# MINNESOTA PAID FAMILY AND MEDICAL LEAVE LAW UPDATE

## INTRODUCTION

The Minnesota Paid Family and Medical Leave law (PFML or Minnesota Paid Leave) goes into effect on January 1, 2026. This new law provides employees with paid benefits, leave entitlements and job protections when they need to take time off work to care for themselves or family members in specific circumstances. Its implementation creates new challenges and responsibilities for both employers and employees as is more fully described below.

## OVERVIEW

**Effective Date**: January 1, 2026.

**Purpose**: Provides a partial wage replacement benefit and a leave entitlement to workers who are unable to work because (i) the employee has a serious medical condition – including care related to pregnancy, childbirth and/or recovery (**medical leave**), (ii) need to take care of a family member with a serious medical condition, (iii) need to bond with a child (birth, adoption, etc.), (iv) need to support a family member called to active duty and/or (v) need to respond to issues related to sexual assault, stalking or domestic violence affecting the employee or a family member (**family leave**).

**Coverage:** Private Employers, Public Sector Employers and Nonprofit Organizations that have one (1) or more employees. Out of state companies that have one or more employees that work in Minnesota (and meet the state's eligibility requirements) must also participate in PFML.

**Leave Period**: The PFML law provides employees with up to 20 weeks of medical and family leave each year. Employees, however, are capped at 12 weeks for each leave meaning that if an employee takes 12 weeks medical leave, he or she can only take up to 8 weeks of family leave during that same year.

**Return to Work Protections**:

- Position: Employee is to be restored to his or her job or an equivalent position when returning from leave. This protection does not apply to employees who have taken leave less than 90 days prior to his or her date of hire.
- Health insurance: Employer must continue to pay its share of an employee's health insurance premium and any other group insurance premium while the employee is on leave. Employee must continue to pay his or her share of the health insurance premiums and/or group insurance premiums in order to maintain those coverages during the leave period.
- Retaliation: Employers shall not interfere with or retaliate against employees who take Paid Leave.
- Leave Payments: Paid Leave payments shall be paid directly to the employee. Employers cannot claim or take an employee's leave payment for any reason.

**Notice Requirements**: (1) Workplace Poster from Department of Economic Development must be posted by December 1, 2025; (2) Individual Notice must be given to all employees by December 1, 2025. All employees must acknowledge receipt of the written notice.

**Funding**:

- **Large Employer**: Employer pays into the Department of Economic Development a payroll premium equal .88% of each employee's earnings on a quarterly basis up to the Social Security cap ($176,000). First quarterly payment is to be made on April 30, 2026. Both employer and employee are to contribute .44% of employees earnings per quarter unless the employer agrees to pay more than 50% of the quarterly premiums. Employee premium payments are to be deducted from their paychecks in the same manner as any other wage deduction.
- **Small Employer Discount**: To help smaller businesses adapt, PFML offers a reduced premium rate for eligible small employers. Instead of paying the standard 0.44% employer contribution, qualifying employers will pay at least half that amount (0.22%).
  - **Eligibility:** Employers with 30 or fewer employees and average annual wages at or below 150% of the statewide average (approximately $107,000 in 2025).
  - **Employee Contribution:** The reduced employer rate does not affect the employee share. The employee's share would still be up to 0.44% of wages.

# PAID FAMILY AND MEDICAL LEAVE

## EMPLOYER IMPLEMENTATION OF PFML

1. Employer decides if it is going to cover more than 50% of the payroll premium.
2. Employer decides the increments in which Employee can take PFML – hours, days, weeks, etc.
3. Employer decides if employee can receive both PFML benefits and PTO benefits at the same time, so employee receives a total amount of salary equal to full time pay during some or all of the leave period.
4. Employe begins to deduct payroll premium from employee beginning with first paycheck of 2026.
5. Employee handbook is updated to include PFML requirements.
6. Employer's HR software needs to be updated to include PFML deductions and tracking.
7. Employer trains its Paid Leave Administrator to manage PFML program.

## SET UP FOR PFML (EMPLOYER)

In order to be ready for the PFML effective date, employers must:

1. Log into their Employer Accounts at https://uimn.org/
2. Designate in that portal the name of the person who will be the employer's Paid Leave Administrator See: https://uimn.org/employers/paid-leave/
3. Create a Paid Leave Administrator Account at https://paidleave.mn.gov/
4. Calculate premium amounts by using the calculator tool located at https://mn.gov/deed/paidleave/employers/premiums.

## PRIVATE EXEMPTION PLAN

- Employer may elect to seek a private plan exemption from the state if they can show that they are operating a plan similar to PFML and pay the requisite fees.
- Employer must provide an equivalent plan notice to all employees by December 1, 2025, or 30 days before the premium collection begins. Notice must be given in the employee's primary language, and the employee must confirm receipt of the notice in writing or electronically.

## PFML (EMPLOYEES)

1. Eligibility. All private and public employees are covered by PFML if they
   a. Earn at least 5.3% of the statewide average annual wage in the pat year and
   b. (i) Work 50% of their time in Minnesota during a calendar year or (ii) do not work at least 50% of their time in MN or in any other state but perform some work in Minnesota and live in Minnesota for at least 50% of the calendar year.
2. If eligible, Employees receive up to 20 weeks per year of family and medical leave.
3. Employees who choose to take leave under the PFML must show that they are unable to work because they (i) have of a serious medical condition, (ii) are required to take care of a family member with a serious medical condition, (iii) needs to bond with a new child or (iv) have a family member in the military that is being deployed.
4. Leave must be requested on a 30 day notice basis for foreseeable leave and less if there is an emergency or unplanned event requiring a more immediate leave. Bonding leave can be taken at a time chosen by the employee, but must end within 12 months of the birth, adoption, or foster care placement of a child. Employees must notify their employees before making application to PFML board for benefits.
5. Employees will only receive a portion of their salary through the PFML program while on leave. If an employee wants to be paid his or her full salary during a leave or vacation, then he or she will need to take leave pursuant to his or her PTO plan and not the PFML program.
6. The PFML program does not apply to seasonal workers. For purposes of this law, a seasonal worker is defined as an employee who works no more than 150 days per 52 week period in the hospitality industry and whose employer earns at least 2/3 of its revenue during a given six (6) month period and who has notified DEED that the employees are considered seasonal.

## TAX IMPLICATIONS

- **Premiums:** Collected on post-tax wages. Employer required contributions can be deducted as an excise tax. If employers cover more than their required share, they can deduct this additional contribution as an ordinary and necessary business expense.
- **W2:** Employers should put the amount of the employee's contribution and the amount of any employer pickup contribution in Box 14 of the W2 labeled as MNPFML.
- **Family Leave Benefits:** These benefits are not counted as wages. The Paid Leave department will issue employees who take Family Leave a 1099 at the end of the year.
- **Medical Leave Benefits:** These benefits are considered as wages (third-party sick pay); and are 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 with the taxable amount of Medical Leave payments.


**Blustin & Associates, PLLC, 19230 Evans St. NW, Elk River, MN  www.blustinlaw.com   (763) 355-9072**

# MINNESOTA PAID LEAVE

## NOTICES

- NOTICE TO GIVE EMPLOYEES BEFORE DECEMBER 1, 2025
- ALL EMPLOYEES MUST SIGN AN ACKNOWLEDGEMENT OF RECEIPT OF NOTICE
- CHOOSE ONE:

  ☐ LARGE EMPLOYER (30 OR MORE EMPLOYEES)

  ☐ SMALL EMPLOYER (1-29 EMPLOYEES)

MINNESOTA PAID LEAVE

## Sample notice to employees

This template is provided by Minnesota Paid Leave for employer use. Please note:

- These documents are templates provided by Minnesota Paid Leave for employer use. They are provided in Word format for your convenience – for easier completion of fillable fields, minor formatting changes (such as the addition of a company logo), or additions about company-specific policies.

- Employers must notify each employee directly within 30 days of hire or 30 days before premium collection begins. **For Paid Leave program launch on January 1, 2026, this means you must notify employees by December 1, 2025.**

- This notice must be provided to employees in their primary language, in writing. Sample notices in languages other than English will be available on the Paid Leave website.

- For notice provided in electronic format, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print.

- Employees should provide written or electronic acknowledgement of receipt of this notice. This can be done with a signature on a form, or by other means, such as an electronic payroll system. If an employee refuses to acknowledge that they received the notice, employers will need to be able to demonstrate how they were notified.

- If you offer Medical Leave, Family Leave, or both through an approved equivalent plan, you must also provide a separate equivalent plan notice to your workforce.

- If any of your employees are designated as seasonal hospitality employees, you may have additional notification requirements. Visit the Paid Leave website to learn more.

## How to use the sample notice

This document contains two versions of a sample notice to employees.

1. A version with the standard premium rate of 0.88%

2. A version with the small employer premium rate of 0.66%

You should choose the version applicable to your organization. Then, fill in the premium information to show how much of the premium you will cover, and how much will be deducted from the employee's paycheck (at most 0.44%). You should also fill in your employer information at the end of the form.

## Modifying this sample notice

Employers are responsible for any changes they make to these forms. Paid Leave is not responsible for modifications made to these forms and cannot guarantee that a form that has been modified from this original version will meet program requirements.

***Last updated: October 2, 2025***

# Sample employee notice

*Standard premium rate (0.88%)*

# Minnesota Paid Leave

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

You can take leave for the following qualifying events:

**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 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

## 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).

## 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 and other group insurance premiums while you are on leave. You will be responsible for any portion of health insurance and other group insurance premiums that you pay.
- **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.

## Who pays for Paid Leave?

Paid Leave is funded by premiums paid by employees and employers. **The initial premium rate is 0.88% of wages** up to the cap set by Social Security's Old-Age, Survivors, and Disability Insurance program (currently $176,000). Your employer **may deduct up to 0.44% of your wages** to fund your portion of the premium. This total premium covers both Medical Leave (0.61%) and Family Leave (0.27%).

Employers are responsible for sending premiums to Paid Leave on behalf of all employees.

Your premium contributions are:

| Medical Leave | **Total Medical Leave Premium: 0.61%** | | | |
|---|---|---|---|---|
| | *(Employer Name)* | will contribute | ___% | of the Medical Leave contribution |
| | | **and the remaining** | **___%** | **will be deducted from your wages** |

| Family Leave | **Total Family Leave Premium: 0.27%** | | | |
|---|---|---|---|---|
| | *(Employer Name)* | will contribute | ___% | of the Family Leave contribution |
| | | **and the remaining** | **___%** | **will be deducted from your wages** |

| **Total deducted from your wages** | **___%** |
|---|---|

## How do I take Paid Leave?

1. Notify your employer.
2. Apply with Paid Leave. You will be able to apply for Paid Leave at **paidleave.mn.gov.** You can also apply over the phone if needed.

After you apply, you will receive a determination from Paid Leave, which is the official decision from the program about whether your application was approved or denied.

If you are approved for Paid Leave payments, they will be sent to the bank account or prepaid debit card selected in your application.

## Learn more

Visit **paidleave.mn.gov** to apply or for more information about Paid Leave, including calculators to help you estimate your premium costs and the payments you could receive under Paid Leave.

### Other ways to reach us

Phone: 651-556-7777 or 844-556-0444 (toll free).

E-mail: paidleave@state.mn.us

Mail: Department of Employment and Economic Development, Paid Leave Division
180 E 5th Street, 12th Floor, Saint Paul, MN

*Information is available in alternative formats for people with disabilities by using the contact information listed above.*

## Employer Information:

| | |
|---|---|
| **Employer Name:** | |
| **Mailing Address:** | |
| **Employer Identification Number (FEIN):** | |

## Employee Acknowledgement:

| | |
|---|---|
| ☐ | **I acknowledge receipt of this notification** |
| **Name** | |
| **Signature** | |
| **Date** | |

MINNESOTA PAID LEAVE

# Sample employee notice

*Small employer premium rate (0.66%)*

Minnesota Paid Leave

180 E 5th St, Suite 1200 | St. Paul, MN 55101

paidleave.mn.gov

# Minnesota Paid Leave

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

You can take leave for the following qualifying events:

**Medical Leave:**

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

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## Am I covered by Paid Leave?

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## 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 and other group insurance premiums while you are on leave. You will be responsible for any portion of health insurance and other group insurance premiums that you pay.
- **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.

## Who pays for Paid Leave?

Paid Leave is funded by premiums paid by employees and employers. **The initial premium rate for small employers is 0.66% of wages** up to the cap set by Social Security's Old-Age, Survivors, and Disability Insurance program (currently $176,000). Your employer **may deduct up to 0.44% of your wages** to fund your portion of the premium. This is the same amount as employees working for large employers. This total premium covers both Medical Leave (0.46%) and Family Leave (0.2%).

Employers are responsible for sending premiums to Paid Leave on behalf of all employees.

Your premium contributions are:

| Medical Leave | **Total Medical Leave Premium: 0.46%** | | | |
|---|---|---|---|---|
| | *(Employer Name)* | will contribute | ___% | of the Medical Leave contribution |
| | | **and the remaining** | **___%** | **will be deducted from your wages** |

| Family Leave | **Total Family Leave Premium: 0.2%** | | | |
|---|---|---|---|---|
| | *(Employer Name)* | will contribute | ___% | of the Family Leave contribution |
| | | **and the remaining** | **___%** | **will be deducted from your wages** |

| **Total deducted from your wages** | **___%** |
|---|---|

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2. Apply with Paid Leave. You will be able to apply for Paid Leave at **paidleave.mn.gov.** You can also apply over the phone if needed.

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180 E 5th Street, 12th Floor, Saint Paul, MN

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## Employer Information:

| | |
|---|---|
| **Employer Name:** | |
| **Mailing Address:** | |
| **Employer Identification Number (FEIN):** | |

## Employee Acknowledgement:

| | |
|---|---|
| ☐ | **I acknowledge receipt of this notification** |
| **Name** | |
| **Signature** | |
| **Date** | |

# MINNESOTA PAID LEAVE

## NOTICES

## MINNESOTA PAID LEAVE NOTICE
## TO POST IN THE WORKPLACE

# 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).

MINNESOTA PAID LEAVE

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

7/2025

# MINNESOTA PAID LEAVE

## NOTICES

## PAID LEAVE EQUIVALENT PLAN POSTER

# 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.

### Equivalent Plan

Your employer provides Paid Leave through an approved equivalent plan instead of through the state of Minnesota. This plan provides time off, payments, and job protections that are equal to or greater than those offered under Minnesota Paid Leave.

Name of insurer: ____________________________________________

Equivalent plan covers: ☐ Family Leave ☐ Medical Leave ☐ Both

Website: ______________________ Phone: ______________________

### What can I use Paid Leave for?

Medical Leave:

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Family Leave:

- **Bonding Leave** – to care for and bond with a new child welcomed through birth, adoption, or foster placement
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Generally, conditions must last at least seven days and be certified by a healthcare provider or other professional.

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### How long can I take leave?

An equivalent plan must offer leave time that is equal to or greater than what is offered under the state plan. Under the state plan, 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?

An equivalent plan must offer payments that are equal to or greater than what is offered under the state plan. Under the state plan, you will be paid 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 this coverage?

Minnesota Paid Leave is funded by premiums paid by employees and employers. Your employer may not charge you more than 0.44% of your wages to fund your portion of the Equivalent Plan 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.

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MINNESOTA PAID LEAVE

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

9/2025