Minnesota Paid Leave
What Minnesotans Need to Know Before January 1, 2026

Paid Leave is a new program launching for Minnesotans January 1, 2026. It provides paid time off when a serious health condition prevents your employee from working, when your employee needs time to care for a family member or a new child, for certain military-related events or for certain personal safety issues.

All employers, regardless of size, are required to participate in Paid Leave unless they are specifically exempt from the law. There is no exclusion in the law for small employers, however, small businesses with 30 or fewer employees may qualify for a reduced small employer premium rate.

Covered Employees

Employees are covered by Paid Leave if they work 50 percent or more of the year in Minnesota. For people who do not work 50 percent or more of the year in any one state – for example, someone who splits their time equally between three states – they are covered by Paid Leave if they live in Minnesota.

Employer Roles and Responsibilities

- Report wage details and submit quarterly premium payments.
  Paid Leave requires that employers submit a quarterly wage detail report—just like they do for Unemployment Insurance—and also pay Paid Leave Premiums quarterly—just like they do for Unemployment Insurance, using the same online reporting system as Unemployment Insurance.

  Paid Leave is funded by contributions called premiums, which are collected by the state from employers. Deductions will begin January 1, 2026. Employers will submit quarterly Paid Leave premium payments, with the first premium payment due on April 30, 2026. The premium rate will be 0.88 percent for 2026 based off gross wage per employee. The premium rate will change every year after that. Premium rate and contributions page.

  The premiums are shared between employees and employers. Employers must pay at least 50 percent of the total premium, though they may choose to pay up to 100 percent of the premium (note: the additional contribution should be reported as taxable wages on the employee's W-2, and the employee and employer are subject to additional FICA taxes along with federal and state taxes for the employee). Employee deductions are capped at 50% of the premium rate. Premiums are only due on wages up to the Old-Age, Survivors and Disability Insurance (OASDI) limit set by the United States Social Security Administration.

  For MHA Members utilizing MHA payroll services: premium payments will be completed by MHA on your behalf with the quarterly filings. Watch for additional payroll service notices and communications MHA will send out to payroll clients to obtain necessary information for proper set up to remit payments/filings appropriately.

- Track paid leave and manage paid leave account.
  Employers need to keep track of employees' leave, review leave applications submitted to the state by employees, view determinations and coordinate Paid Leave with other time off

and benefits offered by the employer. To do this, employers will need to designate one or more Paid Leave Administrators.

To designate a Paid Leave Administrator, you must first assign the administrator role to a person through the MN Unemployment Insurance (UI) website. Once assigned in MN UI, the Paid Leave Administrator can then create and manage their account on the Paid Leave Employer Portal.

For more information about these accounts and to create your Paid Leave Administrator account, visit Employer Accounts webpage.

- Educate employees.
  By December 1, 2025, employers must inform their employees about their rights and benefits under this new program. Employers need to notify employees in their native language and display a workplace poster in English and in any other language spoken by five or more employees. **The Minnesota Paid Leave poster is now available in English** and will soon be available in other languages.

Equivalent Plan
Employers can choose to meet their responsibilities under Minnesota Paid Leave by providing employees with an equivalent plan that meets or exceeds the coverage offered by the state. Employers who wish to offer an equivalent plan can visit the MN Paid Leave website at https://mn.gov/deed/paidleave/employers/equivalent/ to set up a Paid Leave Administrator Account and submit an Equivalent Plan Substitution Request.

MN Paid Leave Webinars
Minnesota is hosting Paid Leave webinars monthly through November 2025. Register for an upcoming webinar or access a past webinar recording by going to the Paid Leave Public Engagement Events website.