

Paid Family & Medical Leave: What You Should Know

Minnesota legislation takes effect on January 1, 2026, creating a Paid Leave insurance program for workers in the state. The new program covers virtually all employers and applies to workers who have earned 5.3% or more of the State Average Annual Wage (SAAW) in the four previous quarters: approximately \$3,781+ in 2024.



The program will be funded by premiums of .88% (\$0.0088) of an employee's wage, which can be shared evenly between employers and workers, and remitted by the employer by April 2026. Minnesota Paid Leave is a new division within Minnesota's Department of Employment and Economic Development.

What does this mean to employers?

Employers should be familiar with the requirements and deadlines of the new Paid Leave program. Employers with less than 30 employees that have an average annual wage equal to or less than 150% of the State Average Annual Wage (In 2024 SAAW = \$71,344.00 x 1.5% = \$107,016.00) will qualify for a lower rate of .66% (\$0.0066). There is also an alternative substitution of buying into private coverage plans meeting the program requirements.

What is Minnesota Paid Leave?

Paid Leave is the new state program that will ensure all Minnesota workers have access to paid leave to take care

of themselves or their family during life circumstances that pull them away from their jobs – such as raising their family or taking care of a loved one with a serious health condition. Eligible employees will receive up to 12 weeks of personal medical leave and 12 weeks of family leave. However, an employee can collect no more than 20 weeks combined in a single benefit year. The benefit year is the 12-month period that starts when Paid Leave is first taken by an individual.

Leave Types:

Medical leave	Family leave	Safe leave
Employee's own serious health condition: <ul style="list-style-type: none">◦ Illness◦ Injury◦ Impairment◦ Pregnancy or recovery from childbirth◦ Physical/mental condition involving patient care	<ul style="list-style-type: none">◦ Child bonding, including newborn, adoption, and foster-care placement◦ Family caregiver when a covered family member has a serious health condition◦ Military exigency when a covered family is called to active service	<ul style="list-style-type: none">◦ Leave as a result of being a victim of domestic violence, stalking, sexual assault, or sexual abuse◦ Employee or employee's family member