legal update MINNESOTA

Minnesota Amends Paid Sick Leave and PFML

Minnesota has enacted changes to its earned sick and safe time (ESST) and paid family and medical leave (PFML) laws. The amendments were passed in a special legislative session as part of a <u>budget measure</u>.

ESST Changes—Notice and Documentation

One of the main changes to the ESST law is that, effective July 1, 2025, employees may be required to provide notice of their need for unforeseeable leave "as reasonably required by the employer" rather than "as soon as practicable," the current governing language in the provision.

A second change allows employers to require documentation in support of ESST leave after two, instead of three, consecutive days of time off. This change also takes effect July 1, 2025.

Other ESST amendments allow:

- Employees to voluntarily trade shifts with a replacement worker to cover their leave time (effective July 1, 2025); and
- Employers to advance ESST to an employee based on the employee's anticipated work hours for the remainder of the year, effective Jan. 1, 2026. However, if the advanced amount of leave falls short with respect to the number of hours the employee actually works, the employer must make up the difference with additional ESST.

PFML Change

Contributions and benefits for the state's PFML program will begin Jan. 1, 2026. PFML funding is split evenly between employers and employees, with the combined premium set by the commissioner of Employment and Economic Development before Jan. 1, 2026, by July 31, 2026, and thereafter by each July 31 for the following year. The statute had established a limit on the annual premium rate of 1.2% of employee wages up to the Social Security wage base; the amendments lower that cap to 1.1%. Currently, the rate is set at 0.88%, with a <u>discount</u> for eligible small employers.

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Highlights

- Minnesota has amended the state ESST and PFML laws.
- The ESST changes favor employers with respect to notice and documentation of leave.
- The PFML maximum contribution rate was lowered to 1.1% of employee wages.

Employers will be allowed to require documentation for leave of more than two days.