News & Insights

Minnesota Employers Must Prepare Now for New Paid Leave Requirements in 2026

Alert

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Minnesota's Paid Leave program is set to take effect on January 1, 2026. The law will provide job protections and partial wage replacement for up to 12 weeks of leave due to serious illness and up to 12 weeks of leave for family care, child bonding, personal safety issues, and military active duty, for a maximum of 20 weeks of leave in a single benefit year.

The Paid Leave program, which will be administered jointly by employers and Minnesota's Department of Employment and Economic Development (DEED), comes with new responsibilities for employers. For instance, the program is funded by premiums on employee wages, requiring employers to report wages and pay premiums on a quarterly basis. Additionally, employers must consider the interaction between the state-offered paid leave benefits and their existing paid leave programs. And all employers must notify employees about Paid Leave coverage by December 1, 2025, as further explained below.

Employers can meet their Paid Leave responsibilities by offering an equivalent plan that meets or exceeds the coverage and protections offered by the state. Equivalent plans must be approved by the state and may be self-insured (i.e., self-administered) or administered by a third-party insurance carrier. Employers with an approved equivalent plan will not pay premiums to the state but must still comply with wage reporting and employee notice requirements. Employers who have not yet determined how they are going to comply with their Paid Leave obligations—state administration, a self-insured equivalent plan, or a third-party insurance carrier—should make this decision as soon as possible. Regardless of the approach, employers should all be aware of the upcoming deadlines.

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IMMEDIATE ACTION ITEM: DESIGNATE PAID LEAVE ADMIN

Employers who do not already have one should register for an "Employer Account" through Minnesota Unemployment Insurance, which is where they will submit wage details and premiums for Paid Leave. Employers must also designate a Paid Leave Administrator (or multiple Paid Leave Administrators) at their business or organization, and register that person within the UI Employer Account. Employers can reference DEED's guide on the process for designating a Paid Leave Administrator. Finally, once employers designate the Paid Leave Administrator(s) in the UI Employer Account, they then need to create a *separate* Paid Leave Administrator account (or the Paid Leave Administrator should receive an email with instructions to set up this separate Paid Leave Administrator account).

In the Paid Leave Administrator Account, the employer's Paid Leave Administrator(s) will be able to review Paid Leave applications and eligibility determinations for employees and, if applicable, submit a Paid Leave Equivalent Plan request. In addition, staying abreast of developments and resources on DEED's Paid Leave website will help employers transition smoothly. Employers can sign up for email updates from DEED by completing this form.

KEY UPCOMING DATES

November 10, 2025: Equivalent Plan Submissions Due

- Employers with existing, equivalent paid leave plans can submit requests for equivalent plan substitutions to DEED to avoid paying premiums to the state. They must do so by November 10, 2025, to have an equivalent plan in place when the Paid Leave program launches on January 1.
- Otherwise, employers may submit requests at any time for approval on a rolling basis (but will still need to ensure compliance with Paid Leave on January 1, 2026). Visit DEED's Equivalent Plans for Paid Leave webpage for more details (including a list of approved equivalent plans).

December 1, 2025: Employee Notice Deadline

- All employers, including those with approved equivalent plans, must post notice developed by the Commissioner of Employment and Economic Development in a conspicuous place in English and any other primary language spoken by at least five employees. Access the required workplace poster in DEED's Employer Resource Toolkit.
- Employers must also provide *individualized* written notice to each employee regarding their rights and benefits under the Paid Leave program by the later of 30 days from beginning employment or December 1, 2025. Employers will need to ensure that they receive written acknowledgement of receipt of this individualized written notice from each eligible employee as well. Access the sample employee notice in DEED's Employer Resource Toolkit.



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January 1, 2026: Paid Leave Becomes Effective

• Employees can apply for Paid Leave benefits. Employers splitting premiums with employees must begin payroll deductions.

April 30, 2026: First Premium Payments Due

- Employers must pay first premiums to DEED by April 30, 2026. First premiums will be based on wages paid from January 1, 2026, to March 31, 2026.
- Learn more about employer responsibilities with wage reporting and premiums on DEED's Premium Rate and Contributions

Stinson regularly advises employers on preparing their businesses to comply with ever-changing state and federal employment laws. Employers are encouraged to reach out to our attorneys for guidance on how Minnesota's Paid Leave law and other employment laws may affect them. For more information, please contact Amy Conway, Greta Bauer Reyes, Nicole Faulkner, Sharon Beck, or the Stinson LLP contact with whom you regularly work.

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