Our third topic in the Minnesota Legislature update series is the introduction of a statewide Paid Sick and Safe Leave law, which is applicable to all employers with one or more employees in Minnesota. This new law goes into effect January 1, 2024. Here is what you need to know:

**Covered employees include:**

* All employees in Minnesota working for 80+ hours/year.
  + Excludes independent contractors and certain air carrier crew.

**Accrual, grants, and carryover:**

* Accrual or grant starts on January 1, 2024, or at employment start, whichever is later.
* Up to 48 hours of leave per year, more at employer’s discretion.  A year is defined as any 12-month period established by the employer.
* Employers have two options for how to award sick time:
  + **Accrual**:
    - Accrue 1-hour per 30 hours worked (.0334 per hour worked), a 40-hour workweek is assumed for exempt employees, unless their normal workweek is more than 40 hours.
    - Employees may carry over **all** unused paid sick and safe leave from year to year, but employers may implement a maximum accrual of 80 hours.
  + **Grant (frontload):**
    - If 48 hours is granted at the beginning of the year, accrued but unused time at the end of the year must be carried over.
    - If 80 hours or greater is granted at the beginning of the year, carryover is not required.

**Reasons for use**

* Paid sick and safe leave covers the employee and time needed to care for a family member, which includes one individual annually designated by the employee.  Time can be used for:
  + Employee’s health, family member care and health, domestic abuse, sexual assault, emergencies, and public health concerns.

**Notice and documentation**

* Notice for unforeseeable absences should be given as soon as practicable.
  + Employers may require up to 7 days advance notice for foreseeable absences.
* Documentation may be required for absences longer than 3 days in a row, but if the employee did not seek care from a health professional or obtaining documentation isn’t reasonable, the employer must accept a written statement from the employee.

**Termination and rehire**

* Unused leave is not required to be paid out at termination.
* Accrued leave is retained during transfers or rehires within 180 days of separation.

**Coordination with other laws and policies:**

* City ordinances prevail if more generous than the state law.
* Businesses may choose to keep their existing PTO and/or sick policies if they comply with the minimum requirements of the new law. Sick time does not require its own separate policy if already covered under a more comprehensive PTO policy.

**Employer notices and records:**

* Notice to employees about Sick and Safe Leave rights is required upon hire and to current employees on or after January 1, 2024.
  + The state will develop a notice.
  + Employers must also include this notice in the employee handbook.
* Each employee must be provided an earning statement at the end of each pay period that includes:
  + Total number of sick and safe leave hours accrued and available for use, and
  + the total number of sick and safe leave hours used during the pay period.

**Restrictions and requirements:**

* Retaliation is prohibited for employees using sick and safe leave.  Employers that use an “attendance points” system cannot assess points for sick and safe leave use.
* Employers must maintain the confidentiality of employee and family member information.

**Actions to take:**

* Train all managers and HR personnel on the new law.
* Work with your PEO, HR professional, or outside counsel to implement a compliant policy and ensure that time is being tracked.
* For employers that track time internally (without a formal system), implement a system for notifying employees of the earning statement requirements each pay period.
* Review and distribute the Employee Notice, once available.

**Resources:**

[MN SF 3035](https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/53/)  
[Minnesota Passes State-Wide Earned Sick and Safe leave Law](https://www.littler.com/publication-press/publication/minnesota-passes-state-wide-earned-sick-and-safe-leave-law)