



# National Federation of Independent Businesses

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# What is Covered?

## Family Leave

Up to 12 weeks

### Bonding



Leave to bond with the covered individual's child during

- the first 12 months after the child's birth or
- the first 12 months after the placement of the child for adoption or foster care with the covered individual

### Caring



Leave to care for a family member with a serious health condition.

### Safety



Leave from work because of domestic abuse, sexual assault, or stalking of the applicant or applicant's family member

*Minnesota will be the fourth state to offer Safety Leave*

### Active Duty



Leave arising out of the fact

- that a family member is on active duty or has been notified of an impending call or order to active duty in the Armed Forces or
- in order to care for a family member who is a covered servicemember.

## Medical Leave

Up to 12 weeks

### Own Medical



Leave to care for an individual's own serious medical condition

Aggregate Up to 20 weeks in a benefit year

# Benefits and Job Protections



## ***Partial Wage Replacement:***

- Eligible individuals can receive up to 90% wage replacement while taking leave.
- Maximum value: \$1337 per week (*equal to the statewide average weekly wage*)
- The structure is designed to replace wages at a higher percentage for lower income claimants.

## ***Job Protections***

- Expands upon FMLA protections
  - An employee who has taken family or medical leave must be restored to the same position or an equivalent position with the same pay, status, benefits, length of service, and seniority as prior to the date of leave.

# Who is Covered?



## Most Minnesota employers

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- Employers with **at least 1 FTE** working in Minnesota are required to participate
- Small employers are not exempt from this program
- Organizations that are not required to participate in UI **are required** to participate in Paid Leave



## All Minnesota W2 employees

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- Individuals receiving W2 forms for services performed in the state
- Individuals for whom you would report wages to the UI program
- The individual does not necessarily need to reside in Minnesota if work is performed primarily within the state



## Opt-ins

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- Self-employed individuals or independent contractors can opt-in to coverage

## Exclusions

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- Designated seasonal employees working in hospitality industry are excluded from coverage.
- Self-employed individuals that do not pay themselves through a W2 are not covered unless they opt in
- Independent contractors are not covered unless they opt-in

# The Employer Perspective

# Employers' Role in Paid Leave

Employers play a major part in Paid Leave – and we want your partnership to build the best program possible.

## Informing your workforce

- Workforce Posters
- Individual Notifications

## Funding the Program

- Payroll Deductions
- Wage Reporting
- Premium Payment

## Supporting Benefits and Leave Administration

- Coordination of other leaves
- Coordinating payments to employees on leave
- Supporting return to work

## Strengthening the Program

- Collaborating on how to operationalize the law
- Providing input on how to improve over time

# Key Milestones for Small Businesses

## 2024

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- **1<sup>st</sup> quarterly wage report** due by October 31, 2024

## 2025

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- **Private Plan** Guidance and Applications for Exemptions
- Employers need to **notify their employees** about Paid Leave benefits by December 1, 2025

## 2026

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- **Payroll Deductions** start January 1, 2026
- **Benefits and Leaves available** January 1, 2026
- **Small Business Assistance Grants** live January 1, 2026
- **1<sup>st</sup> quarterly premiums** due by April 30, 2026



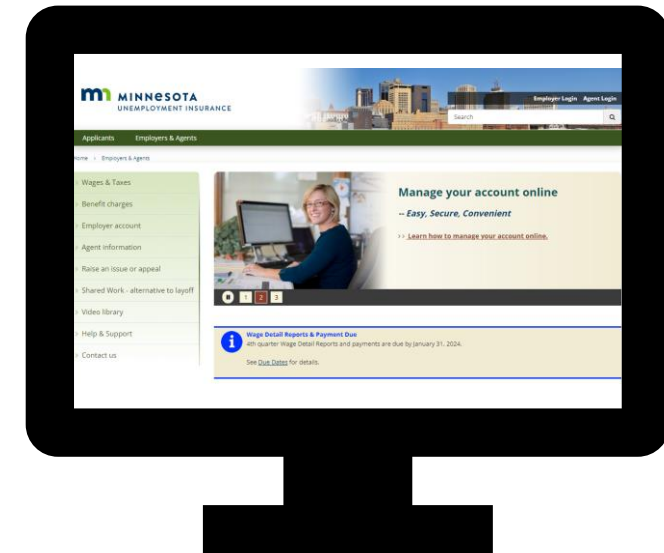
# Reporting Wages

The first wage reports for employers will be due on October 31, 2024.

To reduce administrative burden for employers, we've worked with the Unemployment Insurance division to design a process to leverage the existing unemployment insurance solution, UI Online.

## Benefits:

- Employers that already participate in the UI system will not need to create a new account for Paid Leave
- Employers and their agents will only have to report employees' wages once per quarter using the current UI Wage Detail reporting process





# Informing Your Workforce

## BY DECEMBER 2025

### Employers are required to...

- **Hang a workforce poster** in a conspicuous place in English and any language spoken by more than 5 employees.
- **Notify individual employees** directly in their native language within 30 days of hire or 30 days before premium collection begins.
- **Notify any employee in the hospitality industry determined to be a *seasonal employee*** and therefore excluded from coverage

### DEED will help by...

- Creating the poster and making it available in multiple languages on our website.
- Creating a model notification letter in multiple languages for download on our website.
- Creating a model notification letter in multiple languages that will be provided following a determination decision by the Department.

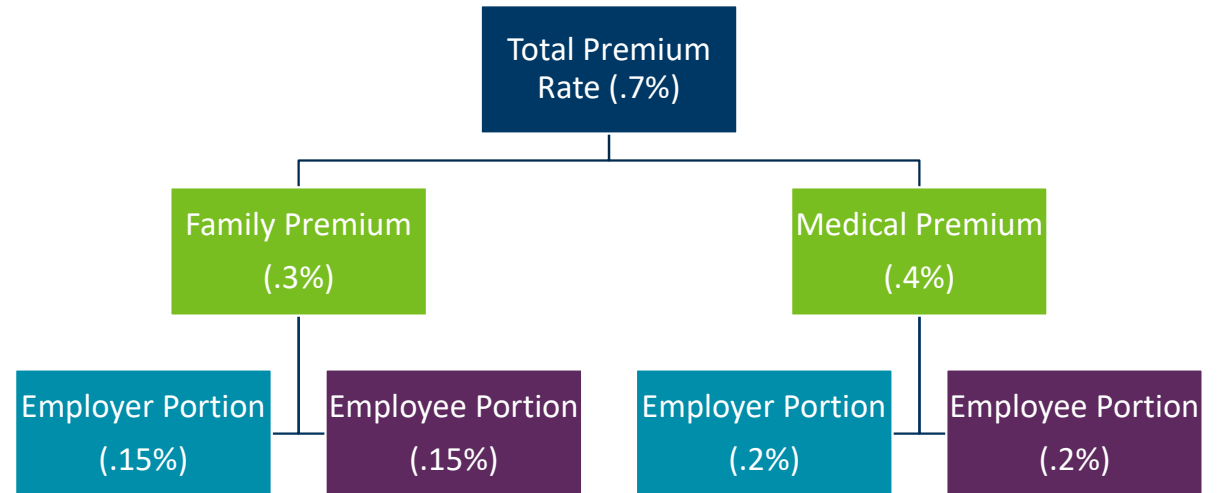


# Submitting Premiums

## STARTING JANUARY 2026

Benefits will be financed through payroll deductions on employee wages

- The Total Premium Rate is comprised of a Family Premium and a Medical Premium.
- Employers can deduct **up to 50%** of both the Family Premium and Medical Premium from employee paychecks
- Employers may choose to pay more than their required portion for some or all of their employees.
- ***Employers with fewer than 30 employees are entitled to a reduced premium.***



# Small Business Assistance Grants

## Starting in January 2026

The division will administer small business assistance grants to support small businesses during an employee's absence.

### *Qualifications:*

- Minnesota employer with:
  - 30 or fewer employees
  - Less than \$3 million in gross annual revenue

### *Benefits:*

- Grants of up to \$3,000 to
  - Hire temporary workers
  - Increase an existing workers' wages to substitute for an employee



# Benefits and Leave Administration

## STARTING TODAY

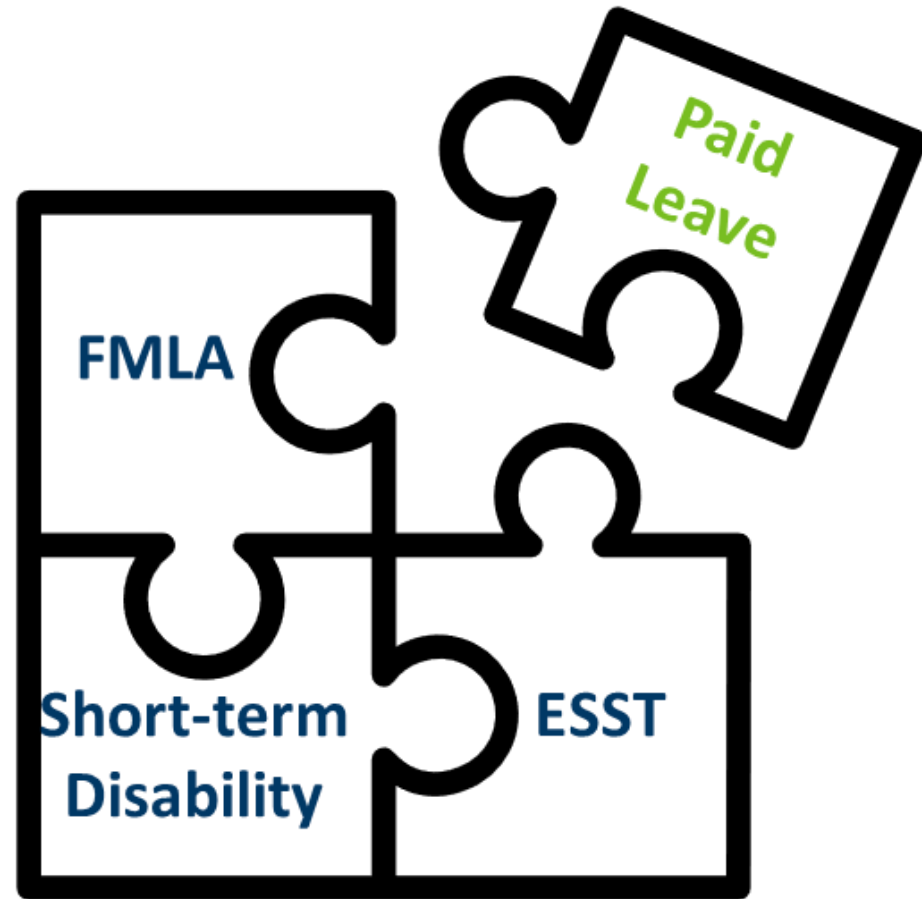
Paid Leave fits into a bigger picture for employers, and coordinating multiple benefits is an operational challenge.

DEED is committed to partnering with employers to understand their needs and deliver solutions that reduce administrative complexity.

**We are listening and your experience matters.**

The Paid Leave law represents a big change for Minnesota employers, but there's also great opportunity. Paid Leave represents an affordable benefit for workers across the state, we want it to also provide employers with a competitive advantage in recruiting and retaining staff.

We need your partnership to make this program an effective workforce development tool for the state.



# Questions

