

A LITTLER PRESENTATION

# Minnesota Paid Family Medical Leave

Minnesota Grocers Association Webinar  
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**Littler**<sup>®</sup>



# Presented By



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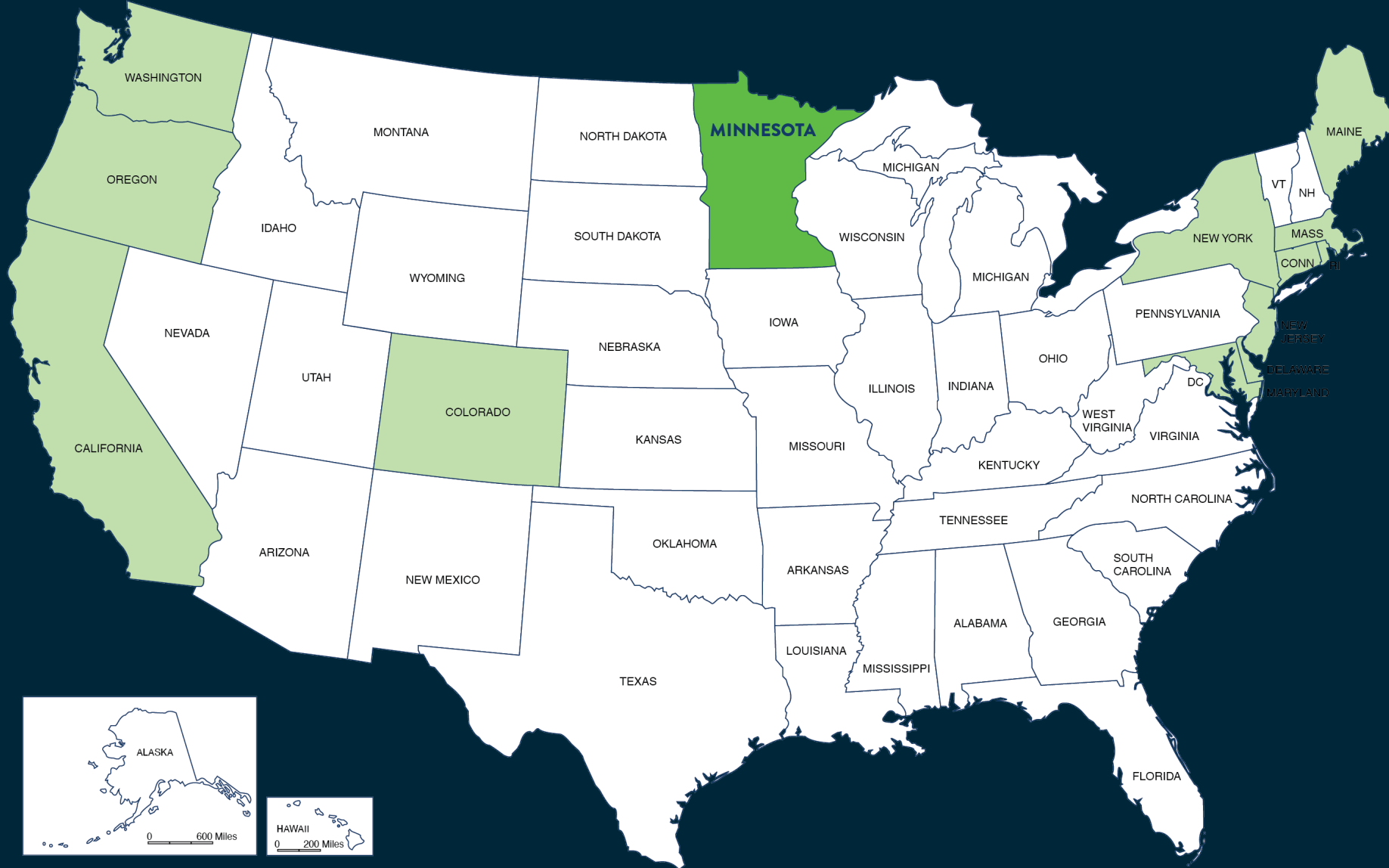
# Agenda

- Who gets paid leave?
- When can paid leave be used?
- How are employees paid for leave?
- What key steps do employers need to take?



# January 1, 2026, Minnesota Will Be the 14th State to Implement Paid Leave

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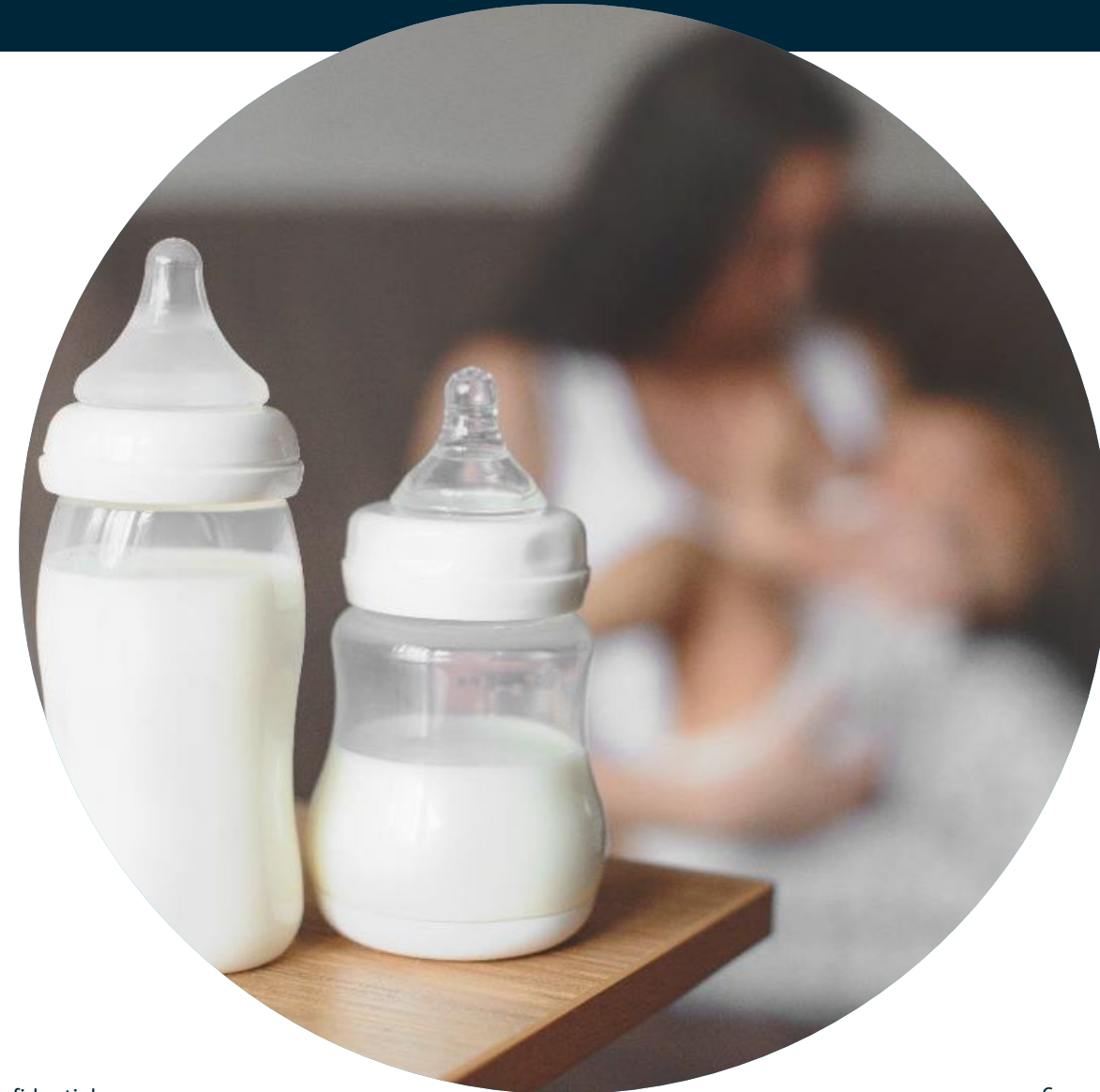
# Are Our Employees Going to be Covered?

- Applies to majority of employers
  - Few exceptions
  - Small business to have access to assistance from the state
- Employee eligibility: Minnesota employees who have earned at least 5.3% of the statewide average annual wage in the past year
- How is Minnesota employee defined?
  - Employees who worked 50% or more of the prior year in MN or
  - For employees who did not work 50% or more of the year in any one state, those who live in MN

# When Can Employees Use Paid Leave?

	Leave Type	Duration
Paid Family Leave	Bonding	12 weeks
	Active Duty	
	Caring Leave	
	Safety Leave	
Paid Medical Leave	Own Serious Medical Condition	12 weeks
Total leave	Maximum Leave Combined	20 weeks

\*Qualifying conditions must last more than seven days and be certified by a health care provider or designated professional.





# Broad Definition of Family

- The Paid Leave law defines **family member** as the following:
  - a spouse or domestic partner
  - a child, including a biological, adopted, or foster child, a stepchild, or a child to whom the applicant stands in loco parentis, is a legal guardian, or is a de facto parent
  - a parent or legal guardian of the applicant
  - a sibling
  - a grandchild (a child of the applicant's child)
  - a grandparent or spouse's grandparent (a parent of the applicant's parent)
  - a son-in-law or daughter-in-law
  - **an individual who has a relationship with the applicant that creates an expectation and reliance that the applicant cares for the individual, whether or not the applicant and the individual reside together.**

# When Does the Employee Get to Use It?



Qualifying conditions must last more than seven days and be certified by a health care provider or designated professional.



Foreign providers may certify medical conditions.



DEED will provide a draft certification.



The minimum duration of benefits is one workday in a work week.



# What About Intermittent Leave?

- Intermittent leave must be taken in increments consistent with the established policy of the employer to account for use of other forms of leave, so long as such employer's policy permits a minimum increment of at most one calendar day of intermittent leave.
- However, an employer **may limit** intermittent use of leave to 480 hours in any 12-month period. The employee would be able to take any remaining leave continuously.

# Notice Requirements

- Applicants must notify employer
- 30 days notice for foreseeable leave or as soon as practicable
- Notice of extension of dates of leave, changes to intermittent leave schedule – no less than 14 days notice unless “good cause” for delay
- Can require employees to follow usual leave request procedures and attendance/call-out policies
- Cannot require employee to obtain coverage for time out if required notice is given
- Can dispute employee's claim they gave sufficient notice

# Employee Payment

- Employees will apply for and receive benefit payments from the state
- Benefits are partial wage replacement
- Employers can choose whether to allow PTO and other benefits to be used as “supplemental”
- *BUT CANNOT* require employees to supplement
- Employer must continue to provide health insurance “as if employee was not on leave”

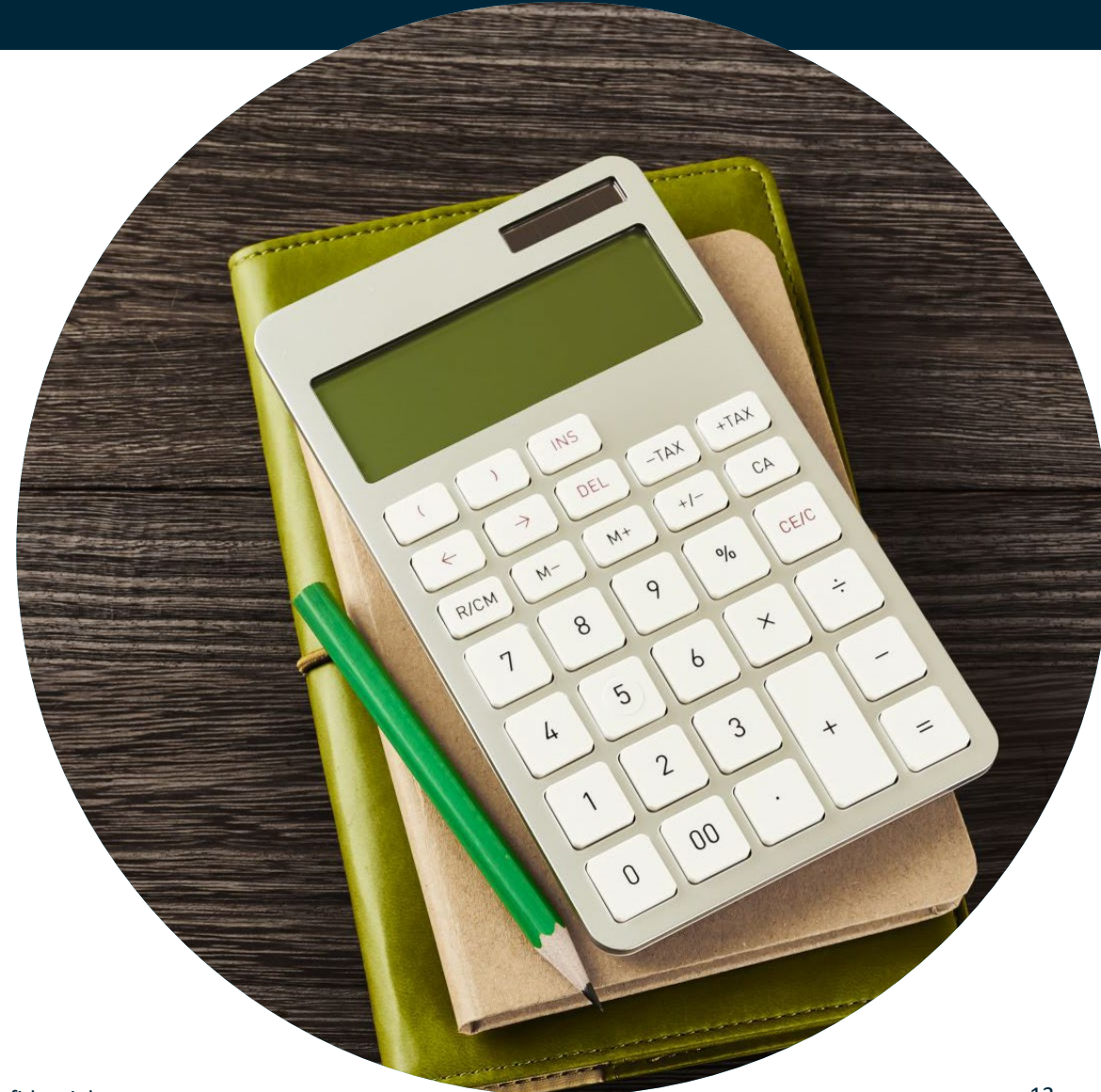
# Job Protection and Anti-Retaliation



- Employees who use leave are entitled to return to same or equivalent position and schedule
- Job protection begins 90 days after date of hire
- The statute prohibits retaliation: employers must not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against employees for seeking, requesting, or obtaining PFML benefits or exercising other rights under the statute.
- Employers are also prohibited from obstructing or impeding an application for PFML leave or benefits.

# Program Administration

- DEED is administering the program.
- Under the program, benefits will be paid by the state to individuals OR an approved private plan
- Benefits will be considered taxable income under state law.
- Employer can pick definition of benefit year.



# What is Required as an Employer?

## 1. Reporting & Premiums

- Payroll deduction & premium payment
- Wage Reporting

## 2. Inform

- Workforce Posters
- Individual Notifications

## 3. Leave Administration

- Coordinate other leaves and payments to employees on leave
- Support return to work

# Reporting Wages

- **Where?**

- The Paid Leave program is using the same online reporting system as Unemployment Insurance (UI) to reduce the administrative burden for employers.

- **When?**

- Wages will be reported once per quarter.

- **From DOLI:**

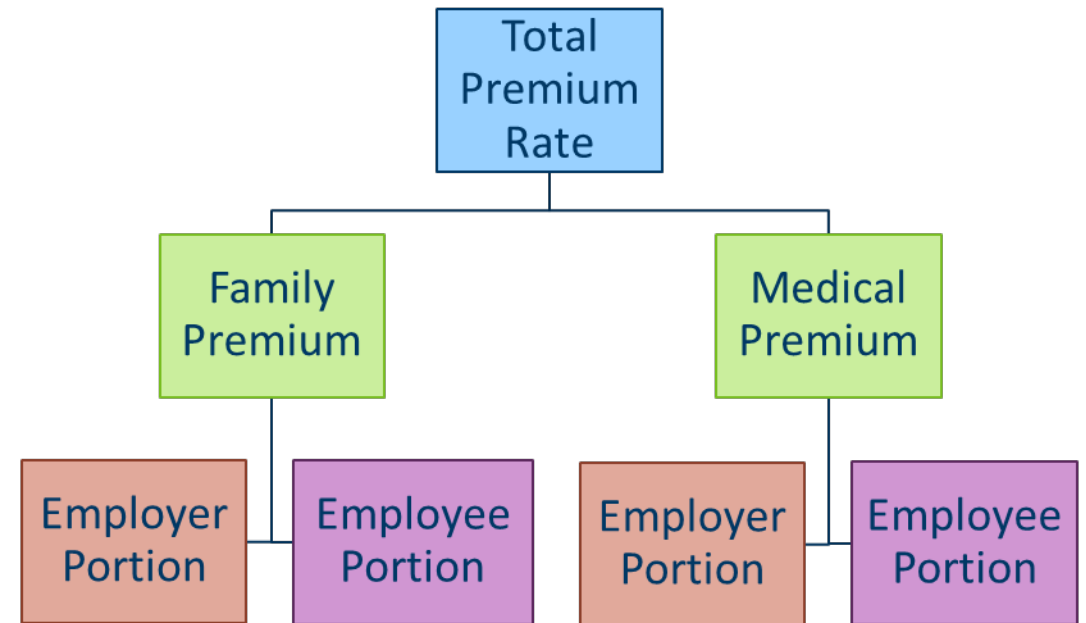
- As of February 1, employers have reported wages for more than 3.4 million employee records through the UI online portal.



# The Starting Premium Rate will be 0.88% of the Employee's Salary

## 2026 Contribution Rates for Minnesota Paid Leave

<b>Total Premium Rate</b>	0.88%
<b>Max. Employee Contribution Rate</b>	0.44%
<b>Max. Employee Weekly Contribution</b>	\$14.90
<b>Max. Weekly Benefit</b>	\$1,372
<b>Min. Employer Contribution Rate</b>	0.44%
<b>Min. Small Employer Contribution Rate</b>	0.22%



# Funding Starting in January 2026

- Employers can deduct up to 50% of premiums from employee paychecks, starting January 1, 2026.
- Premium share must not reduce employee's wage below minimum wage
- Employers with 30 or fewer employees with an average employee wage of less than 150% of the statewide average annual wage are entitled to a reduced premium, (\$107,016 in 2025).



# Small Employer Status

**To qualify as a small employer:**

- 30 or fewer employees
- Average employee wage of under 150% of Statewide Average Annual Wage

**Additional funding up to \$3,000 to:**

- Hire temporary workers or
- Increase an existing employee's wages to cover for the employee on leave

# Informing Your Employees



**1. Hang a workforce poster**

**Deadline: December 2025**

**2. Notify individual employees**  
(in December to all employees  
and at hire)

# Competing Entitlements

- Earned Sick and Safe Time
- FMLA
  - FMLA is a federal program that entitles eligible employees to take **unpaid**, job-protected leave for specified family and medical reasons
- Minnesota Parental Leave Act
  - Requires most MN employers to offer unpaid parental leave



# FMLA v. PFML v. ESST

The leaves can be taken concurrently, if it is taken for the same purpose.

Employers may require FMLA, Minnesota Parental Leave, and PFML be taken concurrently.

Employers may not force employees to take ESST.



# What is an Equivalent “Private” Plan?



# Equivalent “Private” Plans?



- Employers can choose to meet their responsibilities under PFML by providing employees an equivalent plan that meets or exceeds the coverage offered by the state.
- **Approved equivalent plans must meet or exceed coverage under MN PFML with respect to:**
  - Leave time available to current and recently separated employees
  - Payment rates to employees on leave
  - Job protections

# Private Plan **Mis**conceptions



A generous STD plan is all I need to comply with the private plan requirements.



A 12-week Paid Parental Leave policy is enough to comply with the private plan requirements.



If I provide as much paid leave as the state program, my private plan is compliant.



I have a private plan, so I don't need to know anything about MN PFML.



I have a private plan, so Department Guidance does not apply to me.

# Deadlines

## 2025

- **Equivalent Plan applications** due November 10
- Employers need to notify their employees about Paid Leave benefits by Dec. 1, 2025

## 2026

- **Payroll Deductions** start Jan. 1, 2026
- **Benefits and leave available to Minnesotans** Jan. 1, 2026
- **Small Business Assistance** funding available Jan. 1, 2026
- First **quarterly premium** due by April 30, 2026

# Practical Points

- Review existing Leave Policies and identify changes to be made
  - how will current FMLA policies will be affected?
  - who should employees should notify about applications for benefits?
  - Will you require concurrent FMLA/Minnesota Parental Leave use?
  - Intermittent leave limits?
- Determine whether to apply for a private plan approval
- Decide on premium share percentage
- Decide whether to offer use of PTO or ESST as supplemental benefits
- Accounting - address the upcoming additional payroll taxes.
- Payroll - put appropriate infrastructure in place to support PFML and amend employee earning statements.



# What About Union Employees?

# What about Union Employees?

Employers with union represented employees have an obligation to negotiate over aspects of this change:

- Premium sharing (up to 50%)
- State plan versus private plan
- Impact on other benefits



# Deadline Reminder

**December 1, 2025:**

Posters posted, and employees notices

**January 1, 2026:**

Employer's can begin to deduct employee share of premium

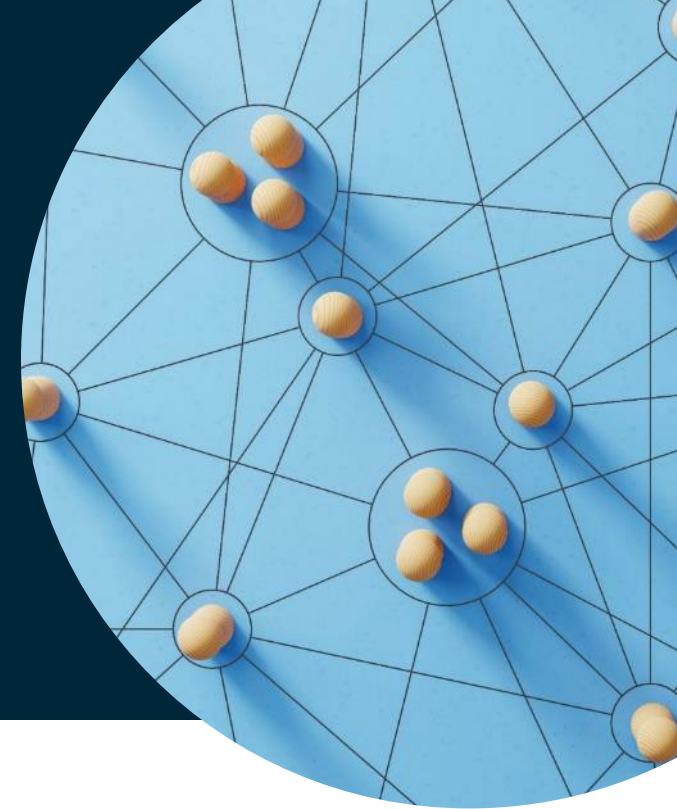
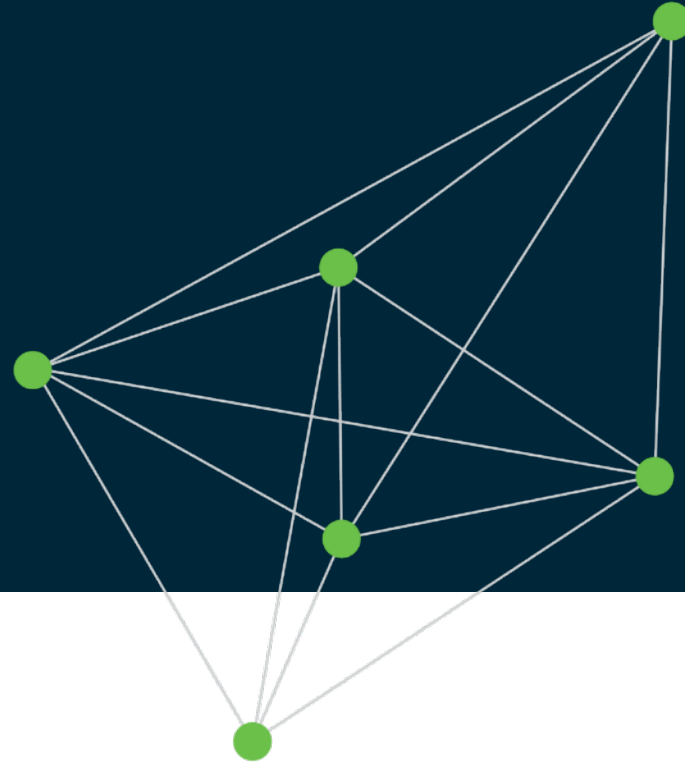
**April 30, 2026:**

First premiums due to DEED





# Lots of Open Questions Remain!



# Thank You

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