Minnesota to Require Paid Family and Medical Leave

Minnesota has passed a paid family and medical leave (PFML) <u>law</u> that will provide workers with up to 20 weeks of paid, job-protected leave for family and medical reasons. Employer and employee contributions begin Jan. 1, 2026, the same date benefits become available.

Covered Employers

All employers are covered and may apply for approval of private plans.

Eligible Employees

All employees are covered except seasonal employees and independent contractors. For PFML eligibility, employees must have base period wages of at least 5.3% of the state's average annual wage, rounded down to the next lower \$100. Self-employed workers may apply to participate in the PFML program.

PFML Use

PFML may be used for a serious health condition, a qualifying exigency, safety leave, family care, new child bonding or medical care related to pregnancy. Qualifying events must last at least seven calendar days, except for child-bonding leave. Employer and employee notice obligations apply. Employers must continue workers' health insurance during leave and reinstate returning workers to their former jobs or an equivalent.

PFML Benefit and Funding

PFML provides partial wage compensation based on income, capped at the state's average weekly wage. Employers and employees fund PFML equally through quarterly payroll contributions remitted to the state by employers beginning Jan. 1, 2026. The contribution rate is adjusted annually, starting at 0.7% of wages in 2026. Employers with fewer than 30 workers receive a discount on contributions according to a formula in the law and may be eligible for small business assistance grants.

Provided to you by Employco USA, Inc.

Important Dates

July 1, 2025

Employers must begin submitting quarterly wage reports to the state for PFML purposes.

Jan. 1, 2026

Employers must begin paying premiums on a quarterly basis. Premiums are funded through a 50-50 contribution split between employers and employees.

Jan. 1, 2026

PFML benefits become available.

PFML premiums are paid through equal employer and employee contributions, discounted for small employers.

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