

**Subject** Minnesota Paid Leave Law

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## Overview

This bill makes various technical, clarifying, and substantive changes to paid family and medical leave benefits under chapter 268B.

- Sections 1 to 13 cite chapter 268B as the Minnesota Paid Leave Law and add or modify definitions, with consistent updates throughout the bill.
- Sections 14 to 18 modify provisions related to financial eligibility requirements, the commissioner's benefit determination and calculation, and payments that affect benefits.
- Sections 19 to 21 clarify employer notice of determination requirements.
- Section 22 adds a new comprehensive appeals section.
- Sections 23 to 26 clarify employee protections and limitations and remove a provision related to concurrent intermittent leave.
- Sections 27 to 36 make various changes related to private plans, including former employee coverage, insurance applications, and wage reporting.
- Sections 37 to 41 modify and add new premium rate provisions and bases for calculation, including a new small employer premium rate.
- Sections 42 to 47 make various technical and consistent language changes, including removing separate appeal language several places, and making consistent changes to small employer assistance grant eligibility.
- Section 49 adds a new data privacy provision.
- Section 50 repeals several existing paid leave law provisions.

## Summary

Section	Description
1	<p><b>Citation.</b></p> <p>Provides citation for chapter 268B as the Minnesota Paid Leave Law.</p> <p>Effective the day following final enactment.</p>
2	<p><b>Applicant.</b></p> <p>Modifies definition of “applicant” for benefits under the Minnesota Paid Leave Law to include an authorized representative of an individual.</p> <p>Effective the day following final enactment.</p>
3	<p><b>Authorized representative.</b></p> <p>Defines an “authorized representative” as an individual over age 18 designated to act on another’s behalf for the purposes of the Minnesota Paid Leave Law.</p> <p>Effective the day following final enactment.</p>
4	<p><b>Base period.</b></p> <p>Modifies definition of “base period” to add clarity and specify that the base period is calculated once in a benefit year.</p> <p>Effective the day following final enactment.</p>
5	<p><b>Benefit year.</b></p> <p>Modifies definition of “benefit year” to be the 52 (or 53) calendar weeks starting the effective date of leave. Adds clarification for multiple employers or for a private plan.</p> <p>Effective the day following final enactment.</p>
6	<p><b>Covered employment.</b></p> <p>Modifies definition of “covered employment” to be based on quarterly employment. Adds option for excluded entities to opt into paid leave coverage. Allows the commissioner to adopt rules under chapter 14 to define and establish criteria for other work performed in Minnesota.</p> <p>Effective the day following final enactment.</p>
7	<p><b>Covered individual.</b></p> <p>Adds definition of “covered individual” as an applicant who meets financial eligibility requirements in covered employment or a self-employed or independent contractor who opts into paid leave coverage.</p>

<b>Section</b>	<b>Description</b>
	Effective the day following final enactment.
<b>8</b>	<b>Effective date of application.</b> Adds definition of “effective date of application” as the date of submission to DEED. Effective the day following final enactment.
<b>9</b>	<b>Effective date of leave.</b> Adds definition of “effective date of leave” as the first date of absence for paid leave. Effective the day following final enactment.
<b>10</b>	<b>Family member.</b> Modifies definition of “family member” to include a domestic partner’s child, a de facto custodian, and an individual in a personal relationship with an applicant who provides care without compensation. Effective the day following final enactment.
<b>11</b>	<b>Financially eligible.</b> Adds definition of “financially eligible” to mean an applicant who earns at least 5.3 percent of state’s average annual wage rounded down to the next lower \$100 (\$3,600 for 2024) in covered employment during their base period. Effective the day following final enactment.
<b>12</b>	<b>Initial paid week.</b> Adds definition of “initial paid week” as the first seven days of leave which must be paid and is a payable period of leave. Clarifies meaning for intermittent leave. Effective the day following final enactment.
<b>13</b>	<b>Typical workweek.</b> Modifies definition of “typical workweek” to mean an employee’s average number of hours per week in the last two quarters before submitting an application for benefits. Effective the day following final enactment.
<b>14</b>	<b>Financial eligibility; benefits.</b> Adds clarity and specificity to the commissioner’s review and determination of an applicant’s financial eligibility for, and calculation of, paid leave benefits under section 268B.04. Makes consistent terminology and technical changes throughout.

**Section Description**

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- Subdivision 1 requires the commissioner to determine financial eligibility and to provide a timeline for an applicant to submit all requested information. Allows for reconsideration within 12 months of leave and requires notice to any impacted base period employers.
- Subdivision 3 clarifies how weekly benefit amounts are calculated for applicants who change employers in a base period and makes technical language clarifications.
- Subdivision 5 makes technical language modifications.
- Removes existing language in subdivision 6 and adds subdivision 6a to provide that a minimum increment of paid leave cannot exceed one day and is based on an employer's established policy. Adds clarity around a minimum increment of leave for an intermittent leave.
- Removes subdivision 7 on the right to appeal. A new comprehensive appeals section is added in section 22.
- Subdivision 8 adds language allowing the commissioner to backdate a paid leave claim if the application was untimely due to incapacitation or no fault of the applicant.

Effective November 1, 2025.

**15 Certification.**

Clarifies certification requirement for safety leave and allows the DEED commissioner to adopt rules regarding an individual's declaration of a need for safety leave.

Effective November 1, 2025.

**16 Not eligible.**

Makes an applicant ineligible for paid leave benefits for any week they are incarcerated or receiving unemployment benefits.

Effective November 1, 2025.

**17 Vacation, sick leave, and paid time off.**

Clarifies how an employee's election of vacation, sick, or paid time off interacts with their total amount of paid leave under chapter 268B. Requires an employee to refund benefits paid that exceed their usual salary and allows an employer to be reimbursed by the paid leave division for payment of wage replacement benefits.

Effective November 1, 2025.

<b>Section</b>	<b>Description</b>
18	<p><b>Disability insurance offset.</b></p> <p>Adds new subdivision 7a to replace deleted language. Allows an employee to receive disability insurance benefits and paid leave benefits at the same time. Also allows a disability insurance policy to offset disability benefits by paid leave benefits.</p> <p>Effective November 1, 2025.</p>
19	<p><b>Employer notification.</b></p> <p>Modifies employer notice provision to clarify that notice of applicant's entitlement to benefits must be provided to the employer(s) from which an applicant is taking leave.</p> <p>Effective November 1, 2025.</p>
20	<p><b>Determination.</b></p> <p>Makes various modifications and technical clarifications to employer determination notices, requests for information, and incomplete applications as administered and established by the DEED commissioner. Makes consistent terminology changes.</p> <p>Effective November 1, 2025.</p>
21	<p><b>Amended determination.</b></p> <p>Modifies amended determination of benefits provision to clarify that notice must be sent to any base period employer from which applicant applied for leave.</p> <p>Effective November 1, 2025.</p>
22	<p><b>Appeals.</b></p> <p>Establishes a new comprehensive appeals process under new section 268B.081.</p> <ul style="list-style-type: none"><li>▪ Subdivision 1 provides for filing of electronic appeals in the form, manner, and timeline required by the commissioner.</li><li>▪ Subdivision 2 lists appealable issues under chapter 268B and applicable deadlines, and replaces separate appeal language removed from several existing sections.</li><li>▪ Subdivisions 3 and 4 establish notice and de novo due process hearing requirements, including information required, adoption of hearing rules by the commissioner, and establishing hearing methods and processes at DEED.</li><li>▪ Subdivisions 5 to 11 include various provisions related to hearings, including hearing officer decisions, timeline to request reconsideration, withdrawal of pending appeals, effect of decision on applicant's benefits, and use of evidence and data privacy. Provide a hearing officer's decision is not binding, conclusive, or precedential in other proceedings unless</li></ul>

**Section Description**

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otherwise specified, and allows for legal or authorized representation at a hearing.

- Subdivision 12 provides for appeal to the Minnesota Court of Appeals of a final determination on a request for reconsideration.
- Subdivisions 13 to 18 cover various other hearing provisions, including rescheduling and continuances, use of interpreters and exhibits, consolidation of parties and issues, and subpoena, discovery, and reasonable access to data requirements.
- Subdivision 19 allows for disqualification of a hearing officer.
- Subdivision 20 requires public access to hearings and hearing recordings.
- Subdivisions 21 to 23 allow a hearing officer to administer oaths and affirmations at hearings, to take official notice of certain matters, and to consider competent, relevant, and material evidence received at a hearing or through stipulation.

Effective November 1, 2025.

**23 Intermittent schedule.**

Removes language allowing an employer to offer greater intermittent leave than required and to run this paid leave concurrently with intermittent federal FMLA.

**24 Retaliation prohibited.**

Adds technical clarity to commissioner's determination and requires both wage eligibility and being unable to work due to a qualifying reason to be protected.

Effective November 1, 2025.

**25 Employee right to reinstatement.**

Adds technical clarity to employee reinstatement language and adds language clarifying interaction with overtime pay or pay premiums.

Effective January 1, 2026.

**26 Limitations on employee's right to reinstatement.**

Provides an employer is not required to maintain health insurance for an employee hired for a specific time period or discrete project not expected to continue.

Effective January 1, 2026.

<b>Section</b>	<b>Description</b>
27	<p><b>Application for substitution.</b></p> <p>Requires insurers to file certain documents with the DEED commissioner for an insurance product used to provide paid leave benefits through a private plan.</p> <p>Effective July 1, 2025.</p>
28	<p><b>Private plan requirements; medical benefit program.</b></p> <p>Requires coverage of former employees under an employer’s private plan medical benefit program for up to 26 weeks or until the employee is hired elsewhere.</p> <p>Effective July 1, 2025.</p>
29	<p><b>Private plan requirements; family benefit program.</b></p> <p>Requires coverage of former employees under an employer’s private plan family benefit program for up to 26 weeks or until the employee is hired elsewhere.</p> <p>Effective July 1, 2025.</p>
30	<p><b>Private plan requirements; weekly benefit determination.</b></p> <p>Allows an employee to request administrative review of a denied or contested request for benefits under a private plan and to appeal if a denial is maintained.</p> <p>Effective July 1, 2025.</p>
31	<p><b>Plan changes during approved leave.</b></p> <p>Adds provision clarifying coverage and payment of benefits if an employer changes between state and private plans or to another private plan during an approved leave.</p> <p>Effective July 1, 2025.</p>
32	<p><b>Employees no longer covered.</b></p> <p>Removes existing language making former employees ineligible under a private plan consistent with the changes in sections 28 and 29.</p> <p>Effective July 1, 2025.</p>
33	<p><b>Former employees and benefit applications.</b></p> <p>Adds new benefit application process for former employees of private plan employers separated for less than 26 weeks or if employed by a new employer.</p> <p>Effective July 1, 2025.</p>

<b>Section</b>	<b>Description</b>
34	<p><b>Revocation of approval by commissioner.</b></p> <p>Clarifies commissioner’s authority to terminate a private plan. Removes separate appeal language.</p> <p>Effective July 1, 2025.</p>
35	<p><b>Employer penalties.</b></p> <p>Removes separate appeal language for private plan employer penalties.</p> <p>Effective July 1, 2025.</p>
36	<p><b>Filing obligation.</b></p> <p>Adds provision clarifying private plan employers must submit quarterly wage reports.</p> <p>Effective July 1, 2025.</p>
37	<p><b>Employee charge back.</b></p> <p>Makes technical changes to employee charge back language.</p> <p>Effective January 1, 2026.</p>
38	<p><b>Small employer premium rate.</b></p> <p>Adds new subdivision 5a, establishing a small employer premium rate for employers with fewer than 30 employees whose average wage is less than or equal to 150 percent of the state’s average wage for the basis period. Sets small employer rate as 75 percent of the rate set under section 268B.14, subdivisions 6 and 7, of which, at least 25 percent must be paid by the employer.</p>
39	<p><b>Employee count.</b></p> <p>Adds new subdivision 5b, establishing the applicable basis period for any tax year as the four quarters ending September 30 of the prior year. Applies to employee counts for the small employer premium rate under section 38, average employer wages under section 39, and small employer assistance grants under section 268B.29.</p>
40	<p><b>Average wage for employer.</b></p> <p>Adds new subdivision 5c, establishing the calculation of average wage for an employer depending on if the employer is covered for all or some of basis period.</p>
41	<p><b>Premium rate adjustments.</b></p> <p>Modifies the premium rate adjustment. Starting November 15, 2024, and each November 15 thereafter, requires an annual premium rate adjustment based on the program’s experience and sound actuarial principles so that the projected fund balance as a percentage of total program expenditure does not fall below 25 percent.</p>

<b>Section</b>	<b>Description</b>
	<p>Removes existing calculation for the premium rate adjustment. Requires an actuarial study every year for this purpose, which must be provided to the relevant legislative committees and filed with the Legislative Reference Library.</p> <p>Effective the day following final enactment.</p>
<b>42</b>	<p><b>Credit adjustments; refunds.</b></p> <p>Removes separate appeal language for premium credit adjustments or refunds.</p> <p>Effective January 1, 2026.</p>
<b>43</b>	<p><b>Notice upon application.</b></p> <p>Makes consistent and technical terminology change.</p> <p>Effective January 1, 2026.</p>
<b>44</b>	<p><b>Overpayment because of misrepresentation.</b></p> <p>Removes separate appeal language for overpayment penalties and makes consistent and technical terminology change.</p> <p>Effective January 1, 2026.</p>
<b>45</b>	<p><b>Employer misconduct; penalty.</b></p> <p>Removes separate appeal language for employer misconduct penalties.</p> <p>Effective July 1, 2024.</p>
<b>46</b>	<p><b>Notice requirements.</b></p> <p>Adds clarifying language to employee notice requirements when an employee refuses to acknowledge receipt.</p> <p>Effective November 1, 2025.</p>
<b>47</b>	<p><b>Construction.</b></p> <p>Clarifies construction with collective bargaining and agreeing to leave benefits and related policies.</p> <p>Effective January 1, 2026.</p>
<b>48</b>	<p><b>Small employer assistance grants.</b></p> <p>Modifies eligibility for employer assistance grants to employers with fewer than 30 employees consistent with the new provisions for employee count and employer</p>

Section	Description
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average wage calculations under sections 39 and 40. Applications must be submitted in the form and manner required by the DEED commissioner.

Effective January 1, 2026.

49 **Data privacy.**

Adds new section 268B.30 establishing data privacy and disclosure requirements under chapter 13 for paid family and medical leave benefits data.

50 **Repealer.**

Repeals section 268B.06, subdivision 7, which made applicants ineligible for paid leave benefits for any week separation, severance, or bonus pay that were received.

Repeals section 268B.10, subdivision 11, the separate appeal language for adverse decisions on private plan substitution applications. Effective July 1, 2025.

Repeals section 268B.14, subdivision 5, the small business wage exclusion, consistent with new language in sections 38, 39, and 40. Effective January 1, 2026.

Repeals section 268B.08, the existing appeals process under chapter 268B, which is replaced with new appeals section 268B.081, section 22. Effective November 1, 2025.



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