

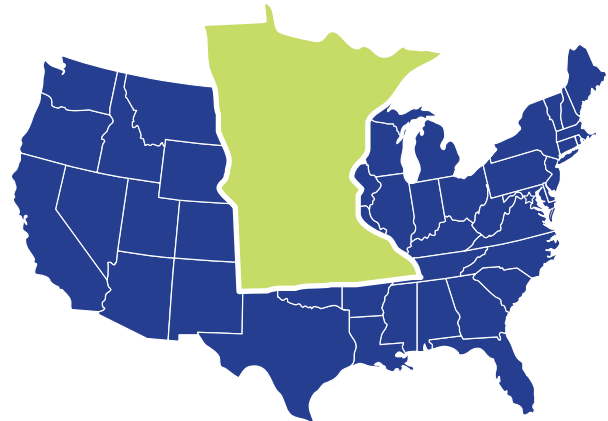
# Mandating paid leave: Costly for employers, employees

Employers are in the best position to design benefit packages that serve the distinct needs of their businesses and their employees. Minnesota employers compete for workers every day and consistently receive national recognition for providing some of the best places to work. If the state mandates expansive new benefits without regard for their relevance to the employer and its workforce, its industry or market, costs will go up. The results are reduced staff and job opportunities, hours or both – hurting workers and their families.

Minnesota’s economic recovery from the COVID-19 pandemic must be the top priority for the 2021 legislative session. Reopening the economy and managing the continued economic fallout due to the pandemic is one of the top concerns of Minnesota businesses. A “do no harm” approach is critically important so that additional cost burdens and mandates are not placed on employers who are doing their best to keep their doors open and people employed.

The governor’s budget proposal and HF 1200/SF 1205 create an expansive state-administered paid leave insurance program. Financed through a new tax on employers and employees, the program will fund partial wage replacement benefits for 12 weeks of paid parental and family leave and 12 weeks of paid medical leave. This is different, and in addition to, separate proposals mandating that employers provide paid sick leave for routine or minor illnesses (HF 7/SF 29) and COVID-related paid sick leave (HF 41/SF 331).

**If enacted, Minnesota would have the most expansive and expensive mandates in terms of eligibility, qualifying events, benefits and employer obligation.**



## **New leave mandates create needless bureaucracy and cost millions.**

- New mandates hurt employers and employees with a worker shortage already reaching a crisis. Employers use benefit packages to attract and retain quality employees - even without the state telling them to do so.
- Businesses, particularly small businesses, already struggle to endure the costs associated with missed productivity of their workers. The cost to find temporary workers to fulfill their responsibilities in their absence is a double - or triple in some cases - tax on our job-creators.
- 1.2 million Minnesotans - almost half the state’s workforce - work for small businesses.

## **The Legislature must act**

- Ensure changes proposed through Minnesota state agencies consider impacts on employers.
- Oppose one-size-fits-all mandates on employee benefits that would constrain employers’ ability to conduct business.
- Preserve private-sector flexibility on wage, benefit and scheduling decisions.



Albert Lea-Freeborn County Chamber of Commerce  
Alexandria Lakes Area Chamber of Commerce  
Apple Valley Chamber of Commerce  
Associated Builders and Contractors  
Associated General Contractors of Minnesota  
Austin Area Chamber of Commerce  
Bemidji Area Chamber of Commerce  
Brainerd Lakes Area Chamber of Commerce  
Builders Association of Minnesota  
Builders Association of the Twin Cities  
Building Owners & Managers Association (BOMA) St. Paul  
Burnsville Chamber of Commerce  
Cloquet Area Chamber of Commerce  
Cuyuna Lakes Chamber of Commerce  
Dakota County Regional Chamber of Commerce  
Duluth Area Chamber of Commerce  
Eden Prairie Chamber of Commerce  
Elk River Area Chamber and Commerce  
Faribault Area Chamber of Commerce & Tourism Bureau  
Fergus Falls Area Chamber of Commerce  
Grand Rapids Area Chamber of Commerce  
Greater Minneapolis Building Owners and Managers Association  
Greater Stillwater Chamber of Commerce  
Greater St. Paul Building Owners and Managers  
Hastings Area Chamber of Commerce & Tourism Bureau  
Hibbing Area Chamber of Commerce  
Hospitality Minnesota  
Housing First  
Insurance Federation of Minnesota  
International Falls Area Chamber of Commerce  
Iron Mining Association of MN  
Lake City Area Chamber of Commerce  
Lakeville Area Chamber of Commerce & CVB  
Laurentian Chamber of Commerce  
Litchfield Chamber of Commerce  
Marshall Area Chamber of Commerce  
Medical Alley Association  
Metalcasters of Minnesota  
MetroNorth Chamber of Commerce  
Midwest Food Processors Association  
Minnesota AgriGrowth Council  
Minnesota Association of Public Accountants  
Minnesota Auto Dealers  
Minnesota Bankers Association  
Minnesota Beverage Association  
Minnesota Business Partnership  
Minnesota Chamber of Commerce  
Minnesota Chamber of Commerce Executives  
Minnesota Child Care Association

Minnesota Contractors of the National Electrical Contractors Association  
Minnesota Drywall & Plaster Association  
Minnesota Environmental Contractors Association  
Minnesota Floorcovering Contractors Association  
Minnesota Forest Industries  
Minnesota Grocers Association  
Minnesota High Tech Association  
Minnesota Mechanical Contractors  
Minnesota Milk Producers Association  
Minnesota Nursery & Landscape Association  
Minnesota Painting and Wallcovering Employers Association  
Minnesota Pork Producers Association  
Minnesota REALTORS  
Minnesota Recruiting and Staffing Association  
Minnesota Retailers Association  
Minnesota Service Stations and Convenience Stores  
Minnesota Shopping Center Association  
Minnesota Ski Areas Association  
Minnesota Society of CPAs  
Minnesota Subcontractors Association  
Minnesota Telecom Alliance  
Minnesota Trucking Association  
Minnesota Utilities Contractors Association  
Minnesota Utility Investors  
Minnesota Mechanical Contractors Association  
Minnesota Precision Manufacturing Association  
NAIOP Minnesota  
National Federation of Independent Business  
National Shooting Sports Foundation  
New Ulm Area Chamber of Commerce  
Northfield Area chamber of Commerce  
Owatonna Area Chamber of Commerce & Tourism  
Pipstone Area Chamber of Commerce & CVB  
River Heights Chamber of Commerce  
Rochester Area Chamber of Commerce  
Shakopee Chamber & Visitors Bureau  
SouthWest Metro Chamber of Commerce  
St. Cloud Area Chamber of Commerce  
The Chamber Grand Forks & East Grand Forks  
Thermal Insulation Contractors Association  
Tri-State Manufacturers' Association  
Twin Cities North Chamber of Commerce  
Waconia Chamber of Commerce  
White Bear Area Chamber of Commerce  
Willmar Lakes Area Chamber of Commerce  
Winona Area Chamber of Commerce  
Woodbury Area Chamber of Commerce  
Worthington Area Chamber of Commerce



400 Robert Street North, Suite 1500, St. Paul, MN 55101  
800.821.2230 • 651.292.4650  
[www.unitedforjobsmn.com](http://www.unitedforjobsmn.com)