

Minnesota Paid Leave

Preparing for public vs private coverage

September 2025

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MEET THE TEAM



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CNA Group Benefits



The Hartford

Fortis Group Benefits

Luther College

Minnesota Paid Leave

- I am not an attorney.
- MMA is not your attorney.
- MN Paid Leave is complex.
- MN Paid Leave will continue to evolve.
- Your organization may be subject to other paid or unpaid time off / leave requirements that are not addressed today.
- Consult with your employment law counsel as needed.



Agenda



MNPL basics: when, who, what, how?



Public vs private



Considerations



Private plan process steps



Noteworthy private plan deadlines



Other employer preparation tasks



Q&A

Minnesota Paid Leave

The basics

When does it begin?

Jan 1, 2026 – contributions and benefit entitlement begin

Who is covered?

All public and private employers with 1 or more employees in covered employment.

Excluded: federal government, tribal nations, independent contractors, self-employed, certain seasonal;

What are the benefit eligibility requirements?

Employee must have earned at least 5.3% of the state average annual wage in the base period.

How does an employer provide coverage?

Applicable employers must either participate in:

- The state plan; OR
- Private insurance (may be fully insured or self-funded)

<https://mn.gov/deed/paidleave/>

Marsh & McLennan Agency LLC

What does MN Paid Leave provide?

- Up to 12 weeks of medical leave per benefit year
- Up to 12 weeks of family care leave per benefit year
 - Bonding, safety, care for family member, military exigency
- Not more than 20 total weeks of leave per benefit year
- Group insurance must be continued;
 - EE and ER must pay their share of premiums
- Job protection 90 days after date of hire

What is the MN Paid Leave benefit payment?

MN Paid Leave benefits are a factor of the employee's wage compared to the state average weekly wage (SAWW).

Up to 90% of wages to a maximum of the current SAWW (\$1,423 as of October 2025)

How much will it cost?

- Public plan: 0.88% up to FICA cap
- Fully insured private plan: rate varies by employer
- Self-funded private plan: cost of claims + cost of surety bond

Minnesota Paid Leave

The basics



Covered employment:

- *Working in MN* at least 50% of the time

OR

- 50% of work is not done in any single state but some work is done in MN and the employee resides in MN for half of the calendar year

Minnesota Paid Leave

The basics



Who is NOT covered by MN Paid Leave?

•Employers:

- ☐ •Federal government
- ☒ •Tribal nations

•Employees

- ☒ •Independent contractors
- ☒ •Self-employed
- ☐ •Railroad employees
- ☐ •Certain seasonal employees

- Only applies to employees in hospitality as defined by MN §157.15
- Employee is employed for no more than 150 days in 52 consecutive weeks
- Employer must show seasonality in business receipts
- Employer must apply for seasonality exception

- ☐ Cannot opt in
- ☒ Can opt in

Minnesota Paid Leave

The basics

What does MN Paid Leave provide?



- Up to **12 weeks** for **medical leave**
- Employee's serious health condition



- Up to **12 weeks** for **family care**
- Family member serious health condition
- Bonding
- Safety leave
- Military exigency

- Not more than 20 total weeks of leave in a benefit year
 - Job protection (after 90 days of employment)
- Continuation of group insurance (EE & ER must pay their share)



Benefit year:

- State plan: 12 months rolling *forward*
- Private plan: Employer chooses calendar method
 - Carrier variance!



Bonding leave rules allow employees who gain a new child in 2025 to be eligible for bonding leave in 2026.

Minnesota Paid Leave

The basics



What is the MN Paid Leave benefit payment?

- 90% of wages that are 50% or less of SAWW; plus
- 66% of wages that are 51-100% of SAWW; plus
- 55% of wages that exceed 100% of SAWW
- Not more than the current SAWW (\$1,423 as of 10/1/25)

SAWW =

- State Average Weekly Wage
- Updates every October

Annual wage	\$50,000	\$100,000	\$150,000
Weekly wage	\$962	\$1,923	\$2,885
MN Paid Leave award	\$805	\$1,384	\$1,423
MN PL as % of EE's WW	84%	72%	49%

Minnesota Paid Leave

Public plan vs private plan

When a private plan approval is revoked, the employer must remain in the public plan for a period of at least 3 years.

Public plan

- Known rate for 2026 of 0.88%
 - Employer pays at least half*
- *Small-employer contribution may apply
- 2027 rate unknown until July 2026
- State-wide claim activity influences future rates
- State-administered (Service expectations?)

Private Plan (fully insured)

- Rate may be lower or higher than public.
 - Employee cannot pay more than 50% of public plan cost.
- Small-employer contribution rules do not apply
- Rate may have multi-year guarantee
- Employee claim activity influences renewal rate
- Carrier-administered (Service expectations?)
- Requires application & renewal processes/fees
- Former employee coverage for up to 26 weeks

Applies to both: posting / notification requirements; wage reporting

THERE. IS. NO. OPT. OUT.

*For more information on small employer contribution: <https://mn.gov/deed/paidleave/employers/premiums/>

Minnesota Paid Leave

Public plan vs private plan considerations



What do I want my employees' experience to be? How many calls will they have to make? How many places to send paperwork? How easy will the process be?



What do I want my HR / payroll experience to be? How many vendors are involved? (STD / MNPL / Leave)



If I have private coverage, does it look like it's part of my benefits package? How does that align with our corporate benefits philosophy?



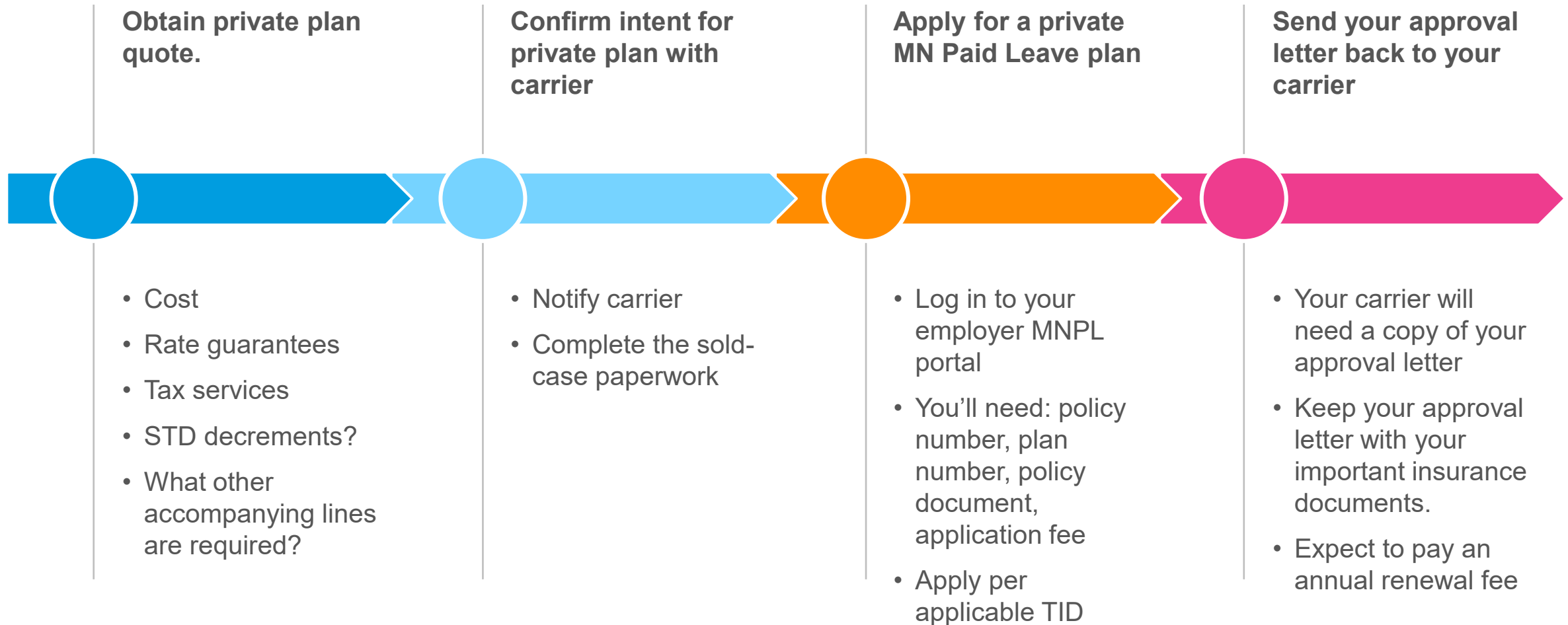
How hands-on involved with the MNPL claim / leave process will I be as the employer? What are my cost impact considerations?



What are we doing in other Paid Leave states? Does it impact what we're doing for MN? Where are our expansion / acquisition targets?

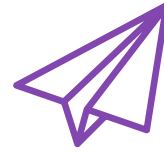
Minnesota Paid Leave

Private plan process steps



Minnesota Paid Leave

Private plan application deadlines



Public or private impacts MNPL notice!



- MN DEED private plan application deadline = Nov 10, 2025
- MMA recommended deadline = mid-late October 2025
- Watch for carrier-specific deadlines for notice of sale

Minnesota Paid Leave

Employer preparation



What else will employers have to do?

- Quarterly wage reporting via UI system (Began Q3 2024)
 - Wage reporting continues regardless of public/private
 - Some employees are subject to MNPL that are not subject to UI
 - For more information: <https://www.uimn.org/employers/paid-leave/index.jsp>
- Posting / notification requirements **by December 1, 2025**
 - English [model poster](#) available now.
 - How will you validate delivery of notifications?
- Choose between public vs private plan
- Determine employer MNPL contribution
 - Do you qualify for the small business reduced rate?
- Work with payroll departments & vendors to set up the deduction

Minnesota Paid Leave

Employer preparation

**Do you have your leave plans in writing?
Review them NOW.**



What else will employers have to do?

- Review existing plans for differences / necessary changes
 - STD: What changes make sense to your current plan? Does self-funded plan include paid leave offset?
 - FMLA: FMLA “marriage penalty”; intermittent bonding; calendaring method; concurrency language.
 - Paid parental leave / other leaves: continuous vs intermittent; concurrent vs consecutive
- How will you collect employee premiums while on leave?
- Designate a paid leave contact(s) at your company
- MN DEED “get ready” steps <https://mn.gov/deed/paidleave/employers/prepare/>
- Stay in-the-know: subscribe to updates from DEED <https://mn.gov/deed/paidleave/about/information/>

Minnesota Paid Leave

Take note...

- Private plan:
 - Carriers vary on same vs different STD / Paid Leave analyst
 - Billing: **expect self-billing**, quarterly or monthly in arrears
 - Expect separate STD and Paid Leave benefit payments
- Public or private plan:
 - Plan for more absences
 - Plan for longer absences
 - Expect different STD and Paid Leave approval thresholds

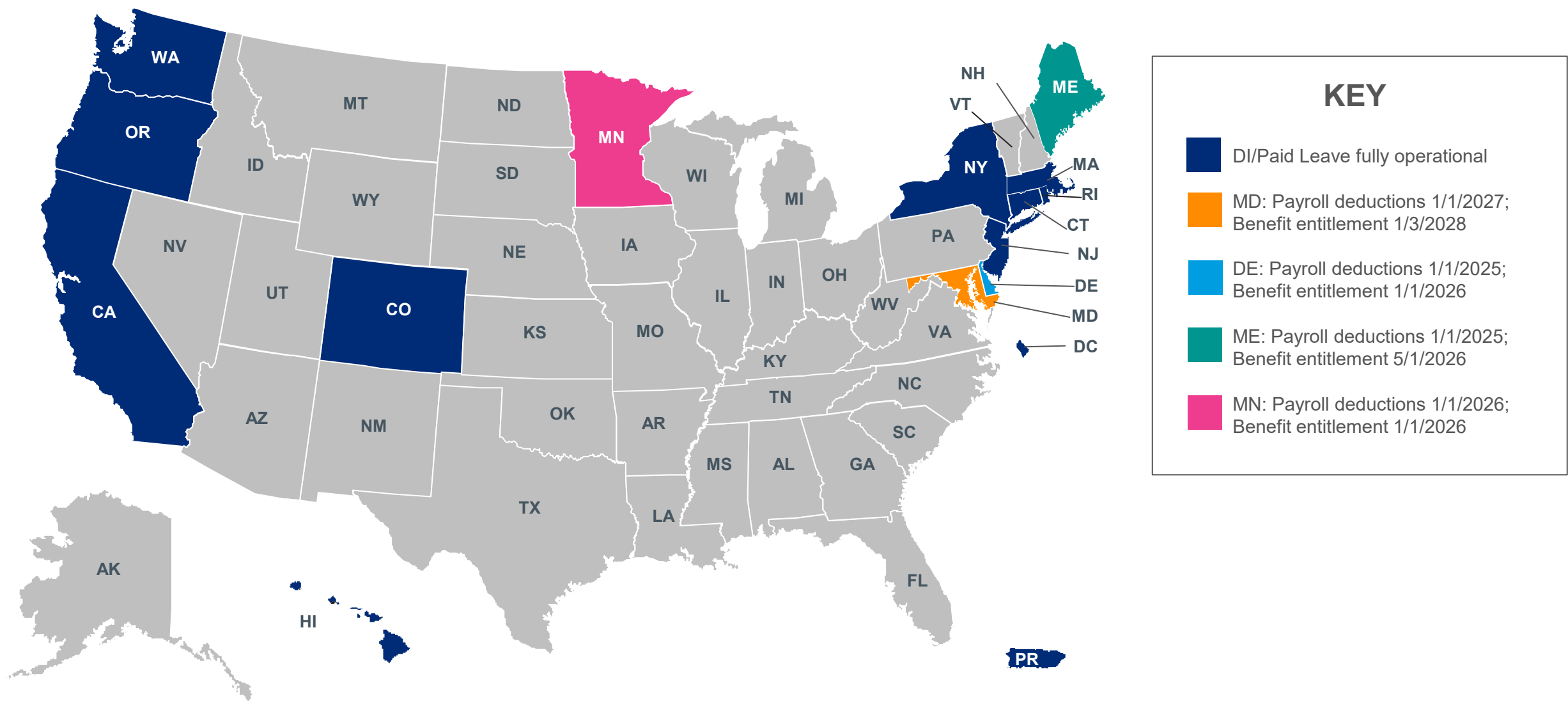




APPENDIX



State-Mandated Disability & Paid Family Medical Leave



State-Mandated Disability / Paid Family Medical Leave

State	Statutory DI or PFML		Notes
	Plan	Type	
California	SDI, PFL	Public, Private	
Colorado	FAMLI	Public, Private	
Connecticut	PFMLA	Public, Private	
Delaware	PFML	Public, Private	Jan 1, 2025 – Contributions begin / Jan 1, 2026 – Benefit entitlement
District of Columbia	UPL	Public	
Hawaii	TDI	Private	Employee disability only. No paid family leave in HI.
Maine	PFML	Public, Private	Jan 1, 2025 – Contributions begin / May 1, 2026 – Benefit entitlement
Maryland	PFML	Public, Private	Jan 1, 2027 – Contributions begin / Jan 3, 2028 – Benefit entitlement
Massachusetts	PFML	Public, Private	
Minnesota	PL	Public, Private	Jan 1, 2026 – Contributions and benefit entitlement begin
New Jersey	TDI, FLI	Public, Private	
New York	DBL, PFL	NYSIF, Private	
Oregon	PLO	Public, Private	
Puerto Rico	SINOT	Public, Private	Employee disability only. No paid family leave in PR.
Rhode Island	TDI, FLI	Public	
Washington	PFML	Public, Private	



This list shows states that require disability or paid leave to be **insured** through a state program. (Private, fully insured or self-funded plans may be available.)

Employers may be subject to other state, county and local sick and safe time or leave ordinances. Check the state and local laws applicable to your business.

Minnesota Paid Leave

Benefit Integration



Benefit integration

- MN Paid Leave is generally the first payer
 - Short-term disability
 - Paid parental leave
 - Vacation / PTO / Sick banks
 - Exceptions:
 - Work Comp
 - Worksite short-term disability



Traditional group STD will offset for MNPL benefits the employee receives or is eligible to receive



Determine if corporate paid parental leaves should run concurrently or consecutively to MNPL; make the policy clear.



Accrued benefits cannot be required to be used. May be used as “supplemental” benefits.



Exception: **Work comp pays first**. MNPL pays only if MNPL award would be higher than work comp award, and only pays the difference.



Exception: Worksite STD products likely do **not** integrate or offset with MNPL.
MNPL + worksite may be >100% of regular pay.

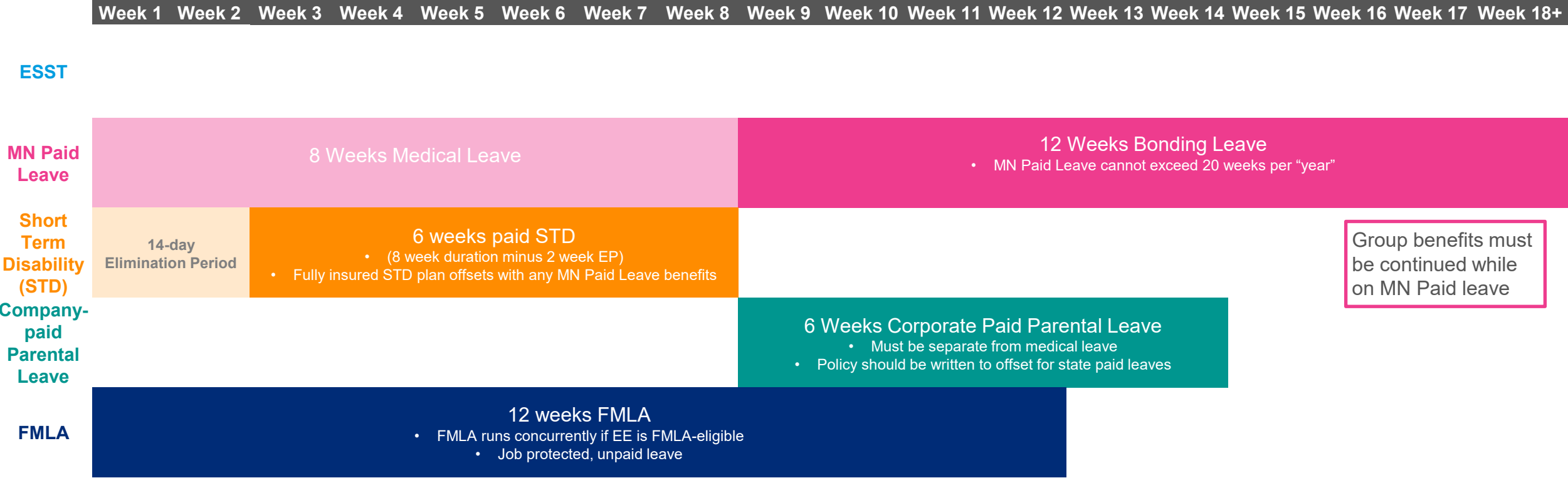
Minnesota Paid Leave

	ESST	STD	MN Paid Leave	Federal FMLA
Covered employee	80 hours work in MN / year	ER determined; Often 30+ hours / week;	Working in covered employment. EE must have earned 5.3% of SAAW* to be eligible for benefit payment.	12 months + 1250 hours; 50 EE / 75-mile radius
Covered employer	Has eligible employees	Optional	Has employees working in covered employment.	Private: 50 or more EE Public: all employers
Paid?	Yes	Yes	Yes	No
Job protected?	Yes	No	Yes, after 90 days	Yes
How much time?	Up to 48 hours, plus any carryover	Usually 13-26 weeks per disability	Up to 12 weeks medical leave; Up to 12 weeks family leave; Max 20 weeks per “year”	12 weeks per “year”
Reasons for use	EE or family member (FM) sickness; safety leave; EE workplace, FM school or FM care facility closure due to weather or public emergency; EE or FM communicable disease;	Employee’s non-work-related illness or injury	EE own serious health condition; family member serious health condition, bonding, safety leave, military exigency,	EE own serious health condition; family member serious health condition, bonding, military exigency,

*SAAW = State average annual wage

Minnesota Paid Leave

Sample Coordination of ESST, STD, MN Paid Leave, FMLA for maternity with “complications” in 2026



How can I start to plan?

Consider these items across all leave programs.

	Program 1	Program 2	Program 3	Program 4
Who's eligible?				
Service waiting period				
Premiums paid by				
Benefits funded by				
% of pay replaced				
Max weekly benefit				
Max leave allotment				
Job protection?				

- How much variance across programs can my organization tolerate? (Note – at least some variance is unavoidable.)
- What are the current / future capabilities of my leave tracking protocols? Can we stay compliant using current methods?
- What are the business, HR, staffing needs?
- Do our leave policies support our corporate benefits, recruiting, retention, DEI philosophies?

How can I start to plan?

Consider these items across all leave programs.

	STD	Corporate parental leave	MN Paid Leave	FMLA
Who's eligible?	At least 30 hours per week	At least 24 hours per week	"All" employees	1250 hrs in 12 months
Service waiting period	1 st of the month coincident with or next following 60 days	12 months	None	12 months
Premiums paid by	Employer	NA	Employee & Employer	NA
Benefits funded by	Insurance carrier	Employer	State plan	NA
% of pay replaced	60%	100%	Up to 90%	NA
Max weekly benefit	\$1,250 per week	No max	Current SAWW (\$1,337 in 2024)	NA
Max leave allotment	13 weeks per disability	6 weeks per calendar year	20 weeks, rolling forward	12 weeks, rolling backward
Job protection?	No	Yes	Yes – after 90 days of service	Yes

Resources

Minnesota Paid Leave

- MN Paid Leave [website](#)
 - [Subscribe](#) to updates & submit questions
 - [Employer information](#) on MN Paid Leave
 - [Wage reporting](#) how-to
 - [Estimate public plan premiums](#)
 - [MN Paid Leave benefit estimator](#)
 - [Start to prepare. Now.](#)
 - [Adopted rules](#)
- MN Chapter 268B [statute](#)

MMA's Minnesota Paid Leave [summary](#)

“Benefit year” examples

- Rolling forward vs backward, etc.
- Read the [DOL Fact Sheet 28h](#)

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