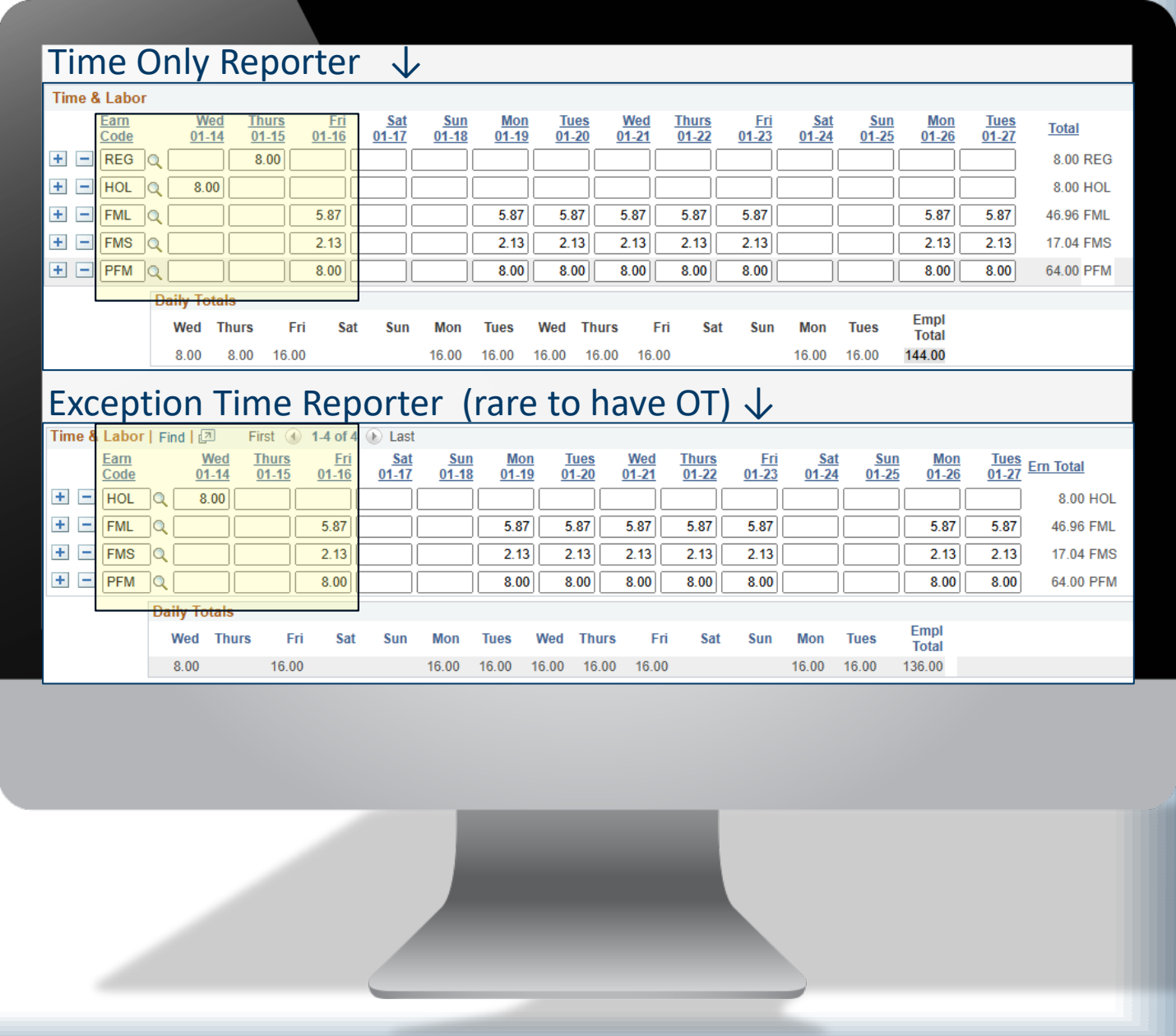


# Scenario 4 – midweek start

Employee went on continuous leave day 3 of the pay week. Day 1 was a holiday. Day 2 was regular time worked. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take leave for a personal injury (code PFM)
- \* eligible for MPL benefit payments
- \* eligible for FMLA and supplementing with qualified sick leave up to 100% of regular weekly wage (code FMS and unpaid FML)

Hourly wage:	\$26.50
Regular weekly wage (with OT):	\$1,139.50
MPL Weekly Benefit Amount:	\$857.16
Available to supplement:	\$282.34
[or 10.65 hours per week, 2.13 per day]	
$\$1,139.50 - \$857.16 = \$282.34$	
$\$282.34 / \$26.50 = 10.65 \text{ hours}$	
$10.65 \text{ hours} / 5 \text{ days} = \underline{2.13} \text{ hours per day}$	



# Scenario 5 – with a holiday

Employee went on continuous leave day 2 of the pay week. Day 1 was regular time worked. Day 7 was a holiday. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take leave for a personal injury (code PFM)
- \* eligible for MPL benefit payments
- \* eligible for FMLA and supplementing with qualified sick leave up to 100% of regular weekly wage (code FMS)

Hourly wage: \$26.50

Regular weekly wage (with OT): \$1,139.50

MPL Weekly Benefit Amount: \$857.16

Available to supplement: \$282.34  
[or 10.65 hours per week, 2.13 per day]

$$\$1,139.50 - \$857.16 = \$282.34$$

$$\$282.34 / \$26.50 = 10.65 \text{ hours}$$

$$10.65 \text{ hours} / 5 \text{ days} = \underline{2.13} \text{ hours per day}$$

8.00 hours of FMS before (day 6) and after (day 8) the holiday to receive the holiday pay (day 7)

Time Only Reporter ↓

Time & Labor   Find   [?] First 1-5 of 5 Last		Wed 01-14	Thurs 01-15	Fri 01-16	Sat 01-17	Sun 01-18	Mon 01-19	Tues 01-20	Wed 01-21	Thurs 01-22	Fri 01-23	Sat 01-24	Sun 01-25	Mon 01-26	Tues 01-27	Ern Total
+ -	REG	8.00												6.00	8.00	22.00 REG
+ -	FMH							8.00								8.00 FMH
+ -	FML		5.87	5.87						5.87	5.87			5.87	5.87	35.22 FML
+ -	FMS		2.13	2.13			8.00		8.00	2.13	2.13			2.13	2.13	28.78 FMS
+ -	PFM		8.00	8.00			8.00	8.00	8.00	8.00	8.00			8.00	8.00	72.00
<b>Daily Totals</b>																
		Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Empl Total
		8.00	16.00	16.00			16.00	16.00	16.00	16.00	16.00			22.00	24.00	166.00

Exception Time Reporter (rare to have OT) ↓

Time & Labor   Find   [?] First 1-4 of 4 Last		Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12	Day 13	Day 14	Ern Total
+ -	FMH							8.00								8.00 FMH
+ -	FML		5.87	5.87						5.87	5.87			5.87	5.87	35.22 FML
+ -	FMS		2.13	2.13			8.00		8.00	2.13	2.13			2.13	2.13	28.78 FMS
+ -	PFM		8.00	8.00			8.00	8.00	8.00	8.00	8.00			8.00	8.00	72.00
<b>Daily Totals</b>																
		Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Empl Total
		8.00	16.00	16.00			16.00	16.00	16.00	16.00	16.00			22.00	24.00	144.00

# Scenario 6 – exhaust accrual

Employee went on continuous leave day 2 of the pay week. Day 1 was regular time worked. All accruals were exhausted on day 8. Employee is:

- \* a full-time employee, who regularly works 2 hours of OT, needing to take leave for a personal injury (code PFM)
- \* eligible for MPL benefit payments
- \* not eligible for FMLA, but supplementing with sick leave up to 100% of regular weekly wage (code SIK)

Hourly wage: \$26.50

Regular weekly wage (with OT): \$1,139.50

MPL Weekly Benefit Amount: \$857.16

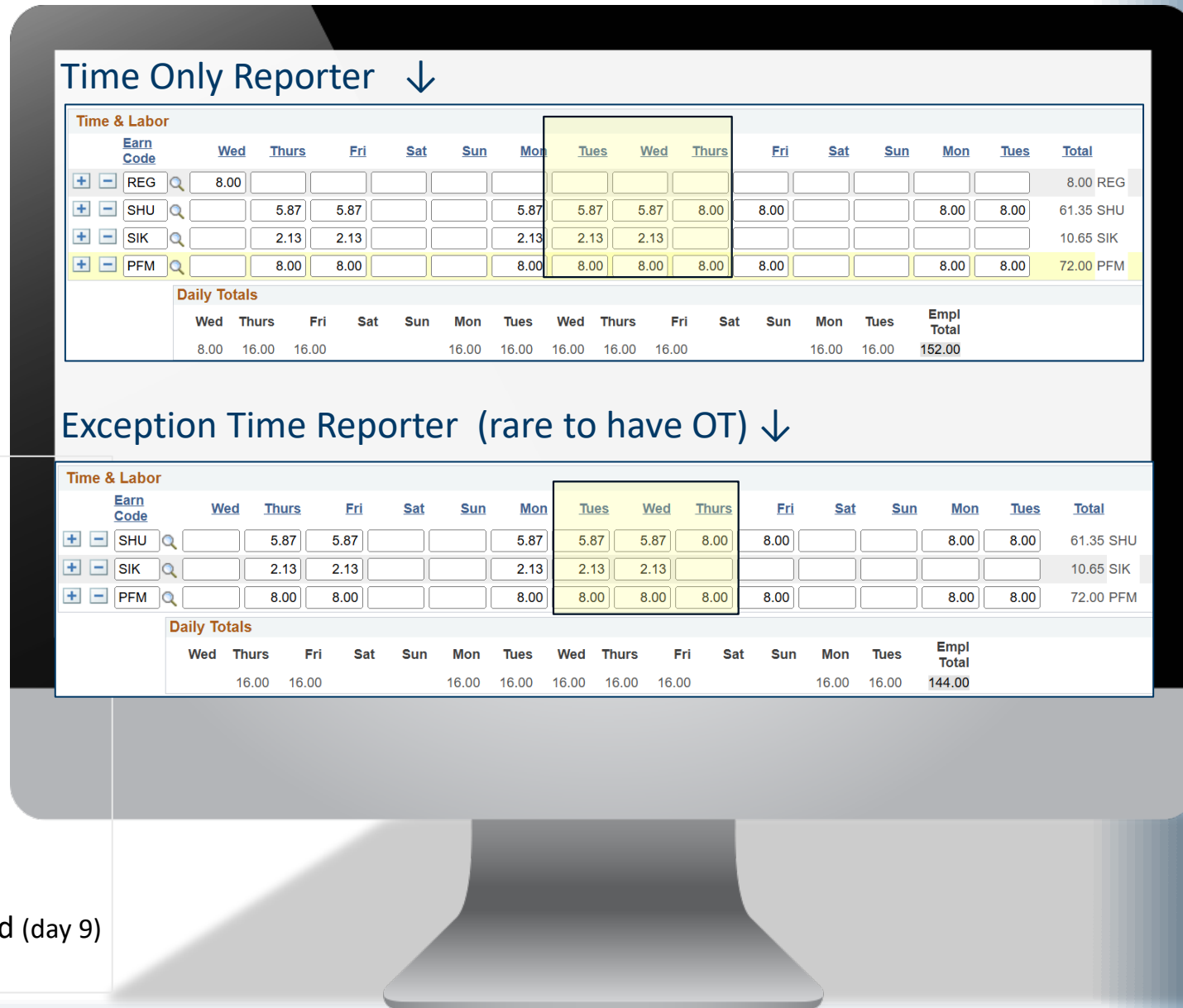
SIK to supplement: \$282.34  
[or 10.65 hours per week, 2.13 per day]

$$\$1,139.50 - \$857.16 = \$282.34$$

$$\$282.34 / \$26.50 = 10.65 \text{ hours}$$

$$10.65 \text{ hours} / 5 \text{ days} = \mathbf{2.13} \text{ hours per day}$$

8.00 hours of SHU (FKA ETL) once accruals were exhausted (day 9)



# Scenario 7 – no MPL benefit

Employee went on intermittent leave day 3 of the pay week. The employee needs 2 hours M, W, F to attend appointments. Day 1 was a holiday. Employee is:

- \* a full-time employee a full-time employee, who does not regularly work OT, needing to take 2 hours of leave, 3 days a week, for their own doctor appointments (*code PFM*)
- \* eligible for MPL, but **NOT applying for**, MPL pay
- \* eligible for FMLA and using qualified sick leave for the appointments (*code FMS*)

Hourly wage: \$26.50  
 Regular weekly wage: \$1,060.00  
 MPL Weekly Benefit Amount: \$0.00

2.00 hours of PFM (tracking only) and  
 2.00 hours of FMS (paid sick leave)





**Minnesota  
Paid Leave**

## **Minnesota Paid Leave Q&A**

# Calculations

**FT Rate: \$27.50**

**MPL Benefit: \$770.00**       $\$1,182.50 - \$770.00 = \$412.50$

**Regular Weekly Wage:**       $\$412.50 / \$27.50 = 15 \text{ hours}$

**\$1,182.50** (2 hours OT)       $15 \text{ hours} / 5 \text{ days} = \underline{\mathbf{3 \text{ hours/day}}}$

**Max hours to supplement?**

**PT Rate (20 hours): \$27.50**

**MPL Benefit: \$385.00**       $\$550.00 - \$385.00 = \$165.00$

**Regular Weekly Wage:**       $\$165.00 / \$27.50 = 6 \text{ hours}$

**\$550.00**       $6 \text{ hours} / 5 \text{ days} = \underline{\mathbf{1.2 \text{ hours/day}}}$

**Max hours to supplement?**

**FT Rate: \$27.50**

**MPL Benefit: \$770.00**       $\$1,100.00 - \$770.00 = \$330.00$

**Regular Weekly Wage:**       $\$330.00 / \$27.50 = 12 \text{ hours}$

**\$1,100.00** (no OT or Exempt)       $12 \text{ hours} / 5 \text{ days} = \underline{\mathbf{2.4 \text{ hours/day}}}$

**Max hours to supplement?**

**FT Rate: \$27.50**

**MPL Benefit: \$385.00**       $\$1,100.00 - \$385.00 = \$715.00$   
(Previously Part Time)

**Regular Weekly Wage:**       $\$715.00 / \$27.50 = 26 \text{ hours}$

**\$1,100.00** (no OT or Exempt)       $26 \text{ hours} / 5 \text{ days} = \underline{\mathbf{5.2 \text{ hours/day}}}$

**Max hours to supplement?**

# Backdated Hire/Rehire Date

Retroactive New Hire/Rehires [living/working in MN] that goes back to 2025 will need a 2026 effective dated tax record inserted to ensure MPL is withheld correctly

1. Navigate to the employee's Federal Tax Data page.
2. Insert a new row in Federal Tax Data with Effective Date in 2026.
3. Navigate to State Tax Data page for Minnesota.
4. In the Other Program Details section set Tax Status to Subject.

The screenshot displays the 'Update Employee Tax Data' interface. At the top, there are three tabs: 'Federal Tax Data', 'State Tax Data' (which is selected and highlighted), and 'Local Tax Data'. Below the tabs, there is a search bar and navigation controls. The 'Tax Data' section shows a table with columns for 'Company' (Global Business Institute) and 'Effective Date' (01/01/2026). Below this, the 'Other Programs - Status' section is expanded, showing 'Other Program Details'. A table lists two programs: 'P009-Paid Medical Leave' and 'P010-Paid Family Leave', both with a status of 'Active'. The '\*Tax Status' column for both programs is set to 'Subject', indicated by green arrows pointing to the dropdown menus.

Name	Program Status	*Tax Status
P009-Paid Medical Leave	Active	Subject
P010-Paid Family Leave	Active	Subject

Image 28. Tax Status value is Subject for both Programs. Taxes will be calculated for the state program.

# Who Does What?

- **Who is responsible for reviewing MPL applications and calculating eligibility determinations for the agency?**
  - Each agency should have a minimum of one [Paid Leave Administrator](#). Agency Human Resources/Leave Management is to calculate the appropriate number of hours for the employee's supplemental benefits based on the "regular wage or salary" of the employee to avoid an overpayment.
  - Either the employee or manager should be entering these hours on the timesheet; HR or Payroll should enter only if the timesheet is not available for the employee or manager (LOA/MPL).
  - Leave administrators, in collaboration with payroll, should identify which codes to use on the timesheets, much like if an employee were to go on LOA prior to this program.
- **Who is training payroll on these processes?**
  - Since each agency operates slightly different, it is the agency's responsibility to utilize the tools provided on the Enterprise Leave Management Resources SharePoint site to determine the best practices for their agency.
  - Statewide Payroll Services can answer questions as it pertains to time entry and will provide best practices based on the information available at the time.

# Timesheets and Calculations

- **When an employee is placed on a continuous unpaid MPL leave, will timesheets be viewable?**
  - When an employee is on a [continuous unpaid leave](#) of absence (LOA/MPL), the employee and supervisor [no longer have access](#) to their timesheet in Self Service. The agency will need to enter the earnings code(s) by processing a current or prior period adjustment.
  - When an employee is on [intermittent or paid leave](#) of absence (PLA/MPL or PLA/MP9), the employee and supervisor [will have access](#) to their timesheets in Self Service and should be entered as normal.
- **Is there a calculator coming out to assist with figuring out how many hours the employee would use to supplement?**
  - There is a work group identifying if it is possible to create a universal calculator to determine the number of hours an employee could supplement. If this is built, a communication will come out from HR and Payroll.
- **Please explain the difference in calculations for bi-weekly vs. semi-monthly.**
  - The MPL Program makes payments on a weekly basis. So regardless of when the employee receives their regular paycheck, agencies should look at the employee's rate of pay and calculate the hours available to supplement each day based on the employee's regular weekly wage or salary.

# Overpayments

- **What happens if an employee is overpaid due to supplementing too many hours?**
  - Agencies are responsible for the calculation of supplemental benefits to record on an employee's timesheet.
  - If it is determined that an employee has been overpaid, it is the agency's responsibility to recover the overpayment. Refer to the [Correction of Overpayment Policies and Procedures](#) in SEMA4 Help.
  - If prior period adjustments are made, with an agreement from the employee, check to ensure deductions are taken based on the order listed on the [deduction priority list](#).
- **If the employee is already on leave, how can we avoid overpayments while waiting for DEED's MPL Program to determine the employee's weekly benefit amount?**
  - It is an employee's choice whether they will use supplemental benefits while on MPL-protected leave.
  - If an employee chooses to use supplemental benefits while waiting for a determination by the MPL Program, the employee and agency may use the MPL Program's calculator to estimate the benefit payments the employee may receive. This can help mitigate an overpayment but cannot be relied on for an exact determination.
  - After the MPL Program begins issuing MPL benefit payments, an agency will determine if an overpayment occurred. Refer to the [Correction of Overpayment Policies and Procedures](#) as needed.

# Payment Verifications

- **What reports can the agency use to audit the MPL benefit payments and employer paychecks to identify overpayments?**
  - Using the Payroll *FIHU0604 Daily Time Tracking* report will enable agencies to verify the number of hours paid/supplemented by the employee and the time period. This can then be compared with the information in the MPL Portal that reflects payments to the employee to determine if an overpayment has been made.
- **How are supplemental benefits calculated when an employee takes MPL intermittently on a varying basis (e.g., 2 hours some days and 4 hours on other days)?**
  - The agency's leave administrator should work with the employee to calculate the amount available for supplementing. The amount may vary based on the Weekly Benefit Amount, the employee's weekly regular wage or salary, and the employee's leave usage.

# Minnesota Paid Leave References



**Minnesota  
Paid Leave**

## **Minnesota Paid Leave (MPL) Contact Center**

Phone: [651-556-7777](tel:651-556-7777)

Toll free: [844-556-0444](tel:844-556-0444)

email: [paidleave@state.mn.us](mailto:paidleave@state.mn.us)

fax: [651-705-0252](tel:651-705-0252)

Hours: Monday – Friday  
8:00 a.m. to 4:30 p.m.  
(closed during state holidays)

# Resources

- [Minnesota Paid Leave Policy](#)
- [FMLA Policy](#)
- [Sick Leave Policy](#)
- [Paid Parental Leave](#)
- [Correction of Overpayments Policy and Procedure](#)
- [Payroll Codes and Minnesota Paid Leave Bulletin \(12/19/2025\)](#)
- [Minnesota Paid Leave Employer Page](#)
- [MPL Website Common Questions](#)
- Monitoring Report – FIHU0604 Daily Time Tracking in SEMA4
- Questions about *earnings codes* can be directed to [earncode.leave.mmb@state.mn.us](mailto:earncode.leave.mmb@state.mn.us)
- Questions about *transaction codes* can be directed to your MMBSEMA4 [transaction team representative](#)



**Minnesota  
Paid Leave**

**Minnesota Paid Leave (MPL)**  
Questions as time allows

# Thank You!

This slide deck and any Q&As that were brought up will be distributed to participants soon.