

# Mandating paid leave: Costly for employers, employees

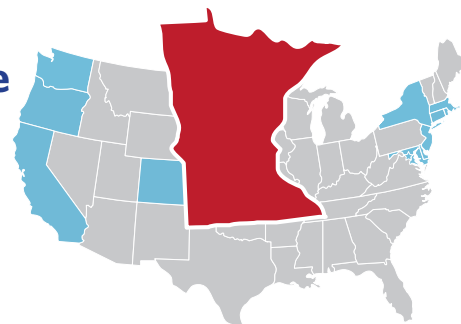
Employers are in the best position to design benefit packages that serve the distinct needs of their businesses and their employees. Minnesota employers compete for workers every day and consistently receive national recognition for providing some of the best places to work. If the state mandates expansive new benefits without regard for their relevance to the employer and its workforce, its industry or market, costs will go up. The results are reduced staff and job opportunities, hours or both - hurting workers and their families.

A "do no harm" approach is critically important so that additional cost burdens and mandates are not placed on employers who are doing their best to keep their doors open and people employed.

As introduced, HF2/SF2 create an expansive state-administered paid leave insurance program. Financed through a new tax on employers, the program will fund partial wage replacement benefits for 12 weeks of paid parental and family leave and 12 weeks of paid medical leave. This is different, and in addition to, a separate proposal mandating that employers provide up to 80 hours of paid sick leave for routine or minor illnesses (HF 19/SF 34).

**If enacted, Minnesota would have the most expansive and expensive mandates in terms of eligibility, qualifying events, benefits and employer obligation.**

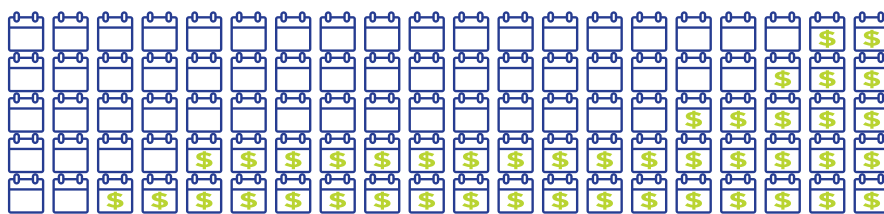
Due to cost and complexity, only eleven other states - CA, CO, CT, NY, NJ, DE, RI, MA, WA, MD, OR and Washington, D.C. - have enacted versions of paid leave mandates.



**New leave mandates create needless bureaucracy and cost millions.**

- New mandates hurt employers and employees with a worker shortage already reaching a crisis. Employers use benefit packages to attract and retain quality employees - even without the state telling them to do so.
- Creating an expansive statewide mandate on employers to provide 12 weeks of paid parental and family leave and 12 weeks of paid medical leave would mean an employee could miss nearly 40 percent of the workdays in a year.
- Businesses, particularly small businesses, already struggle to endure the costs associated with missed productivity of their workers. The cost to find temporary workers to fulfill their responsibilities in their absence is a double - or triple in some cases - tax on our job-creators.
- 1.2 million Minnesotans - almost half the state's workforce - work for small businesses.
- Many Minnesotans - both employers and employees - across the state do not want to pay increased taxes for a new state-run bureaucracy like MNLARS or MNsure - but cannot opt out under the proposal. The state would need to hire over 400 new FTEs alone to run their massive new paid leave insurance system.

**COSTS  
MATTER**  
mandatory  
paid leave  
proposal =



## The Legislature must act

- Ensure changes proposed through Minnesota state agencies consider impacts on employers.
- Oppose one-size-fits-all mandates on employee benefits that would constrain employers' ability to conduct business.
- Preserve private-sector flexibility on wage, benefit and scheduling decisions.



Albert Lea-Freeborn County Chamber of Commerce  
 Alexandria Lakes Area Chamber of Commerce  
 Anoka Area Chamber of Commerce  
 Apple Valley Chamber of Commerce  
 Associated Builders and Contractors  
 Associated General Contractors of Minnesota  
 Austin Area Chamber of Commerce  
 BankIn Minnesota  
 Bemidji Area Chamber of Commerce  
 Brainerd Lakes Area Chamber of Commerce  
 Builders Association of Minnesota  
 Builders Association of the Twin Cities  
 Building Owners & Managers Association (BOMA) St. Paul  
 Burnsville Chamber of Commerce  
 Cloquet Area Chamber of Commerce  
 Cuyuna Lakes Chamber of Commerce  
 Dakota County Regional Chamber of Commerce  
 Detroit Lakes Regional Chamber of Commerce  
 Duluth Area Chamber of Commerce  
 Eden Prairie Chamber of Commerce  
 Elk River Area Chamber and Commerce  
 Faribault Area Chamber of Commerce & Tourism Bureau  
 Fargo Moorhead West Fargo Chamber of Commerce  
 Fergus Falls Area Chamber of Commerce  
 Glenwood Lakes Chamber of Commerce  
 Grand Rapids Area Chamber of Commerce  
 Greater Mankato Growth  
 Greater Minneapolis Building Owners and Managers Association  
 Greater Stillwater Chamber of Commerce  
 Greater St. Paul Building Owners and Managers  
 Hastings Area Chamber of Commerce & Tourism Bureau  
 Hermantown Area Chamber of Commerce  
 Hibbing Area Chamber of Commerce  
 Hospitality Minnesota  
 Housing First  
 Hutchinson Area Chamber of Commerce  
 Insurance Federation of Minnesota  
 International Falls Area Chamber of Commerce  
 Iron Mining Association of MN  
 Lake City Area Chamber of Commerce  
 Lake County Chamber of Commerce  
 Lakeville Area Chamber of Commerce & CVB  
 Laurentian Chamber of Commerce  
 Litchfield Chamber of Commerce  
 Marshall Area Chamber of Commerce  
 Medical Alley Association  
 Metalcasters of Minnesota  
 MetroNorth Chamber of Commerce  
 Midwest Food Processors Association  
 Minnesota AgriGrowth Council  
 Minnesota Association of Convention & Visitors Bureaus  
 Minnesota Association of Public Accountants  
 Minnesota Auto Dealers  
 Minnesota Bankers Association  
 Minnesota Beverage Association  
 Minnesota Broadcasters Association  
 Minnesota Business Partnership  
 Minnesota Chamber of Commerce

Minnesota Chamber of Commerce Executives  
 Minnesota Child Care Association  
 Minnesota Contractors of the National Electrical  
 Contractors Association  
 Minnesota Drywall & Plaster Association  
 Minnesota Environmental Contractors Association  
 Minnesota Floorcovering Contractors Association  
 Minnesota Forest Industries  
 Minnesota Grocers Association  
 Minnesota High Tech Association  
 Minnesota Licensed Beverage Association  
 Minnesota Mechanical Contractors  
 Minnesota Milk Producers Association  
 Minnesota Nursery & Landscape Association  
 Minnesota Painting and Wallcovering Employers Association  
 Minnesota Petroleum Marketers Association  
 Minnesota Pork Producers Association  
 Minnesota REALTORS  
 Minnesota Recruiting and Staffing Association  
 Minnesota Retailers Association  
 Minnesota Service Stations and Convenience Stores  
 Minnesota Shopping Center Association  
 Minnesota Ski Areas Association  
 Minnesota Society of CPAs  
 Minnesota Subcontractors Association  
 Minnesota Telecom Alliance  
 Minnesota Trucking Association  
 Minnesota Utilities Contractors Association  
 Minnesota Utility Investors  
 Minnesota Mechanical Contractors Association  
 Minnesota Precision Manufacturing Association  
 NAIOP Minnesota  
 National Federation of Independent Business  
 National Shooting Sports Foundation  
 New Ulm Area Chamber of Commerce  
 Northfield Area chamber of Commerce  
 Owatonna Area Chamber of Commerce & Tourism  
 Pipestone Area Chamber of Commerce & CVB  
 Redwood Area Chamber and Tourism  
 Red Wing Area Chamber of Commerce  
 River Heights Chamber of Commerce  
 Rochester Area Chamber of Commerce  
 Sauk Centre Area Chamber of Commerce  
 Shakopee Chamber & Visitors Bureau  
 SouthWest Metro Chamber of Commerce  
 St. Cloud Area Chamber of Commerce  
 St. Paul Area Chamber  
 The Chamber Grand Forks & East Grand Forks  
 Thermal Insulation Contractors Association  
 Tri-State Manufacturers' Association  
 Twin Cities North Chamber of Commerce  
 Waconia Chamber of Commerce  
 Waseca Chamber of Commerce  
 White Bear Area Chamber of Commerce  
 Willmar Lakes Area Chamber of Commerce  
 Winona Area Chamber of Commerce  
 Woodbury Area Chamber of Commerce  
 Worthington Area Chamber of Commerce



380 St Peter St Suite 1050, St Paul, MN 55102  
 800.821.2230 • 651.292.4650  
[www.unitedforjobsmn.com](http://www.unitedforjobsmn.com)