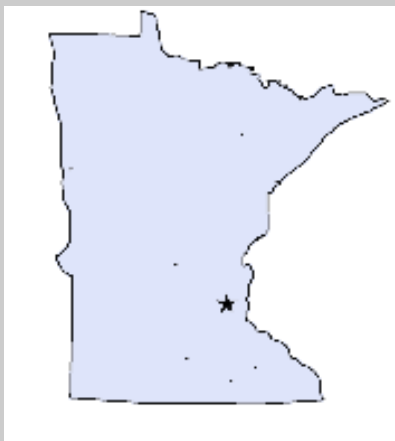




Madigan, Dahl & Harlan, P.A.
A NATIONAL BUSINESS LAW FIRM

The Employer's Quick Guide to the Minnesota Paid Leave Law



The Minnesota Paid Leave Law takes effect on January 1, 2026. With the new law's effective date quickly approaching, here is a quick guide to help employers understand and prepare for what's coming.

Who Must Comply?

Unlike the federal Family and Medical Leave Act (FMLA), which only applies to larger employers, the *Minnesota Paid Leave Law applies to nearly all employers, regardless of number of employees and principal office location.*

Employers are required to comply with the Minnesota Paid Leave Law if they have any covered employees who:

- Work in Minnesota at least half of the calendar year, or
- Live in Minnesota at least half the calendar year and their work is performed, in part, in Minnesota, but they do not perform their work in any one state at least half of the calendar year.

Not covered: federal employees, self-employed individuals, independent contractors, and seasonal employees.

Importantly, and also unlike the federal FMLA, employees need not meet any minimum length of service requirement in order to be eligible for benefits under the Minnesota Paid

Leave Law. Employees are eligible for benefits as soon as they meet wage credit and certification requirements.

Circumstances When Employees May Take Minnesota Paid Leave.

Employees may take, in any given benefit year, up to twelve (12) weeks of paid medical and up to eight (8) weeks of paid family leave, or vice versa, but no more than twenty (20) weeks of combined leave under the Minnesota Paid Leave Law if they are unable to perform work due to any of the following:

- Medical Leave (for yourself):
 - Their own serious health condition (including receiving medical care related to pregnancy, childbirth, or surgery);

- Family Leave (to care for someone else):
 - Bonding with a new child (whether biological, adopted, or foster placement);
 - Caring for a family member;
 - Qualifying exigency (e.g., called to active duty in the U.S. Armed Forces); or
 - Safety leave related to domestic abuse, sexual assault, or stalking.

Protections for Employees; Stacking of Leave.

Employers cannot retaliate against covered employees who request or take paid leave. All covered employees must be restored to their same or equivalent position upon return. Waivers of, or any attempts to coerce employees into waiving, Minnesota paid leave rights and benefits are prohibited.

Under the Minnesota Paid Leave Law, employers are permitted to require Minnesota Paid Leave to run concurrently with leave taken for the same purpose under the Minnesota unpaid leave law (Minn. Stat. § 181.941) and Federal Family and Medical Leave Act. However, employees are permitted, and employers are prohibited from requiring employees to exhaust, Paid Time Off and/or Earned Sick and Safe Time prior to use of Minnesota Paid Leave. Employers may, however, incentivize employees concurrently use Minnesota Paid Leave and Paid Time Off and/or Earned Sick and Safe Time to supplement their reduced Minnesota Paid Leave income.

State or Private Plan Option.

Employers may choose to enroll in a private plan for either family leave or medical, or both, instead of the state program to provide equal or greater paid leave benefits to their employees as long as they have first applied for and their private plan is approved by the Minnesota Department of Employment and Economic Development commissioner. Employers may want to carefully consider whether enrollment in and application for approval as a private plan employer is right for them and their business. Whether using the state program or enrolling in an approved private plan, all employers should designate a leave administrator who is tasked with roles that include maintaining compliance with the Minnesota Paid Leave Law requirements and making all required submissions. Your designated leave administrator will be responsible for submitting premiums and wage reporting and will either be tasked with submitting the Minnesota Paid Leave premiums and wage reporting to the state or be the contact person for any private plan option.

Employer Obligations

1. Contributions to Fund the Minnesota Paid Leave Law.

- The Minnesota Paid Leave Law is funded by a combination of employee and employer payments, with the employee payments being deducted from their paychecks. These payments are referred to as premiums.
- Starting in 2026, employers must pay a *minimum* of one-half of the premium (i.e., 0.44% of the 0.88% premium) for each of their covered employees' wages and withhold a *maximum* of one-half of the premium (i.e., 0.44% of the 0.88% premium) of each covered employee's wages from their wages.

- However, small employers (i.e., employers with 30 or fewer covered employees and average wages less than or equal to 150 percent of the state's average weekly wage) are only required to pay a *minimum* of one-third of the premium (i.e., 0.22% of the 0.66% small employer premium) of each covered employees' wages and withhold a *maximum* of the remaining two-thirds of the premium (i.e., 0.44% of the 0.66% small employer premium) each employees' wages.

2. Wage Reporting

Along with the premium payments, which are to be submitted at the end of each quarter, employers, regardless of whether they use the state or a private plan, are required to file quarterly electronic reports, including the covered employee's name, total wages paid, and total number of paid hours worked for each covered employee. Late or inaccurate filings may trigger penalties.

3. Employee Notices

Employers must:

- Post a workplace notice (provided by the state) in English and other required languages no later than December 1, 2025; and
- Provide written notice to employees within 30 days of hire or 30 days before premium collection, whichever is later, outlining benefits, rights, and premium deductions.

Employers of seasonal employees need not provide their seasonal employees with the above written notices but must issue each seasonal employee a notice at the time employment is offered, that they are not eligible benefits under the Minnesota Paid Leave Law.

Employers should consider updating their employment handbook and/or policies to ensure that they are providing accurate and compliant Minnesota Paid Leave Law notices. Further, employers should start to ensure all employees who receive their employment handbook and/or policies acknowledge receipt of their notices by returning a signed acknowledgment.

How to Prepare Now

With 2026 fast approaching, employers should consider the following to stay ahead of these deadlines:

- Decide whether to use the state plan or apply for a private plan;
- Designate a leave administrator tasked with reporting and compliance responsibilities; and
- Update employee handbooks and policies.

Madigan, Dahl & Harlan, P.A. welcomes the opportunity to help you strategically construct a plan to maintain compliance with the Minnesota Paid Leave Law. Our attorneys can help you develop your plan; educate your designated leave administrators on best practices; and draft, review, and/or revise your employment handbooks and policies to ensure you are and remain compliant with the Minnesota Paid Leave Law. Getting ahead of compliance now will make for a smoother transition in 2026.

***This communication is not intended to and does not constitute legal advice. For specific questions, please contact one of the attorneys at
Madigan, Dahl & Harlan, P.A.***



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