

**Note: These materials do not reflect any changes to the Paid Leave program that may have been made after the date of the presentation.**

# MN Paid Family and Medical Leave 101

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*Notice: This presentation is for educational purposes only and does not constitute legal or tax advice. You should consult with an attorney for help regarding your specific situation.*

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## Agenda

- ▶ Paid Leave Benefits
- ▶ What and Who Qualifies for Benefits
- ▶ Interaction with Other Leave Types
- ▶ Costs
- ▶ Alternatives to the State Program
- ▶ Benefit Application Process
- ▶ Small Employer Assistance
- ▶ Tax Implications
- ▶ To-Dos for Employers

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## Overview

- ▶ Beginning on January 1, 2026, Minnesota employees will have access to paid leave for medical or family reasons. This includes partial wage replacement and job protections for certain qualifying circumstances. See Minn. Stat. ch. 268B.
- ▶ Program is administered by Paid Leave, a division of the Minnesota Department of Employment and Economic Development (DEED).
- ▶ <https://mn.gov/deed/paidleave/>

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## Leave Benefits

- ▶ Paid leave to take time off due to medical or family needs lasting at least 7 days.
  - ▶ Partial wage replacement (55-90%).
  - ▶ Paid out weekly by the state.
  - ▶ No waiting period.
  - ▶ Maximum benefit amount is the state average wage (\$1,423 / week currently).
    - ▶ Benefit calculator here: <https://mn.gov/deed/paidleave/employees/leave-time/>
- ▶ Health insurance coverage while on leave (premiums still due).
- ▶ Job is protected (same/equivalent position) if employed there for at least 90 days.
- ▶ Benefits for up to 12 weeks for medical or 12 weeks for family, with a maximum of 20 weeks of leave per benefit year if qualifying for both medical and family leave.
  - ▶ Can be split up (at least 480 hours per year).

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## Situations Qualifying for Leave

### ► Medical Leave

- Taking care of oneself for a serious health condition (physical or mental illness, injury, condition, or substance use disorder).
- Includes evaluation, treatment, inpatient care, recovery, or not being able to perform regular work, attend school, or do regular daily activities, including for childbirth, conditions related to pregnancy, or surgery.

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## Situations Qualifying for Leave

### ► Family Leave

- Bonding with child through birth, adoption, or foster placement within last 12 months (for birthing and non-birthing parents).
- Caring for a family member's serious health condition.
- Support a family member called to active duty military service.
- Safety leave for issues such as domestic violence, sexual assault, or stalking.

#### ► "Family member" defined as:

Spouse or partner	Child (biological, adopted, step, or foster, or a child you raise)	Parent or person who raised you
Sibling	Grandchild or grandparent	In-laws
Anyone close to you who depends on you like family, even if not related by blood		

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## Employees Eligible for Benefits

### ► Covered:

- Earned at least 5.3% of the state average annual wage (around \$3,900) in the last 12 months, from one or more jobs, AND
- Worked 50% or more of the year from a location in Minnesota (including remotely) or if they do not work 50% or more of the year in any state, they are covered if they live in Minnesota.

### ► Not covered:

- Independent contractors, self-employed individuals, and Tribal Nations—can opt in.
  - Self-employed/indep. contractors: pay premiums annually; coverage based on net earnings.
- Federal government employees, “seasonal hospitality employees” that have been notified they are exempt by their employer, and railroad employees—cannot opt in.
  - Seasonal hospitality employees: “employed no more than 150 days during any consecutive 52-week period in **hospitality** by an employer whose average receipts during any six months of the preceding calendar year were not more than 44% of the average receipts for the other six months of year.”

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## Interaction with Other Leave Types

- Employers can choose to require Paid Leave to run concurrently with leave taken under the Family and Medical Leave Act (FMLA) and Minnesota Parenting and Pregnancy Leave Act (MPLA), if employee is eligible.
- Employers **cannot** require employees to use their ESST, PTO, sick, or vacation time before or during a paid family leave, but employee can choose to use during their Paid Leave to “top off” (if employer allows it) or *instead of* Paid Leave.
- Supplement with short-term disability policies.
  - **Cannot earn more than 100% of wage.**
- Cannot receive PL benefits at the same time as unemployment insurance, Social Security disability (usually), or workers’ compensation (unless WC benefits are less than the PL benefit).

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## How Much Does it Cost and Who Pays?

- ▶ Employers can choose to be covered under state Paid Leave or an “equivalent” plan.
- ▶ State program is funded by premium payments, which are based on quarterly reported payroll.
  - ▶ Current premium rate is .88%. Can be adjusted annually. Not to exceed 1.2% per law.
    - ▶ Employer-required premium is half for “small employers.” This reduction does not change the amount owed by employees.
  - ▶ Premium calculator here: <https://mn.gov/deed/paidleave/employers/premiums/>
  - ▶ Employers must pay at least half of the premium but may choose to pay up to 100%.
    - ▶ Cannot cause an employee to make less than the required minimum wage.
    - ▶ Premiums are capped at the OASDI limit, which is currently \$176,000.
  - ▶ Premiums will be first due April 30, 2026, based on wages in Q1 of 2026.

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**Estimate Premiums**

**1. Estimate Premiums**  
All Fields Required

Who do you want to estimate premiums for?  
Changing this input will automatically update elements of the form.

☒ Entire Workforce  
☐ An individual

How many employees do you have?  
Your employee count is the highest number of employees reported on a single wage detail report last year.  
[Learn more about your employee count](#)

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What was your employee payroll for the last 12 months?  
If any employee wages are above the OASDI Limit (\$176,000), this calculator will provide an overestimate for premiums.

\$ 120,000

**Calculate** **Reset**

Premiums Successfully Calculated

**2. Select Premium Frequency**  
Move the slider to see how your estimated costs change. Your costs will automatically update.

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly Annually

**Employer Contributions**

Family Leave	\$3.12
Medical Leave	\$7.04
<b>Total Employer Contributions</b>	<b>\$10.16</b>

**Contribution Breakdowns**

Employee Contributions		Employee + Employer Total Contributions	
Family Leave	\$6.23	Family Leave	\$9.35
Medical Leave	\$14.08	Medical Leave	\$21.12
<b>Total Employee Contributions</b>	<b>\$20.31</b>	<b>Total</b>	<b>\$30.47</b>

**How was this calculated?**  
Your estimate is calculated by multiplying your total payroll by the 0.88% premium rate. That amount is split between Family and Medical Leave, and shared between the employer and employee.

**Have Questions?**  
We're here to help answer the questions you have. [Visit our FAQ section](#)

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### Estimate Premiums

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2

What was your employee payroll for the last 12 months?  
If any employee wages are above the [OASDI Limit](#), this calculator will provide an overestimate for premiums.

\$ 120,000

Calculate Reset

Premiums Successfully Calculated

**2. Select Premium Frequency**

Move the slider to see how your estimated costs change. Your costs will automatically update.

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly Annually

**Employer Contributions**

Family Leave	\$81.00
Medical Leave	\$183.00
<b>Total Employer Contributions</b>	<b>\$264.00</b>

**Contribution Breakdowns**

Employee Contributions		Employee + Employer Total Contributions	
Family Leave	\$162.00	Family Leave	\$243.00
Medical Leave	\$366.00	Medical Leave	\$549.00
<b>Total Employee Contributions</b>	<b>\$528.00</b>	<b>Total</b>	<b>\$792.00</b>

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☒ Entire Workforce  
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How many employees do you have?  
Your employee count is the highest number of employees reported on a single wage detail report last year.  
[Learn more about your employee count](#)

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What was your employee payroll for the last 12 months?  
If any employee wages are above the [OASDI Limit](#), this calculator will provide an overestimate for premiums.

\$ 1,860,000

Calculate Reset

Premiums Successfully Calculated

**2. Select Premium Frequency**

Move the slider to see how your estimated costs change. Your costs will automatically update.

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly Annually

**Employer Contributions**

Family Leave	\$96.58
Medical Leave	\$218.19
<b>Total Employer Contributions</b>	<b>\$314.77</b>

**Contribution Breakdowns**

Employee Contributions		Employee + Employer Total Contributions	
Family Leave	\$96.58	Family Leave	\$193.16
Medical Leave	\$218.19	Medical Leave	\$436.38
<b>Total Employee Contributions</b>	<b>\$314.77</b>	<b>Total</b>	<b>\$629.54</b>

**How was this calculated?**  
Your estimate is calculated by multiplying your total payroll by the 0.88% premium rate. That amount is split between Family and Medical Leave, and shared between the employer and employee.

**Have Questions?**  
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**Estimate Premiums**

**1. Estimate Premiums**  
All Fields Required

Who do you want to estimate premiums for?  
Changing this input will automatically update elements of the form.

☒ Entire Workforce  
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How many employees do you have?  
Your employee count is the highest number of employees reported on a single wage detail report last year.  
[Learn more about your employee count](#)

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What was your employee payroll for the last 12 months?  
If any employee wages are above the [OASDI Limit](#), this calculator will provide an overestimate for premiums.

\$ 1,860,000

**Calculate** **Reset**

Premiums Successfully Calculated

**2. Select Premium Frequency**  
Move the slider to see how your estimated costs change. Your costs will automatically update.

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly Annually

**Employer Contributions**

Family Leave	\$2,511.00
Medical Leave	\$5,673.00
<b>Total Employer Contributions</b>	<b>\$8,184.00</b>

**Contribution Breakdowns**

Employee Contributions		Employee + Employer Total Contributions	
Family Leave	\$2,511.00	Family Leave	\$5,022.00
Medical Leave	\$5,673.00	Medical Leave	\$11,346.00
<b>Total Employee Contributions</b>	<b>\$8,184.00</b>	<b>Total</b>	<b>\$16,368.00</b>

**How was this calculated?**  
Your estimate is calculated by multiplying your total payroll by the 0.88% premium rate. That amount is split between Family and Medical Leave, and shared between the employer and employee.

**Have Questions?**  
[We're here to help answer the questions you have. Visit our FAQ section.](#)

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## Equivalent Plans

- ▶ “Equivalent”: equal to or more favorable for employees re: cost, benefits, eligibility.
- ▶ Can choose to cover only Family or Medical leave; would need state coverage for other type.
- ▶ Can start at the beginning of any quarter.
- ▶ Still required to submit wage detail reports to the state each quarter.
- ▶ Must request Equivalent Plan Substitution and renew the substitution annually (fees apply).
  - ▶ Request: [https://mn.gov/deed/assets/paid-leave-equivalent-plans\\_tcm1045-702057.pdf](https://mn.gov/deed/assets/paid-leave-equivalent-plans_tcm1045-702057.pdf)
- ▶ Private insurance carrier:
  - ▶ List of certified insurance carriers: [https://mn.gov/deed/assets/approved-equivalent-plans\\_tcm1045-695686.pdf](https://mn.gov/deed/assets/approved-equivalent-plans_tcm1045-695686.pdf)
- ▶ Self-insure:
  - ▶ Must be backed by a surety bond from a company authorized to do business in Minnesota.
  - ▶ The value of the bond must be equal to the annual premiums under the state plan.

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## Benefit Application Process

- ▶ Employee notifies employer about leave.
- ▶ Employee applies for benefits through state online or by phone.
- ▶ Employer's PLA is notified about application and receives request for information.
  - ▶ Employer has 7 calendar days to respond.
- ▶ Paid Leave issues a determination of benefits.
- ▶ Employee and PLA receive notice of determination.

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## Small Employer Assistance

- ▶ State will have grants available to support small businesses during an employee's paid leave.
- ▶ "Small business" is defined as:
  - ▶ 30 or fewer employees, AND
  - ▶ Average of employees' wages is less than 150% of the statewide average annual wage (\$107,016/employee in 2025).
- ▶ Funding will be up to \$3,000 per leave claim to hire temporary employees or increase existing employees' wages to cover for leave employee.

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## Tax Implications

- ▶ Premium contributions by **employers**:
  - ▶ Income tax deduction as an excise tax, and additional voluntary contributions above the required 50% as an ordinary and necessary business expense.
  - ▶ Employers' additional voluntary contributions should be reported on the employee's W-2 as taxable wages; this can be deducted by the employee as state income tax if the employee itemizes deductions.

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## Tax Implications, cont.

- ▶ Premium contributions by **employees**:
  - ▶ Post-tax deduction from pay; can be deducted if itemizing deductions.
- ▶ **Benefits** received by employees:
  - ▶ Family leave benefits are taxable, but benefits are not considered wages (i.e., not subject to employment taxes). Employees can choose to have 10% in federal taxes and 5% in state taxes withheld from their benefit payments. Paid Leave will send a 1099 to the employee.
  - ▶ Medical leave benefits:
    - ▶ Portion attributable to employers' contributions are treated as wages (employer must pay employer's share of Social Security and Medicare taxes and report on W-2).
    - ▶ Portion of benefits attributable to employees' contributions are not taxable.

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## Technical To-Dos for Employers

- ▶ Designate Paid Leave Administrator(s) for your business through your Employer Account at [uimn.org](https://uimn.org).
- ▶ PLA must set up Paid Leave Administrator Account on [paidleave.mn.gov](https://paidleave.mn.gov).
- ▶ Use UI account to pay Paid Leave premiums and submit quarterly wage detail reports—nothing additional if you are already submitting for UI for all employees.
- ▶ Use PL account to review leave applications and view determination letters from MN Paid Leave.

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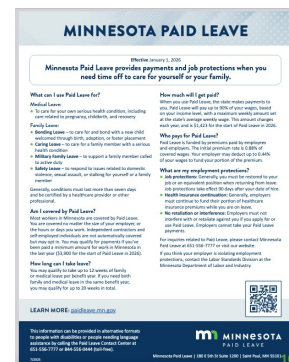
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## Technical To-Dos for Employers, cont.

- ▶ Display informational poster in English and in any language spoken by 5 or more employees.

Available for download at: [https://mn.gov/deed/assets/paid-leave-mandatory-employer-poster-acc\\_tcm1045-700342.pdf](https://mn.gov/deed/assets/paid-leave-mandatory-employer-poster-acc_tcm1045-700342.pdf)

- ▶ Must display by December 1, 2025.



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## Technical To-Dos for Employers, cont.

- ▶ Provide model notice with written information about the program to employees and get their acknowledgment by **December 1, 2025**.
- ▶ Use appropriate form for small employer, if applicable.

**MINNESOTA PAID LEAVE**

**Minnesota Paid Leave**

Minnesota Paid Leave provides payments and job protection when you need time off work for yourself or your family.

**Eligibility**

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**
  - To bond with a new child or to bond with a child not born through birth, adoption, or foster placement.
  - Caring for a child for a family member with a serious health condition.
  - Military Family Leave - to support a family member called to active duty.
  - Safe 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 to receive the cost of leave reductions, or the benefit of days you work. Independent contractors and self-employed individuals are not automatically covered, but may opt in. You may qualify for payments if you have been paid and continue to work for an employer in the year 2025 for the year of Paid Leave 2025.

**What are my employment protections?**

- All employers, regardless of size, must be treated as your job or an equivalent position when receiving Paid Leave, and procedures must affect the day after your date of hire.
- Health Insurance Contributions:** Generally, employers must continue to fund their portion of health 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.

Minnesota Paid Leave  
2025 PFL Form 1001 (10/2/25) (PFL 1001-2025)

**MINNESOTA PAID LEAVE**

For questions related to Paid Leave, please contact Minnesota Paid Leave at 855-588-7777 or visit our website. If you are an employer in a small business, please 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 employers and employees. The total premium rate is 0.8% of wages up to the cap of \$100,000 per year. The employer pays 0.4% and the employee pays 0.4%. The employer must deduct the 0.4% of wages from the employee's wages. The employee must deduct the 0.4% of wages from their own wages. The employer must deduct the 0.4% of wages from the employee's wages. The employee must deduct the 0.4% of wages from their own wages.

**How do I calculate my Paid Leave?**

Employers are responsible for making payments to Paid Leave on behalf of all employees.

Employee Name	Wages	Employer Contribution	Employee Contribution	Total Paid Leave
(Employee Name)	\$100,000	0.4%	0.4%	\$800

Minnesota Paid Leave  
2025 PFL Form 1001 (10/2/25) (PFL 1001-2025)

**MINNESOTA PAID LEAVE**

**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.me.gov](https://paidleave.me.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 indicated on your application.

**Leave Rate**

Our program will apply to the most information about Paid Leave, including calculations to help you estimate your premium costs and the payments you could receive under Paid Leave.

**Other ways to reach us**

Phone: 855-588-7777 or 855-588-6888 (toll free)  
Email: [ask@paidleave.me](mailto:ask@paidleave.me)  
Web: [paidleave.me.gov](https://paidleave.me.gov) and Minnesota Department of Labor and Industry, Paid Leave Division  
1601 E. 7th Street, 12th Floor, Saint Paul, MN 55101

**Employee Information**

Employee Name	
Public Address	
Employee Identification Number (EIN)	

**Employee Acknowledgment**

I acknowledge receipt of this notification	
Name	
Signature	
Date	

Minnesota Paid Leave  
2025 PFL Form 1001 (10/2/25) (PFL 1001-2025)

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## Technical To-Dos for Employers, cont.

- ▶ Policy Decisions:
  - ▶ How much of the premiums to cover (50-100%)
  - ▶ Notification process
  - ▶ “Top off” allowance using other types of paid time off
  - ▶ Intermittent leave allowance

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## Additional Informational Sessions

- ▶ Staff from the Paid Leave division of DEED are hosting an in-person “employer engagement session” for Paid Leave:
  - ▶ Monday, October 13, 11:00 am – 12:30 pm
  - ▶ Courtyard by Marriott, Mankato
  - ▶ Free event, but pre-registration is required
    - ▶ Register here: [https://deedmn.formstack.com/forms/employer\\_reg\\_20251013](https://deedmn.formstack.com/forms/employer_reg_20251013)
- ▶ Virtual webinars for employers and employees hosted by Paid Leave:
  - ▶ Intro to Paid Leave (Oct. 9), Preparing Health Providers (Oct. 9), Leave for Labor Unions (Oct. 23), Preparing Employers (Oct. 27)
  - ▶ Details and registration here: <https://mn.gov/deed/paidleave/about/events/#toggle-1>

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## Further Resources

- ▶ MN Deed Contact Center: 651-556-7777 or 844-556-0444
  - ▶ Monday – Friday, 9:00 am – 4:00 pm
- ▶ Employer Preparation Guide:
  - <https://mn.gov/deed/paidleave/employers/prepare/>
- ▶ Sign up for email updates as an employer or an employee:
  - <https://mn.gov/deed/paidleave/about/information/>

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