

**Employers Questions and Answers regarding the Paid Family Medical Leave (PFML) program**

<b>Topic</b>	<b>Specific Questions</b>	<b>Answers</b>
<b>Covered Population</b>	<ul style="list-style-type: none"> <li>• <i>Does it matter how many employees we have, do you have to have a certain amount of employees or does it even matter?</i></li> <li>• <i>Does this apply to Part Time Workers?</i></li> <li>• <i>We only have 2 employees and do offer a fair amount of PTO is family medical leave does that make any difference?</i></li> <li>• <i>Is a Housing Authority exempt similar to UI?</i></li> <li>• <i>We are a small non-profit economic development organization with two full-time employees and one part-time. We have annual salaries and the part-time is hourly, for the full-time employees we do not have health insurance coverage, but the employer offers a stipend monthly to cover health insurance cost. I am covered under Medicare and my other full-time employee is covered under her husband employer. Will we still need to participate?</i></li> <li>• <i>Does taxability follow the Minnesota SUI?</i></li> <li>• <i>How does an employer know if employees are taking advantage of it?</i></li> </ul>	<p>The Paid Leave law will cover all employees (including full time and part time) in the State with limited exceptions for (1) employees of the federal government (2) self-employed individuals and (3) independent contractors. All employers, regardless of size, will be required to participate in the program. The exemptions under the unemployment statute do not apply to the requirement to participate in Paid Leave.</p> <p>Small businesses with 30 or fewer employees, however, will be entitled to reduced premiums and may be eligible for small business assistance grants to hire temporary workers or to increase another existing worker's wages.</p>
<b>Benefits Administration</b>	<ul style="list-style-type: none"> <li>• <i>How will this align with STD (short term disability)?</i></li> <li>• <i>If the payment is coming from the state, how do we as a company collect the health insurance and other premiums during an absence?</i></li> <li>• <i>Will employers get time (say six months) prior to the start of the program so we can address benefits as needed to avoid unnecessary overlap in this program?</i></li> <li>• <i>What will application process look like for an applicant and communication with employers?</i></li> <li>• <i>Is this operated like unemployment and does the worker need to have weekly engagement to continue benefits?</i></li> </ul>	<p>Paid Leave goes live on January 1, 2026. Over the course of the next two years, the Paid Leave division will be working to implement the program and will be able to give more detailed, definitive answers to questions related to benefits administration. Trainings will also be provided closer to the implementation of the program.</p>

	<ul style="list-style-type: none"> <li>• <i>How does an employer know if employees are taking advantage of it?</i></li> <li>• <i>Where can a person receive additional training on this subject?</i></li> </ul>	
	<ul style="list-style-type: none"> <li>• <i>What happens if an employee uses this, does it start over the following year?</i></li> </ul>	A benefit year under the statute is the 52-week period following the start of a leave.
	<ul style="list-style-type: none"> <li>• <i>If a person is out on leave, is their payment coming from the state?</i></li> </ul>	Yes, the state will be making payments directly to claimants.
<b>Premiums</b>	<ul style="list-style-type: none"> <li>• <i>Will the state tell each business what is owed per employee each year for their part of the premium?</i></li> </ul>	Individual premium amounts will be calculated as part of the quarterly return starting in January 2026
	<ul style="list-style-type: none"> <li>• <i>Will they also give the business their required the requirement amount each year after evaluating the quarterly wage reports?</i></li> </ul>	Individual premium amounts will be calculated as part of the quarterly return starting in January 2026
	<ul style="list-style-type: none"> <li>• <i>Is the employee or the employer paying the tax? Or is it a shared tax?</i></li> </ul>	The premium will be remitted by employers to the Department. Employers may deduct up to 50% of the premium amount from employee paychecks.
	<ul style="list-style-type: none"> <li>• <i>Will there be a tax credit at the end of the year for businesses for this program?</i></li> </ul>	There is no tax credit in the statute. Small businesses with 30 or fewer employees, however, will be entitled to reduced premiums and may be eligible for small business assistance grants to hire temporary workers or to increase another existing worker's wages
	<ul style="list-style-type: none"> <li>• <i>Do employers have to apply for the reduced premium (Under 30 employees) or is that automatic?</i></li> </ul>	This is intended to be automatically applied based on the size of the business.
	<ul style="list-style-type: none"> <li>• <i>Can you discuss some of the changes for stricter wage rules for construction? I know some relates to prevailing wage, but what is the rest?</i></li> </ul>	This question is better directed to the Department of Labor and Industry. Their contact information can be found here: <a href="https://www.mn.gov/department-of-labor-and-industry">Prevailing-wage information   Minnesota Department of Labor and Industry (mn.gov)</a>
<b>Employee Notification</b>	<ul style="list-style-type: none"> <li>• <i>Will there be a poster for this paid Family medical leave post?</i></li> </ul>	Yes, DEED will create workforce posters in multiple languages and make them available to employers closer to the implementation date.
<b>Private Plans</b>	<ul style="list-style-type: none"> <li>• <i>There can be fully-insured or self-insured in addition to the state plan, correct?</i></li> </ul>	Employers will be able to apply for a private plan exemption if they offer a private plan which confers all of the same rights, protections, and benefits provided to employees under the PFML law. In order to be considered for an exemption, the employer will need to submit documentation showing proof of coverage and that the plan fully meets the requirements laid out under the law.

		Paid Time Off policies are not sufficient to meet this threshold. Further guidance will be provided closer to implementation.
--	--	---

**Additional questions and answers**

*On the ESST that is beginning 1.1.24 - When can the employee take the leave? Immediately before they accrue their leave? Or once they accrue their leave?*

*Has there been a determination on the accrual rate for 100% commissioned in employees?*

*For something like a C-section, would that count as medical leave and then you could stack 12 weeks bonding time with the child? If C-section is 8 weeks recovery, is that your 20 weeks. Also, for ESST, could that stack on top of this 20 weeks?*

*On the ESST that is beginning 1.1.24 - When can the employee take the leave? Immediately before they accrue their leave? Or once they accrue their leave?*

*Has there been a determination on the accrual rate for 100% commissioned in employees? For something like a C-section, would that count as medical leave and then you could stack 12 weeks bonding time with the child? If C-section is 8 weeks recovery, is that your 20 weeks. Also, for ESST, could that stack on top of this 20 weeks?*

We would refer you to the MN Dept. of Labor & Industry (DLI) site, [EARNED SICK AND SAFE TIME](#) – Information from DLI

- [View FAQs about earned sick and safe time.](#)

They offer [Email](#) and **Phone** 651-284-5075 contact information.

In regards to [MINNESOTA PAID FAMILY AND MEDICAL LEAVE \(PFML\)](#) managed through DEED and [EARNED SICK AND SAFE TIME \(ESST\)](#) managed by MN Dept. of Labor & Industry:

The programs were both passed during the same legislative session, DEED will be providing more information about the intersection between the two programs closer to implementation. The programs are both passed during the same legislative session, DEED will be providing more information about the intersection between the two programs closer to implementation.

***Where can I get labor law posters?***

The Minnesota Chamber offers labor law posters: <https://mnchambermarketplace.com/>

Poster information from the MN Dept. of Labor & Industry: [WORKPLACE NOTICES AND POSTERS](#)

Minnesota law requires employers to provide some notices to their employees and requires certain [posters](#) to be displayed in a location where employees can easily see them.

The posters and notices are available at no cost and need to be updated only when Minnesota law changes. [Sign up to be notified](#) when Minnesota posters or notices have been updated.

***Is there any type of template or sample personnel policies for small businesses?***

Review these site for information:

National Federation of Independent businesses - [How to Write a Great Employee Handbook](#)

SCORE - [How to Create an Employee Handbook for Your Small Business](#)

***Resources to help with data encryption and secure email transmission***

Federal Trade Commission - [Protecting Personal Information: A Guide for Business](#)

FCC - [Cybersecurity for Small Businesses](#)

***Do you know of any resources to help with the teacher staffing shortage?***

We do not have any direct resources for teacher staffing. Please take a look at this information from the Minnesota Professional Educator Licensing and Standards Board (PELSB) - [Teacher Recruitment and Marketing Campaign](#)

**Small business resources**

[Startup and Small Business Calendar / Launch MN](#)

Resources from DEED [Minnesota Resources for Startups and Small Businesses](#)

Form the MN Chamber of Commerce - [BUSINESS AND ECONOMIC DEVELOPMENT RESOURCES](#)

Small Business Call –meeting recording at <https://www.youtube.com/watch?v=fCirqzauyfY>