

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2

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DATE	D-PG	OFFICIAL STATUS
01/04/2023	70	Introduction and first reading Referred to Jobs and Economic Development
01/19/2023	237a	Comm report: To pass as amended and re-refer to Labor
01/23/2023		Comm report: To pass as amended and re-refer to Health and Human Services Rule 12.10: report of votes in committee

1.1 A bill for an act

1.2 relating to employment; providing for paid family, pregnancy, bonding, and

1.3 applicant's serious medical condition benefits; regulating and requiring certain

1.4 employment leaves; classifying certain data; authorizing rulemaking; appropriating

1.5 money; amending Minnesota Statutes 2022, sections 13.719, by adding a

1.6 subdivision; 177.27, subdivision 4; 181.032; 256J.561, by adding a subdivision;

1.7 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1;

1.8 proposing coding for new law as Minnesota Statutes, chapter 268B.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 style="text-align:center">**ARTICLE 1**

1.11 style="text-align:center">**FAMILY AND MEDICAL BENEFITS**

1.12 Section 1. Minnesota Statutes 2022, section 13.719, is amended by adding a subdivision

1.13 to read:

1.14 Subd. 7. Family and medical insurance data. (a) For the purposes of this subdivision,

1.15 the terms used have the meanings given them in section 268B.01.

1.16 (b) Data on applicants, family members, or employers under chapter 268B are private

1.17 or nonpublic data, provided that the department may share data collected from applicants

1.18 with employers or health care providers to the extent necessary to meet the requirements

1.19 of chapter 268B or other applicable law.

1.20 (c) The department and the Department of Labor and Industry may share data classified

1.21 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or

1.22 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided

1.23 in section 177.27.

1.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

2.1 Sec. 2. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

2.2 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
2.3 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
2.4 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
2.5 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
2.6 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The
2.7 commissioner shall issue an order requiring an employer to comply with sections 177.41
2.8 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
2.9 repeated if at any time during the two years that preceded the date of violation, the
2.10 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
2.11 and the order is final or the commissioner and the employer have entered into a settlement
2.12 agreement that required the employer to pay back wages that were required by sections
2.13 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
2.14 authorized representative in person or by certified mail at the employer's place of business.
2.15 An employer who wishes to contest the order must file written notice of objection to the
2.16 order with the commissioner within 15 calendar days after being served with the order. A
2.17 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
2.18 If, within 15 calendar days after being served with the order, the employer fails to file a
2.19 written notice of objection with the commissioner, the order becomes a final order of the
2.20 commissioner.

2.21 **EFFECTIVE DATE.** This section is effective July 1, 2023.

2.22 Sec. 3. Minnesota Statutes 2022, section 181.032, is amended to read:

2.23 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
2.24 **TO EMPLOYEE.**

2.25 (a) At the end of each pay period, the employer shall provide each employee an earnings
2.26 statement, either in writing or by electronic means, covering that pay period. An employer
2.27 who chooses to provide an earnings statement by electronic means must provide employee
2.28 access to an employer-owned computer during an employee's regular working hours to
2.29 review and print earnings statements, and must make statements available for review or
2.30 printing for a period of three years.

2.31 (b) The earnings statement may be in any form determined by the employer but must
2.32 include:

2.33 (1) the name of the employee;

3.1 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by
3.2 hour, shift, day, week, salary, piece, commission, or other method;

3.3 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

3.4 (4) the total number of hours worked by the employee unless exempt from chapter 177;

3.5 (5) the total amount of gross pay earned by the employee during that period;

3.6 (6) a list of deductions made from the employee's pay;

3.7 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and
3.8 the amount paid by the employer based on the employee's wages under section 268B.14,
3.9 subdivision 1;

3.10 ~~(7)~~ (8) the net amount of pay after all deductions are made;

3.11 ~~(8)~~ (9) the date on which the pay period ends;

3.12 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if
3.13 different from the legal name;

3.14 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,
3.15 and a mailing address if different; and

3.16 ~~(11)~~ (12) the telephone number of the employer.

3.17 (c) An employer must provide earnings statements to an employee in writing, rather
3.18 than by electronic means, if the employer has received at least 24 hours notice from an
3.19 employee that the employee would like to receive earnings statements in written form. Once
3.20 an employer has received notice from an employee that the employee would like to receive
3.21 earnings statements in written form, the employer must comply with that request on an
3.22 ongoing basis.

3.23 (d) At the start of employment, an employer shall provide each employee a written notice
3.24 containing the following information:

3.25 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
3.26 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
3.27 application of any additional rates;

3.28 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

3.29 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;

3.30 (4) the employee's employment status and whether the employee is exempt from minimum
3.31 wage, overtime, and other provisions of chapter 177, and on what basis;

4.1 (5) a list of deductions that may be made from the employee's pay;

4.2 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
4.3 day on which the employee will receive the first payment of wages earned;

4.4 (7) the legal name of the employer and the operating name of the employer if different
4.5 from the legal name;

4.6 (8) the physical address of the employer's main office or principal place of business, and
4.7 a mailing address if different; and

4.8 (9) the telephone number of the employer.

4.9 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
4.10 employee acknowledging receipt of the notice. The notice must be provided to each employee
4.11 in English. The English version of the notice must include text provided by the commissioner
4.12 that informs employees that they may request, by indicating on the form, the notice be
4.13 provided in a particular language. If requested, the employer shall provide the notice in the
4.14 language requested by the employee. The commissioner shall make available to employers
4.15 the text to be included in the English version of the notice required by this section and assist
4.16 employers with translation of the notice in the languages requested by their employees.

4.17 (f) An employer must provide the employee any written changes to the information
4.18 contained in the notice under paragraph (d) prior to the date the changes take effect.

4.19 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
4.20 2025.

4.21 Sec. 4. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

4.22 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
4.23 any person under the administration of the Minnesota Unemployment Insurance Law are
4.24 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
4.25 subdivisions 9 and 12, and may not be disclosed except according to a district court order
4.26 or section 13.05. A subpoena is not considered a district court order. These data may be
4.27 disseminated to and used by the following agencies without the consent of the subject of
4.28 the data:

4.29 (1) state and federal agencies specifically authorized access to the data by state or federal
4.30 law;

4.31 (2) any agency of any other state or any federal agency charged with the administration
4.32 of an unemployment insurance program;

5.1 (3) any agency responsible for the maintenance of a system of public employment offices
5.2 for the purpose of assisting individuals in obtaining employment;

5.3 (4) the public authority responsible for child support in Minnesota or any other state in
5.4 accordance with section 256.978;

5.5 (5) human rights agencies within Minnesota that have enforcement powers;

5.6 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
5.7 laws;

5.8 (7) public and private agencies responsible for administering publicly financed assistance
5.9 programs for the purpose of monitoring the eligibility of the program's recipients;

5.10 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
5.11 Department of Commerce for uses consistent with the administration of their duties under
5.12 Minnesota law;

5.13 (9) the Department of Human Services and the Office of Inspector General and its agents
5.14 within the Department of Human Services, including county fraud investigators, for
5.15 investigations related to recipient or provider fraud and employees of providers when the
5.16 provider is suspected of committing public assistance fraud;

5.17 (10) local and state welfare agencies for monitoring the eligibility of the data subject
5.18 for assistance programs, or for any employment or training program administered by those
5.19 agencies, whether alone, in combination with another welfare agency, or in conjunction
5.20 with the department or to monitor and evaluate the statewide Minnesota family investment
5.21 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,
5.22 and the Supplemental Nutrition Assistance Program Employment and Training program by
5.23 providing data on recipients and former recipients of Supplemental Nutrition Assistance
5.24 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
5.25 care assistance under chapter 119B, or medical programs under chapter 256B or 256L or
5.26 formerly codified under chapter 256D;

5.27 (11) local and state welfare agencies for the purpose of identifying employment, wages,
5.28 and other information to assist in the collection of an overpayment debt in an assistance
5.29 program;

5.30 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
5.31 the last known address and employment location of an individual who is the subject of a
5.32 criminal investigation;

6.1 (13) the United States Immigration and Customs Enforcement has access to data on
 6.2 specific individuals and specific employers provided the specific individual or specific
 6.3 employer is the subject of an investigation by that agency;

6.4 (14) the Department of Health for the purposes of epidemiologic investigations;

6.5 (15) the Department of Corrections for the purposes of case planning and internal research
 6.6 for preprobation, probation, and postprobation employment tracking of offenders sentenced
 6.7 to probation and preconfinement and postconfinement employment tracking of committed
 6.8 offenders;

6.9 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
 6.10 zones as required under section 469.3201; ~~and~~

6.11 (17) the Office of Higher Education for purposes of supporting program improvement,
 6.12 system evaluation, and research initiatives including the Statewide Longitudinal Education
 6.13 Data System; and

6.14 (18) the Family and Medical Benefits Division of the Department of Employment and
 6.15 Economic Development to be used as necessary to administer chapter 268B..

6.16 (b) Data on individuals and employers that are collected, maintained, or used by the
 6.17 department in an investigation under section 268.182 are confidential as to data on individuals
 6.18 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
 6.19 and 13, and must not be disclosed except under statute or district court order or to a party
 6.20 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

6.21 (c) Data gathered by the department in the administration of the Minnesota unemployment
 6.22 insurance program must not be made the subject or the basis for any suit in any civil
 6.23 proceedings, administrative or judicial, unless the action is initiated by the department.

6.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

6.25 Sec. 5. **[268B.01] DEFINITIONS.**

6.26 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section
 6.27 have the meanings given.

6.28 Subd. 2. **Applicant.** "Applicant" means an individual applying for leave with benefits
 6.29 under this chapter.

6.30 Subd. 3. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
 6.31 an amount equal to the applicant's high quarter wage credits divided by 13.

7.1 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 7.2 means the most recent four completed calendar quarters before the effective date of an
 7.3 applicant's application for family or medical leave benefits if the application has an effective
 7.4 date occurring after the month following the most recent completed calendar quarter. The
 7.5 base period under this paragraph is as follows:

7.6 <u>If the application for family or medical leave</u>	
7.7 <u>benefits is effective on or between these</u>	
7.8 <u>dates:</u>	<u>The base period is the prior:</u>
7.9 <u>February 1 to March 31</u>	<u>January 1 to December 31</u>
7.10 <u>May 1 to June 30</u>	<u>April 1 to March 31</u>
7.11 <u>August 1 to September 30</u>	<u>July 1 to June 30</u>
7.12 <u>November 1 to December 31</u>	<u>October 1 to September 30</u>

7.13 (b) If an application for family or medical leave benefits has an effective date that is
 7.14 during the month following the most recent completed calendar quarter, then the base period
 7.15 is the first four of the most recent five completed calendar quarters before the effective date
 7.16 of an applicant's application for family or medical leave benefits. The base period under
 7.17 this paragraph is as follows:

7.18 <u>If the application for family or medical leave</u>	
7.19 <u>benefits is effective on or between these</u>	
7.20 <u>dates:</u>	<u>The base period is the prior:</u>
7.21 <u>January 1 to January 31</u>	<u>October 1 to September 30</u>
7.22 <u>April 1 to April 30</u>	<u>January 1 to December 31</u>
7.23 <u>July 1 to July 31</u>	<u>April 1 to March 31</u>
7.24 <u>October 1 to October 31</u>	<u>July 1 to June 30</u>

7.25 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
 7.26 completed calendar quarters must be used if the applicant would have more wage credits
 7.27 under that base period than under a base period of the four most recent completed calendar
 7.28 quarters.

7.29 (d) If the applicant has insufficient wage credits to establish a benefit account under a
 7.30 base period of the four most recent completed calendar quarters, or a base period of the first
 7.31 four of the most recent five completed calendar quarters, but during either base period the
 7.32 applicant received workers' compensation for temporary disability under chapter 176 or a
 7.33 similar federal law or similar law of another state, or if the applicant whose own serious
 7.34 illness caused a loss of work for which the applicant received compensation for loss of
 7.35 wages from some other source, the applicant may request a base period as follows:

8.1 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a
8.2 base period referred to in paragraph (a) or (b), then the base period is the first four of the
8.3 most recent six completed calendar quarters before the effective date of the application for
8.4 family or medical leave benefits;

8.5 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base
8.6 period referred to in paragraph (a) or (b), then the base period is the first four of the most
8.7 recent seven completed calendar quarters before the effective date of the application for
8.8 family or medical leave benefits;

8.9 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base
8.10 period referred to in paragraph (a) or (b), then the base period is the first four of the most
8.11 recent eight completed calendar quarters before the effective date of the application for
8.12 family or medical leave benefits; and

8.13 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base
8.14 period referred to in paragraph (a) or (b), then the base period is the first four of the most
8.15 recent nine completed calendar quarters before the effective date of the application for
8.16 family or medical leave benefits.

8.17 Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter
8.18 associated with qualifying bonding, family care, pregnancy, serious health condition,
8.19 qualifying exigency, or safety leave events, unless otherwise indicated by context.

8.20 Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under
8.21 section 268B.04.

8.22 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning
8.23 the date a benefit account under section 268B.04 is effective. For a benefit account established
8.24 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of
8.25 53 calendar weeks.

8.26 Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
8.27 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
8.28 child's birth, adoption, or placement.

8.29 Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
8.30 corresponding to a single calendar date.

8.31 Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive
8.32 calendar months ending on March 31, June 30, September 30, or December 31.

9.1 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under
9.2 subdivision 46.

9.3 Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment
9.4 and economic development, unless otherwise indicated by context.

9.5 Subd. 13. **Covered employment.** (a) "Covered employment" means performing services
9.6 of whatever nature, unlimited by the relationship of master and servant as known to the
9.7 common law, or any other legal relationship performed for wages or under any contract
9.8 calling for the performance of services, written or oral, express or implied.

9.9 (b) "Covered employment" includes an individual's entire service performed within or
9.10 without or both within and without this state, if:

9.11 (1) the service is localized in this state; or

9.12 (2) the service is not localized in any state, but some of the service is performed in this
9.13 state and:

9.14 (i) the base of operations of the employee is in the state, or if there is no base of
9.15 operations, then the place from which such service is directed or controlled is in this state;
9.16 or

9.17 (ii) the base of operations or place from which such service is directed or controlled is
9.18 not in any state in which some part of the service is performed, but the individual's residence
9.19 is in this state.

9.20 (c) "Covered employment" does not include:

9.21 (1) a self-employed individual; or

9.22 (2) an independent contractor.

9.23 Subd. 14. **Department.** "Department" means the Department of Employment and
9.24 Economic Development, unless otherwise indicated by context.

9.25 Subd. 15. **Employee.** (a) "Employee" means an individual who performs services of
9.26 whatever nature for an employer.

9.27 (b) Employee does not include employees of the United States of America, self-employed
9.28 individuals, or independent contractors.

9.29 Subd. 16. **Employer.** (a) "Employer" means:

9.30 (1) any person, type of organization, or entity, including any partnership, association,
9.31 trust, estate, joint stock company, insurance company, limited liability company, or

10.1 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or
 10.2 the legal representative of a deceased person, having any individual in covered employment;

10.3 (2) the state, state agencies, Minnesota State Colleges and Universities, University of
 10.4 Minnesota, and other statewide public systems; and

10.5 (3) any municipality or local government entity, including but not limited to a county,
 10.6 city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing
 10.7 and redevelopment authority, port authority, economic development authority, sports facilities
 10.8 authority, joint powers board or organization created under section 471.59, destination
 10.9 medical center corporation, municipal corporation, quasimunicipal corporation, or other
 10.10 political subdivision. An employer also includes charter schools.

10.11 (b) Employer does not include:

10.12 (1) the United States of America; or

10.13 (2) a self-employed individual who has elected and been approved for coverage under
 10.14 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

10.15 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
 10.16 means a self-employed individual's average net earnings from self-employment in the two
 10.17 most recent taxable years. For a self-employed individual who had net earnings from
 10.18 self-employment in only one of the years, the individual's estimated self-employment income
 10.19 equals the individual's net earnings from self-employment in the year in which the individual
 10.20 had net earnings from self-employment.

10.21 Subd. 18. **Family and medical benefit insurance account.** "Family and medical benefit
 10.22 insurance account" means the family and medical benefit insurance account in the special
 10.23 revenue fund in the state treasury under section 268B.02.

10.24 Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and
 10.25 medical benefit insurance enforcement account" means the family and medical benefit
 10.26 insurance enforcement account in the state treasury under section 268B.185.

10.27 Subd. 20. **Family benefit program.** "Family benefit program" means the program
 10.28 administered under this chapter for the collection of premiums and payment of benefits
 10.29 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

10.30 Subd. 21. **Family care.** "Family care" means an applicant caring for a family member
 10.31 with a serious health condition or caring for a family member who is a covered service
 10.32 member.

- 11.1 Subd. 22. **Family member.** (a) "Family member" means, with respect to an applicant:
- 11.2 (1) a spouse, including a domestic partner in a civil union or other registered domestic
- 11.3 partnership recognized by the state, and a spouse's parent;
- 11.4 (2) a child and a child's spouse;
- 11.5 (3) a parent and a parent's spouse;
- 11.6 (4) a sibling and a sibling's spouse;
- 11.7 (5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and
- 11.8 (6) any other individual who is related by blood or affinity and whose association with
- 11.9 the applicant is equivalent of a family relationship. For the purposes of this clause, with
- 11.10 respect to an applicant, this includes but is not limited to:
- 11.11 (i) a child of a sibling of the applicant;
- 11.12 (ii) a sibling of the parents of the applicant; and
- 11.13 (iii) a child-in-law, a parent-in-law, a sibling-in-law, and a grandparent-in-law.
- 11.14 (b) For the purposes of this chapter, a child includes a stepchild; biological, adopted, or
- 11.15 foster child of the applicant; or a child for whom the applicant is standing or stood in loco
- 11.16 parentis.
- 11.17 (c) For the purposes of this chapter, a grandchild includes a stepgrandchild or biological,
- 11.18 adopted, or foster grandchild of the applicant.
- 11.19 (d) For purposes of this chapter, a parent includes a stepparent; biological, adoptive, or
- 11.20 foster parent of the applicant; a legal guardian; or an individual who stood in loco parentis
- 11.21 to the applicant.
- 11.22 (e) For purposes of this chapter, a grandparent includes a stepgrandparent or biological,
- 11.23 adoptive, or foster grandparent of the applicant.
- 11.24 Subd. 23. **Health care provider.** "Health care provider" means:
- 11.25 (1) an individual who is licensed, certified, or otherwise authorized under law to practice
- 11.26 in the individual's scope of practice as a physician, physician assistant, osteopath, surgeon,
- 11.27 or advanced practice registered nurse; or
- 11.28 (2) any other individual determined by the commissioner by rule, in accordance with
- 11.29 the rulemaking procedures in the Administrative Procedure Act, to be capable of providing
- 11.30 health care services.

12.1 Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's
12.2 base period with the highest amount of wage credits.

12.3 Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend
12.4 school, or fully perform other regular daily activities due to a serious health condition,
12.5 treatment therefore, or recovery therefrom.

12.6 Subd. 26. **Independent contractor.** If there is an existing specific test or definition for
12.7 independent contractor in Minnesota statute or rule applicable to an occupation or sector
12.8 as of the date of enactment of this chapter, that test or definition shall apply to that occupation
12.9 or sector for purposes of this chapter. If there is not an existing test or definition as described,
12.10 the definition for independent contractor shall be as provided in Minnesota Rules, part
12.11 5200.0221.

12.12 Subd. 27. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
12.13 or residential medical care facility, including any period of incapacity, or any subsequent
12.14 treatment in connection with such inpatient care.

12.15 Subd. 28. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
12.16 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

12.17 Subd. 29. **Medical benefit program.** "Medical benefit program" means the program
12.18 administered under this chapter for the collection of premiums and payment of benefits
12.19 related to an applicant's serious health condition or pregnancy.

12.20 Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment"
12.21 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
12.22 290.01, subdivision 31.

12.23 Subd. 31. **Pregnancy.** "Pregnancy" includes prenatal care or incapacity due to pregnancy
12.24 or recovery from childbirth, still birth, miscarriage, or related health conditions.

12.25 Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
12.26 a military member's active duty service or notice of an impending call or order to active
12.27 duty in the United States armed forces, including providing for the care or other needs of
12.28 the family member's child or other dependent, making financial or legal arrangements for
12.29 the family member, attending counseling, attending military events or ceremonies, spending
12.30 time with the family member during a rest and recuperation leave or following return from
12.31 deployment, or making arrangements following the death of the military member.

12.32 (b) For the purposes of this chapter, a "military member" means a current or former
12.33 member of the United States armed forces, including a member of the National Guard or

13.1 reserves, who, except for a deceased military member, is a resident of the state and is a
 13.2 family member of the applicant taking leave related to the qualifying exigency.

13.3 Subd. 33. **Safety leave.** "Safety leave" means leave from work because of domestic
 13.4 abuse, sexual assault, or stalking of the applicant or applicant's family member, provided
 13.5 the leave is to:

13.6 (1) seek medical attention related to the physical or psychological injury or disability
 13.7 caused by domestic abuse, sexual assault, or stalking;

13.8 (2) obtain services from a victim services organization;

13.9 (3) obtain psychological or other counseling;

13.10 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

13.11 (5) seek legal advice or take legal action, including preparing for or participating in any
 13.12 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual
 13.13 assault, or stalking.

13.14 Subd. 34. **Self-employed individual.** "Self-employed individual" means a resident of
 13.15 the state who, in one of the two taxable years preceding the current calendar year, derived
 13.16 at least 5.3 percent of the state's average annual wage in net earnings from self-employment
 13.17 from an entity other than an S corporation for the performance of services in this state.

13.18 Subd. 35. **Self-employment premium base.** "Self-employment premium base" means
 13.19 the lesser of:

13.20 (1) a self-employed individual's estimated self-employment income for the calendar year
 13.21 plus the individual's self-employment wages in the calendar year; or

13.22 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
 13.23 Insurance tax in the taxable year.

13.24 Subd. 36. **Self-employment wages.** "Self-employment wages" means the amount of
 13.25 wages that a self-employed individual earned in the calendar year from an entity from which
 13.26 the individual also received net earnings from self-employment.

13.27 Subd. 37. **Serious health condition.** (a) "Serious health condition" means a physical or
 13.28 mental illness, injury, impairment, condition, or substance use disorder that involves:

13.29 (1) at-home care or inpatient care in a hospital, hospice, or residential medical care
 13.30 facility, including any period of incapacity; or

- 14.1 (2) continuing treatment or supervision by a health care provider which includes any
14.2 one or more of the following:
- 14.3 (i) a period of incapacity of more than three consecutive, full calendar days, and any
14.4 subsequent treatment or period of incapacity relating to the same condition, that also involves:
- 14.5 (A) treatment two or more times by a health care provider or by a provider of health
14.6 care services under orders of, or on referral by, a health care provider; or
- 14.7 (B) treatment by a health care provider on at least one occasion that results in a regimen
14.8 of continuing treatment under the supervision of the health care provider;
- 14.9 (ii) a period of incapacity due to pregnancy;
- 14.10 (iii) a period of incapacity or treatment for a chronic health condition that:
- 14.11 (A) requires periodic visits, defined as at least twice a year, for treatment by a health
14.12 care provider or under orders of, or on referral by, a health care provider;
- 14.13 (B) continues over an extended period of time, including recurring episodes of a single
14.14 underlying condition; and
- 14.15 (C) may cause episodic rather than continuing periods of incapacity;
- 14.16 (iv) a period of incapacity which is permanent or long term due to a condition for which
14.17 treatment may not be effective. The applicant or family member must be under the continuing
14.18 supervision of, but need not be receiving active treatment by, a health care provider; or
- 14.19 (v) a period of absence to receive multiple treatments, including any period of recovery
14.20 from the treatments, by a health care provider or by a provider of health care services under
14.21 orders of, or on referral by, a health care provider, for:
- 14.22 (A) restorative surgery after an accident or other injury; or
- 14.23 (B) a condition that would likely result in a period of incapacity of more than three
14.24 consecutive, full calendar days in the absence of medical intervention or treatment.
- 14.25 (b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care
14.26 provider means an in-person visit or telemedicine visit with a health care provider, or by a
14.27 provider of health care services under orders of, or on referral by, a health care provider.
- 14.28 (c) For the purposes of paragraph (a), treatment includes but is not limited to examinations
14.29 to determine if a serious health condition exists and evaluations of the condition.
- 14.30 (d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii),
14.31 qualify for leave under this chapter even if the applicant or the family member does not

15.1 receive treatment from a health care provider during the absence, and even if the absence
15.2 does not last more than three consecutive, full calendar days.

15.3 Subd. 38. **State's average weekly wage.** "State's average weekly wage" means the
15.4 weekly wage calculated under section 268.035, subdivision 23.

15.5 Subd. 39. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:
15.6 (1) a payment made by an employer to an employee as salary continuation or as paid
15.7 time off. Such a payment must be in addition to any family or medical leave benefits the
15.8 employee is receiving under this chapter; and

15.9 (2) a payment offered by an employer to an employee who is taking leave under this
15.10 chapter to supplement the family or medical leave benefits the employee is receiving.

15.11 (b) Employers may, but are not required to, designate certain benefits including but not
15.12 limited to salary continuation, vacation leave, sick leave, or other paid time off as a
15.13 supplemental benefit payment.

15.14 (c) Nothing in this chapter requires an employee to receive supplemental benefit
15.15 payments.

15.16 Subd. 40. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
15.17 subdivision 9.

15.18 Subd. 41. **Taxable wages.** "Taxable wages" means those wages paid to an employee in
15.19 covered employment each calendar year up to an amount equal to the maximum wages
15.20 subject to premium in a calendar year, which is equal to the maximum earnings in that year
15.21 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest
15.22 \$1,000.

15.23 Subd. 42. **Typical workweek hours.** "Typical workweek hours" means:

15.24 (1) for an hourly employee, the average number of hours worked per week by an
15.25 employee within the high quarter during the base year; or

15.26 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried
15.27 employee typically works.

15.28 Subd. 43. **Wage credits.** "Wage credits" means the amount of wages paid within an
15.29 applicant's base period for covered employment, as defined in subdivision 13.

15.30 Subd. 44. **Wage detail report.** "Wage detail report" means the report on each employee
15.31 in covered employment required from an employer on a calendar quarter basis under section
15.32 268B.12.

16.1 Subd. 45. Wages. (a) "Wages" means all compensation for employment, including
16.2 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
16.3 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
16.4 a customer of an employer and accounted for by the employee to the employer; sickness
16.5 and accident disability payments, except as otherwise provided in this subdivision; and the
16.6 cash value of housing, utilities, meals, exchanges of services, and any other goods and
16.7 services provided to compensate an employee, except:

16.8 (1) the amount of any payment made to, or on behalf of, an employee under a plan
16.9 established by an employer that makes provision for employees generally or for a class or
16.10 classes of employees, including any amount paid by an employer for insurance or annuities,
16.11 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and
16.12 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

16.13 (2) the payment by an employer of the tax imposed upon an employee under United
16.14 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
16.15 to compensation paid to an employee for domestic employment in a private household of
16.16 the employer or for agricultural employment;

16.17 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a
16.18 trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue
16.19 Code, that is exempt from tax under section 501(a) at the time of the payment unless the
16.20 payment is made to an employee of the trust as compensation for services as an employee
16.21 and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of
16.22 the payment, is a plan described in section 403(a);

16.23 (4) the value of any special discount or markdown allowed to an employee on goods
16.24 purchased from or services supplied by the employer where the purchases are optional and
16.25 do not constitute regular or systematic payment for services;

16.26 (5) customary and reasonable directors' fees paid to individuals who are not otherwise
16.27 employed by the corporation of which they are directors;

16.28 (6) the payment to employees for reimbursement of meal expenses when employees are
16.29 required to perform work after their regular hours;

16.30 (7) the payment into a trust or plan for purposes of providing legal or dental services if
16.31 provided for all employees generally or for a class or classes of employees;

16.32 (8) the value of parking facilities provided or paid for by an employer, in whole or in
16.33 part, if provided for all employees generally or for a class or classes of employees;

17.1 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other
17.2 right;

17.3 (10) advances or reimbursements for traveling or other ordinary and necessary expenses
17.4 incurred or reasonably expected to be incurred in the business of the employer. Traveling
17.5 and other reimbursed expenses must be identified either by making separate payments or
17.6 by specifically indicating the separate amounts where both wages and expense allowances
17.7 are combined in a single payment;

17.8 (11) residual payments to radio, television, and similar artists that accrue after the
17.9 production of television commercials, musical jingles, spot announcements, radio
17.10 transcriptions, film soundtracks, and similar activities;

17.11 (12) the income to a former employee resulting from the exercise of a nonqualified stock
17.12 option;

17.13 (13) supplemental unemployment benefit payments under a plan established by an
17.14 employer, if the payment is not wages under the Federal Unemployment Tax Act. The
17.15 payments are wages unless made solely for the supplementing of weekly state or federal
17.16 unemployment benefits. Supplemental unemployment benefit payments may not be assigned,
17.17 nor may any consideration be required from the applicant, other than a release of claims in
17.18 order to be excluded from wages;

17.19 (14) sickness or accident disability payments made by the employer after the expiration
17.20 of six calendar months following the last calendar month that the individual worked for the
17.21 employer;

17.22 (15) disability payments made under the provisions of any workers' compensation law;

17.23 (16) sickness or accident disability payments made by a third-party payer such as an
17.24 insurance company; or

17.25 (17) payments made into a trust fund, or for the purchase of insurance or an annuity, to
17.26 provide for sickness or accident disability payments to employees under a plan or system
17.27 established by the employer that provides for the employer's employees generally or for a
17.28 class or classes of employees.

17.29 (b) Nothing in this subdivision excludes from the term "wages" any payment made under
17.30 any type of salary reduction agreement, including payments made under a cash or deferred
17.31 arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k)
17.32 and 125 of the federal Internal Revenue Code, to the extent that the employee has the option
17.33 to receive the payment in cash.

18.1 (c) Wages includes the total payment to the operator and supplier of a vehicle or other
18.2 equipment where the payment combines compensation for personal services as well as
18.3 compensation for the cost of operating and hiring the equipment in a single payment. This
18.4 paragraph does not apply if:

18.5 (1) there is a preexisting written agreement providing for allocation of specific amounts;
18.6 or

18.7 (2) at the time of each payment there is a written acknowledgment indicating the separate
18.8 allocated amounts.

18.9 (d) Wages includes payments made for services as a caretaker. Unless there is a contract
18.10 or other proof to the contrary, compensation is considered as being equally received by a
18.11 married couple where the employer makes payment to only one spouse, or by all tenants of
18.12 a household who perform services where two or more individuals share the same dwelling
18.13 and the employer makes payment to only one individual.

18.14 (e) Wages includes payments made for services by a migrant family. Where services
18.15 are performed by a married couple or a family and an employer makes payment to only one
18.16 individual, each worker is considered as having received an equal share of the compensation
18.17 unless there is a contract or other proof to the contrary.

18.18 (f) Wages includes advances or draws against future earnings, when paid, unless the
18.19 payments are designated as a loan or return of capital on the books and records of the
18.20 employer at the time of payment.

18.21 (g) Wages includes payments made by a subchapter "S" corporation, as organized under
18.22 the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable
18.23 compensation for services performed for the corporation.

18.24 For a subchapter "S" corporation, wages does not include:

18.25 (1) a loan for business purposes to an officer or shareholder evidenced by a promissory
18.26 note signed by an officer before the payment of the loan proceeds and recorded on the books
18.27 and records of the corporation as a loan to an officer or shareholder;

18.28 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
18.29 corporation and recorded on the books and records of the corporation as a liability;

18.30 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
18.31 documented by a written expense voucher and recorded on the books and records of the
18.32 corporation as corporate expenses; and

19.1 (4) a reasonable lease or rental payment to an officer who owns property that is leased
19.2 or rented to the corporation.

19.3 Subd. 46. **Wages paid.** (a) "Wages paid" means the amount of wages:

19.4 (1) that have been actually paid; or

19.5 (2) that have been credited to or set apart so that payment and disposition is under the
19.6 control of the employee.

19.7 (b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on
19.8 the missed pay date. Back pay is wages paid on the date of actual payment. Any wages
19.9 earned but not paid with no scheduled date of payment are wages paid on the last day of
19.10 employment.

19.11 (c) Wages paid does not include wages earned but not paid except as provided for in
19.12 this subdivision.

19.13 Subd. 47. **Week.** "Week" means calendar week ending at midnight Saturday.

19.14 Subd. 48. **Weekly benefit amount.** "Weekly benefit amount" means the amount of
19.15 family and medical leave benefits computed under section 268B.04.

19.16 **EFFECTIVE DATE.** This section is effective July 1, 2023.

19.17 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
19.18 **CREATION.**

19.19 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to
19.20 be administered by the commissioner according to the terms of this chapter.

19.21 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
19.22 created within the department under the authority of the commissioner. The commissioner
19.23 shall appoint a director of the division. The division shall administer and operate the benefit
19.24 program under this chapter.

19.25 Subd. 3. **Rulemaking.** The commissioner shall adopt rules to implement the provisions
19.26 of this chapter. For the purposes of this chapter, the commissioner may use the expedited
19.27 rulemaking process under section 14.389.

19.28 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
19.29 account is created in the special revenue fund in the state treasury. Money in this account
19.30 is appropriated to the commissioner to pay benefits under and to administer this chapter,
19.31 including outreach required under section 268B.18.

20.1 Subd. 5. **Information technology services and equipment.** The department is exempt
20.2 from the provisions of section 16E.016 for the purposes of this chapter.

20.3 **EFFECTIVE DATE.** This section is effective July 1, 2023.

20.4 Sec. 7. **[268B.03] PAYMENT OF BENEFITS.**

20.5 Subdivision 1. **Requirements.** The commissioner must pay benefits from the family
20.6 and medical benefit insurance account as provided under this chapter to an applicant who
20.7 has met each of the following requirements:

20.8 (1) the applicant has filed an application for benefits and established a benefit account
20.9 in accordance with section 268B.04;

20.10 (2) the applicant has met all of the ongoing eligibility requirements under section
20.11 268B.06;

20.12 (3) the applicant does not have an outstanding overpayment of family or medical leave
20.13 benefits, including any penalties or interest;

20.14 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision
20.15 2; and

20.16 (5) the applicant is not employed exclusively by a private plan employer and has wage
20.17 credits during the base year attributable to employers covered under the state family and
20.18 medical leave program.

20.19 Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not
20.20 considered paid from any special insurance plan, nor as paid by an employer. An application
20.21 for family or medical leave benefits is not considered a claim against an employer but is
20.22 considered a request for benefits from the family and medical benefit insurance account.
20.23 The commissioner has the responsibility for the proper payment of benefits regardless of
20.24 the level of interest or participation by an applicant or an employer in any determination or
20.25 appeal. An applicant's entitlement to benefits must be determined based upon that information
20.26 available without regard to a burden of proof. Any agreement between an applicant and an
20.27 employer is not binding on the commissioner in determining an applicant's entitlement.
20.28 There is no presumption of entitlement or nonentitlement to benefits.

20.29 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
20.30 2025.

21.1 Sec. 8. [268B.04] BENEFIT ACCOUNT; BENEFITS.

21.2 Subdivision 1. Application for benefits; determination of benefit account. (a) An
21.3 application for benefits may be filed in person, by mail, or by electronic transmission as the
21.4 commissioner may require. The applicant must include certification supporting a request
21.5 for leave under this chapter. The applicant must meet eligibility requirements at the time
21.6 the application is filed and must provide all requested information in the manner required.
21.7 If the applicant does not meet eligibility at the time of the application or fails to provide all
21.8 requested information, the communication is not an application for family and medical leave
21.9 benefits.

21.10 (b) The commissioner must examine each application for benefits to determine the base
21.11 period and the benefit year, and based upon all the covered employment in the base period
21.12 the commissioner must determine the weekly benefit amount available, if any, and the
21.13 maximum amount of benefits available, if any. The determination, which is a document
21.14 separate and distinct from a document titled a determination of eligibility or determination
21.15 of ineligibility, must be titled determination of benefit account. A determination of benefit
21.16 account must be sent to the applicant and all base period employers, by mail or electronic
21.17 transmission.

21.18 (c) If a base period employer did not provide wage detail information for the applicant
21.19 as required under section 268B.12, the commissioner may accept an applicant certification
21.20 of wage credits, based upon the applicant's records, and issue a determination of benefit
21.21 account.

21.22 (d) The commissioner may, at any time within 24 months from the establishment of a
21.23 benefit account, reconsider any determination of benefit account and make an amended
21.24 determination if the commissioner finds that the wage credits listed in the determination
21.25 were incorrect for any reason. An amended determination of benefit account must be
21.26 promptly sent to the applicant and all base period employers, by mail or electronic
21.27 transmission. This paragraph does not apply to documents titled determinations of eligibility
21.28 or determinations of ineligibility issued.

21.29 (e) If an amended determination of benefit account reduces the weekly benefit amount
21.30 or maximum amount of benefits available, any benefits that have been paid greater than the
21.31 applicant was entitled is an overpayment of benefits. A determination or amended
21.32 determination issued under this section that results in an overpayment of benefits must set
21.33 out the amount of the overpayment and the requirement that the overpaid benefits must be
21.34 repaid according to section 268B.185.

22.1 Subd. 2. **Benefit account requirements.** To establish a benefit account, an applicant
 22.2 must have wage credits of at least 5.3 percent of the state's average annual wage rounded
 22.3 down to the next lower \$100.

22.4 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**
 22.5 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit
 22.6 is calculated by adding the amounts obtained by applying the following percentage to an
 22.7 applicant's average typical workweek and weekly wage during the high quarter of the base
 22.8 period:

22.9 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
 22.10 plus

22.11 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
 22.12 not 100 percent; plus

22.13 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

22.14 (b) The state's average weekly wage is the average wage as calculated under section
 22.15 268.035, subdivision 23, at the time a benefit amount is first determined.

22.16 (c) The maximum weekly benefit amount is the state's average weekly wage as calculated
 22.17 under section 268.035, subdivision 23.

22.18 (d) The state's maximum weekly benefit amount, computed in accordance with section
 22.19 268.035, subdivision 23, applies to a benefit account established effective on or after the
 22.20 last Sunday in October. Once established, an applicant's weekly benefit amount is not
 22.21 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

22.22 (e) For an employee receiving family or medical leave, a weekly benefit amount is
 22.23 prorated when:

22.24 (1) the employee works hours for wages; or

22.25 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is
 22.26 not considered a supplemental benefit payment as defined in section 268B.01, subdivision
 22.27 37.

22.28 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
 22.29 must be paid weekly.

22.30 Subd. 5. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
 22.31 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter

23.1 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
23.2 under this chapter for bonding, safety leave, or family care.

23.3 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave
23.4 related to one or more qualifying exigencies.

23.5 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits
23.6 for bonding leave, any claim for benefits must be based on a single qualifying event of at
23.7 least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive
23.8 hours in a week. If an applicant on leave claims eight hours at any point during a week, the
23.9 minimum duration is satisfied.

23.10 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit
23.11 account is final unless an appeal is filed by the applicant within 60 calendar days after the
23.12 sending of the determination or amended determination.

23.13 (b) Any applicant may appeal from a determination or amended determination of benefit
23.14 account on the issue of whether services performed constitute employment, whether the
23.15 employment is covered employment, and whether money paid constitutes wages.

23.16 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for
23.17 family or medical leave benefits is effective the Sunday of the calendar week that the
23.18 application was filed. An application for benefits may be backdated one calendar week
23.19 before the Sunday of the week the application was actually filed if the applicant requests
23.20 the backdating within seven calendar days of the date the application is filed. An application
23.21 may be backdated only if the applicant was eligible for the benefit during the period of the
23.22 backdating. If an individual attempted to file an application for benefits, but was prevented
23.23 from filing an application by the department, the application is effective the Sunday of the
23.24 calendar week the individual first attempted to file an application.

23.25 (b) A benefit account established under subdivision 2 is effective the date the application
23.26 for benefits was effective.

23.27 (c) A benefit account, once established, may later be withdrawn if:

23.28 (1) the applicant has not been paid any benefits on that benefit account; and

23.29 (2) a new application for benefits is filed and a new benefit account is established at the
23.30 time of the withdrawal.

23.31 (d) A benefit account may be withdrawn after the expiration of the benefit year if the
23.32 applicant was not paid any benefits on the benefit account that is being withdrawn.

24.1 (e) A determination or amended determination of eligibility or ineligibility issued under
 24.2 section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect
 24.3 and is not voided by the withdrawal of the benefit account.

24.4 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 24.5 2025.

24.6 **Sec. 9. [268B.05] NOTIFICATION OF CHANGED CIRCUMSTANCES.**

24.7 An applicant shall promptly notify the department of changes that may affect eligibility
 24.8 under section 268B.06.

24.9 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 24.10 2025.

24.11 **Sec. 10. [268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**
 24.12 **BENEFITS.**

24.13 Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family
 24.14 or medical leave benefits for any week if:

24.15 (1) the week for which benefits are requested is in the applicant's benefit year;

24.16 (2) the applicant was unable to perform regular work due to a serious health condition,
 24.17 a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from
 24.18 pregnancy for the period required under subdivision 2. For bonding leave, eligibility ends
 24.19 12 months after birth or placement;

24.20 (3) the applicant has sufficient wage credits from an employer or employers as defined
 24.21 in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04;
 24.22 and

24.23 (4) an applicant requesting benefits under this chapter must fulfill certification
 24.24 requirements under subdivision 3.

24.25 (b) A self-employed individual or independent contractor who has elected and been
 24.26 approved for coverage under section 268B.11 need not fulfill the requirement of paragraph
 24.27 (a), clause (4).

24.28 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
 24.29 benefits must be or have been based on a single event of at least seven calendar days' duration
 24.30 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
 24.31 leave, or the applicant's serious health condition. The days need not be consecutive.

25.1 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

25.2 (c) The commissioner shall use the rulemaking authority under section 268B.02,
25.3 subdivision 3, to adopt rules regarding what serious health conditions and other events are
25.4 prospectively presumed to constitute seven-day qualifying events under this chapter.

25.5 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
25.6 applicant's serious health condition shall be sufficient if the certification states the date on
25.7 which the serious health condition began, the probable duration of the condition, and the
25.8 appropriate medical facts within the knowledge of the health care provider as required by
25.9 the commissioner.

25.10 (b) Certification for an applicant taking leave to care for a family member with a serious
25.11 health condition shall be sufficient if the certification states the date on which the serious
25.12 health condition commenced, the probable duration of the condition, the appropriate medical
25.13 facts within the knowledge of the health care provider as required by the commissioner, a
25.14 statement that the family member requires care, and an estimate of the amount of time that
25.15 the family member will require care.

25.16 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if
25.17 the certification states the applicant is experiencing a pregnancy and recovery period based
25.18 on appropriate medical facts within the knowledge of the health care provider.

25.19 (d) Certification for an applicant taking bonding leave because of the birth of the
25.20 applicant's child shall be sufficient if the certification includes either the child's birth
25.21 certificate or a document issued by the health care provider of the child or the health care
25.22 provider of the person who gave birth, stating the child's birth date.

25.23 (e) Certification for an applicant taking bonding leave because of the placement of a
25.24 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
25.25 a document issued by the health care provider of the child, an adoption or foster care agency
25.26 involved in the placement, or by other individuals as determined by the commissioner that
25.27 confirms the placement and the date of placement. To the extent that the status of an applicant
25.28 as an adoptive or foster parent changes while an application for benefits is pending, or while
25.29 the covered individual is receiving benefits, the applicant must notify the department of
25.30 such change in status in writing.

25.31 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
25.32 sufficient if the certification includes:

25.33 (1) a copy of the family member's active-duty orders;

26.1 (2) other documentation issued by the United States armed forces; or

26.2 (3) other documentation permitted by the commissioner.

26.3 (g) Certification for an applicant taking safety leave is sufficient if the certification

26.4 includes a court record or documentation signed by a volunteer or employee of a victim's

26.5 services organization, an attorney, a police officer, or an antiviolence counselor. The

26.6 commissioner must not require disclosure of details relating to an applicant's or applicant's

26.7 family member's domestic abuse, sexual assault, or stalking.

26.8 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health

26.9 care provider with knowledge of the qualifying event associated with the leave.

26.10 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious

26.11 health condition of an applicant or applicant's family member, the certification under this

26.12 subdivision must include an explanation of how such leave would be medically beneficial

26.13 to the individual with the serious health condition.

26.14 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for

26.15 any portion of a typical workweek:

26.16 (1) that occurs before the effective date of a benefit account;

26.17 (2) that the applicant fails or refuses to provide information on an issue of ineligibility

26.18 required under section 268B.07, subdivision 2; or

26.19 (3) for which the applicant worked for pay.

26.20 Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant

26.21 is not eligible to receive benefits for any portion of a typical workweek the applicant is

26.22 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also

26.23 known as "PTO."

26.24 (b) Paragraph (a) does not apply:

26.25 (1) upon a permanent separation from employment;

26.26 (2) to payments from a vacation fund administered by a union or a third party not under

26.27 the control of the employer; or

26.28 (3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

26.29 (c) Payments under this subdivision are applied to the period immediately following the

26.30 later of the date of separation from employment or the date the applicant first becomes

26.31 aware that the employer will be making a payment. The date the payment is actually made

27.1 or received, or that an applicant must agree to a release of claims, does not affect the
 27.2 application of this subdivision.

27.3 Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is
 27.4 not eligible to receive benefits for any portion of a week in which the applicant is receiving
 27.5 or has received compensation for loss of wages equal to or in excess of the applicant's
 27.6 weekly family or medical leave benefit amount under:

27.7 (1) the workers' compensation law of this state;

27.8 (2) the workers' compensation law of any other state or similar federal law; or

27.9 (3) any insurance or trust fund paid in whole or in part by an employer.

27.10 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
 27.11 wages under paragraph (a). If the applicant later receives compensation as a result of the
 27.12 pending claim, the applicant is subject to paragraph (a) and the family or medical leave
 27.13 benefits paid are overpaid benefits under section 268B.185.

27.14 (c) If the amount of compensation described under paragraph (a) for any week is less
 27.15 than the applicant's weekly family or medical leave benefit amount, benefits requested for
 27.16 that week are reduced by the amount of that compensation payment.

27.17 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible
 27.18 to receive benefits for any week the applicant is receiving, has received, or will receive
 27.19 separation pay, severance pay, bonus pay, or any other payments paid by an employer
 27.20 because of, upon, or after separation from employment. This subdivision applies if the
 27.21 payment is:

27.22 (1) considered wages under section 268B.01, subdivision 43; or

27.23 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
 27.24 Security and Medicare.

27.25 (b) Payments under this subdivision are applied to the period immediately following the
 27.26 later of the date of separation from employment or the date the applicant first becomes
 27.27 aware that the employer will be making a payment. The date the payment is actually made
 27.28 or received, or that an applicant must agree to a release of claims, does not affect the
 27.29 application of this paragraph.

27.30 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or
 27.31 supplemental benefit payment under subdivision 4.

27.32 (d) This subdivision applies to all the weeks of payment.

28.1 (e) Under this subdivision, if the payment with respect to a week is equal to or more
28.2 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that
28.3 week. If the payment with respect to a week is less than the applicant's weekly benefit
28.4 amount, benefits are reduced by the amount of the payment.

28.5 Subd. 8. **Social Security disability benefits.** (a) An applicant who is receiving, has
28.6 received, or has filed for primary Social Security disability benefits for any week is ineligible
28.7 for benefits for that week, unless:

28.8 (1) the Social Security Administration approved the collecting of primary Social Security
28.9 disability benefits each month the applicant was employed during the base period; or

28.10 (2) the applicant provides a statement from an appropriate health care professional who
28.11 is aware of the applicant's Social Security disability claim and the basis for that claim,
28.12 certifying that the applicant is able to perform the essential functions of their employment
28.13 with or without a reasonable accommodation.

28.14 (b) If an applicant meets the requirements of paragraph (a), clause (1), there is no
28.15 deduction from the applicant's weekly benefit amount for any Social Security disability
28.16 benefits.

28.17 (c) Information from the Social Security Administration is conclusive, absent specific
28.18 evidence showing that the information was erroneous.

28.19 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
28.20 2025.

28.21 Sec. 11. **[268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

28.22 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is
28.23 entitled to benefits, the commissioner must promptly send a notification to each current
28.24 employer of the applicant, if any, in accordance with paragraph (b).

28.25 (b) The notification under paragraph (a) must include, at a minimum:

28.26 (1) the name of the applicant;

28.27 (2) that the applicant has applied for and received benefits;

28.28 (3) the week the benefits commence;

28.29 (4) the weekly benefit amount payable; and

28.30 (5) the maximum duration of benefits.

29.1 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
29.2 raised by information required from an applicant and send to the applicant and any current
29.3 base period employer, by mail or electronic transmission, a document titled a determination
29.4 of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

29.5 (b) If an applicant obtained benefits through misrepresentation, the department is
29.6 authorized to issue a determination of ineligibility within 12 months of the establishment
29.7 of the benefit account.

29.8 (c) If the department has filed an intervention in a worker's compensation matter under
29.9 section 176.361, the department is authorized to issue a determination of ineligibility within
29.10 48 months of the establishment of the benefit account.

29.11 (d) A determination of eligibility or determination of ineligibility is final unless an appeal
29.12 is filed by the applicant within 60 calendar days after sending. The determination must
29.13 contain a prominent statement indicating the consequences of not appealing. Proceedings
29.14 on the appeal are conducted in accordance with section 268B.08.

29.15 (e) An issue of ineligibility required to be determined under this section includes any
29.16 question regarding the denial or allowing of benefits under this chapter.

29.17 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,
29.18 on the commissioner's own motion, may reconsider a determination of eligibility or
29.19 determination of ineligibility that has not become final and issue an amended determination.
29.20 Any amended determination must be sent to the applicant and any employer in the current
29.21 base period by mail or electronic transmission. Any amended determination is final unless
29.22 an appeal is filed by the applicant within 60 calendar days after sending.

29.23 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits
29.24 to an applicant, the family or medical leave benefits must be paid regardless of any appeal
29.25 period or any appeal having been filed.

29.26 Subd. 5. **Overpayment.** A determination or amended determination that holds an
29.27 applicant ineligible for benefits for periods an applicant has been paid benefits is an
29.28 overpayment of those family or medical leave benefits. A determination or amended
29.29 determination issued under this section that results in an overpayment of benefits must set
29.30 out the amount of the overpayment and the requirement that the overpaid benefits must be
29.31 repaid according to section 268B.185.

29.32 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
29.33 2025.

30.1 Sec. 12. **[268B.08] APPEAL PROCESS.**

30.2 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

30.3 (b) Upon a timely appeal to a determination having been filed or upon a referral for
30.4 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
30.5 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
30.6 not less than ten calendar days before the date of the hearing.

30.7 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
30.8 conform to common law or statutory rules of evidence and other technical rules of procedure.

30.9 (d) The chief benefit judge has discretion regarding the method by which the hearing is
30.10 conducted.

30.11 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
30.12 the benefit judge must serve by mail or electronic transmission to all parties the decision,
30.13 reasons for the decision, and written findings of fact.

30.14 (b) Decisions of a benefit judge are not precedential.

30.15 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
30.16 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
30.17 asking the judge to reconsider that decision.

30.18 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
30.19 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

30.20 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
30.21 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
30.22 are supervisors, or benefit judges.

30.23 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
30.24 transfer to another benefit judge any proceedings pending before another benefit judge.

30.25 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
30.26 2025.

30.27 Sec. 13. **[268B.085] LEAVE.**

30.28 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
30.29 has a right to leave from employment for any day, or portion of a day, for which the employee
30.30 would be eligible for benefits under this chapter, regardless of whether the employee actually

31.1 applied for benefits and regardless of whether the employee is covered under a private plan
31.2 or the public program under this chapter.

31.3 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
31.4 provide the employer at least 30 days' advance notice before leave under this chapter is to
31.5 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
31.6 when leave will be required to begin, a change in circumstances, or a medical emergency,
31.7 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
31.8 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but
31.9 the employee must advise the employer as soon as practicable if dates of scheduled leave
31.10 change or are extended, or were initially unknown. In those cases where the employee is
31.11 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
31.12 employee must explain the reasons why notice was not practicable upon request from the
31.13 employer.

31.14 (b) "As soon as practicable" means as soon as both possible and practical, taking into
31.15 account all of the facts and circumstances in the individual case. When an employee becomes
31.16 aware of a need for leave under this chapter less than 30 days in advance, it should be
31.17 practicable for the employee to provide notice of the need for leave either the same day or
31.18 the next day, unless the need for leave is based on a medical emergency. In all cases,
31.19 however, the determination of when an employee could practicably provide notice must
31.20 take into account the individual facts and circumstances.

31.21 (c) An employee shall provide at least oral, telephone, or text message notice sufficient
31.22 to make the employer aware that the employee needs leave allowed under this chapter and
31.23 the anticipated timing and duration of the leave.

31.24 (d) An employer may require an employee to comply with the employer's usual and
31.25 customary notice and procedural requirements for requesting leave, absent unusual
31.26 circumstances or other circumstances caused by the reason for the employee's need for
31.27 leave. Leave under this chapter must not be delayed or denied where an employer's usual
31.28 and customary notice or procedural requirements require notice to be given sooner than set
31.29 forth in this subdivision.

31.30 (e) If an employer has failed to provide notice to the employee as required under section
31.31 268B.26, paragraph (a), (b), or (e), the employee is not required to comply with the notice
31.32 requirements of this subdivision.

31.33 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
31.34 by the employee. Bonding leave must end within 12 months of the birth, adoption, or

32.1 placement of a foster child, except that, in the case where the child must remain in the
32.2 hospital longer than the mother, the leave must end within 12 months after the child leaves
32.3 the hospital.

32.4 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based
32.5 on a serious health condition, may be taken intermittently or on a reduced-leave schedule
32.6 if such leave is reasonable and appropriate to the needs of the individual with the serious
32.7 health condition. For all other leaves under this chapter, leave may be taken intermittently
32.8 or on a reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time
32.9 due to a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule
32.10 that reduces an employee's usual number of working hours per workweek or hours per
32.11 workday.

32.12 (b) Leave taken intermittently or on a reduced-schedule basis counts toward the
32.13 maximums described in section 268B.04, subdivision 5.

32.14 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
32.15 2025.

32.16 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

32.17 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an
32.18 employee for requesting or obtaining benefits or leave, or for exercising any other right
32.19 under this chapter.

32.20 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
32.21 application for leave or benefits or the exercise of any other right under this chapter.

32.22 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights
32.23 to benefits or any other right under this chapter is void.

32.24 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
32.25 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
32.26 for the collection of debt. Any waiver of this subdivision is void.

32.27 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to
32.28 benefits under this chapter, the employer must maintain coverage under any group insurance
32.29 policy, group subscriber contract, or health care plan for the employee and any dependents
32.30 as if the employee was not on leave, provided, however, that the employee must continue
32.31 to pay any employee share of the cost of such benefits.

33.1 Subd. 6. Employee right to reinstatement. (a) On return from leave under this chapter,
33.2 an employee is entitled to be returned to the same position the employee held when leave
33.3 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
33.4 conditions of employment. An employee is entitled to reinstatement even if the employee
33.5 has been replaced or the employee's position has been restructured to accommodate the
33.6 employee's absence.

33.7 (b)(1) An equivalent position is one that is virtually identical to the employee's former
33.8 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
33.9 and status. It must involve the same or substantially similar duties and responsibilities,
33.10 which must entail substantially equivalent skill, effort, responsibility, and authority.

33.11 (2) If an employee is no longer qualified for the position because of the employee's
33.12 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
33.13 similar condition, as a result of the leave, the employee must be given a reasonable
33.14 opportunity to fulfill those conditions upon return from leave.

33.15 (c)(1) An employee is entitled to any unconditional pay increases which may have
33.16 occurred during the leave period, such as cost of living increases. Pay increases conditioned
33.17 upon seniority, length of service, or work performed must be granted in accordance with
33.18 the employer's policy or practice with respect to other employees on an equivalent leave
33.19 status for a reason that does not qualify for leave under this chapter. An employee is entitled
33.20 to be restored to a position with the same or equivalent pay premiums, such as a shift
33.21 differential. If an employee departed from a position averaging ten hours of overtime, and
33.22 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
33.23 on return from leave under this chapter.

33.24 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
33.25 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment
33.26 is based on the achievement of a specified goal such as hours worked, products sold, or
33.27 perfect attendance, and the employee has not met the goal due to leave under this chapter,
33.28 the payment may be denied, unless otherwise paid to employees on an equivalent leave
33.29 status for a reason that does not qualify for leave under this chapter.

33.30 (d) Benefits under this section include all benefits provided or made available to
33.31 employees by an employer, including group life insurance, health insurance, disability
33.32 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
33.33 benefits are provided by a practice or written policy of an employer through an employee
33.34 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

34.1 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
34.2 the same manner and at the same levels as provided when the leave began, and subject to
34.3 any changes in benefit levels that may have taken place during the period of leave affecting
34.4 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
34.5 under this chapter, an employee must not be required to requalify for any benefits the
34.6 employee enjoyed before leave began, including family or dependent coverages.

34.7 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
34.8 during a leave under this chapter. Benefits accrued at the time leave began must be available
34.9 to an employee upon return from leave.

34.10 (3) With respect to pension and other retirement plans, leave under this chapter must
34.11 not be treated as or counted toward a break in service for purposes of vesting and eligibility
34.12 to participate. If the plan requires an employee to be employed on a specific date in order
34.13 to be credited with a year of service for vesting, contributions, or participation purposes,
34.14 an employee on leave under this chapter must be treated as employed on that date. Periods
34.15 of leave under this chapter need not be treated as credited service for purposes of benefit
34.16 accrual, vesting, and eligibility to participate.

34.17 (4) Employees on leave under this chapter must be treated as if they continued to work
34.18 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
34.19 to changes in benefit plans, except those which may be dependent upon seniority or accrual
34.20 during the leave period, immediately upon return from leave or to the same extent they
34.21 would have qualified if no leave had been taken.

34.22 (e) An equivalent position must have substantially similar duties, conditions,
34.23 responsibilities, privileges, and status as the employee's original position.

34.24 (1) The employee must be reinstated to the same or a geographically proximate worksite
34.25 from where the employee had previously been employed. If the employee's original worksite
34.26 has been closed, the employee is entitled to the same rights as if the employee had not been
34.27 on leave when the worksite closed.

34.28 (2) The employee is ordinarily entitled to return to the same shift or the same or an
34.29 equivalent work schedule.

34.30 (3) The employee must have the same or an equivalent opportunity for bonuses,
34.31 profit-sharing, and other similar discretionary and nondiscretionary payments.

34.32 (4) This chapter does not prohibit an employer from accommodating an employee's
34.33 request to be restored to a different shift, schedule, or position which better suits the

35.1 employee's personal needs on return from leave, or to offer a promotion to a better position.
 35.2 However, an employee must not be induced by the employer to accept a different position
 35.3 against the employee's wishes.

35.4 (f) The requirement that an employee be restored to the same or equivalent job with the
 35.5 same or equivalent pay, benefits, and terms and conditions of employment does not extend
 35.6 to de minimis, intangible, or unmeasurable aspects of the job.

35.7 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
 35.8 greater right to reinstatement or to other benefits and conditions of employment than if the
 35.9 employee had been continuously employed during the period of leave under this chapter.
 35.10 An employer must be able to show that an employee would not otherwise have been
 35.11 employed at the time reinstatement is requested in order to deny restoration to employment.

35.12 (1) If an employee is laid off during the course of taking a leave under this chapter and
 35.13 employment is terminated, the employer's responsibility to continue the leave, maintain
 35.14 group health plan benefits, and restore the employee cease at the time the employee is laid
 35.15 off, provided the employer has no continuing obligations under a collective bargaining
 35.16 agreement or otherwise. An employer has the burden of proving that an employee would
 35.17 have been laid off during the period of leave under this chapter and, therefore, would not
 35.18 be entitled to restoration to a job slated for layoff when the employee's original position
 35.19 would not meet the requirements of an equivalent position.

35.20 (2) If a shift has been eliminated or overtime has been decreased, an employee would
 35.21 not be entitled to return to work that shift or the original overtime hours upon restoration.
 35.22 However, if a position on, for example, a night shift has been filled by another employee,
 35.23 the employee is entitled to return to the same shift on which employed before taking leave
 35.24 under this chapter.

35.25 (3) If an employee was hired for a specific term or only to perform work on a discrete
 35.26 project, the employer has no obligation to restore the employee if the employment term or
 35.27 project is over and the employer would not otherwise have continued to employ the employee.

35.28 Subd. 8. **Remedies.** (a) In addition to any other remedies available to an employee in
 35.29 law or equity, an employer who violates the provisions of this section is liable to any
 35.30 employee affected for:

35.31 (1) damages equal to the amount of:

35.32 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
 35.33 employee by reason of the violation, or, in cases in which wages, salary, employment

36.1 benefits, or other compensation have not been denied or lost to the employee, any actual
 36.2 monetary losses sustained by the employee as a direct result of the violation;

36.3 (ii) reasonable interest on the amount described in item (i); and

36.4 (iii) an additional amount as liquidated damages equal to the sum of the amount described
 36.5 in item (i) and the interest described in item (ii), except that if an employer who has violated
 36.6 the provisions of this section proves to the satisfaction of the court that the act or omission
 36.7 which violated the provisions of this section was in good faith and that the employer had
 36.8 reasonable grounds for believing that the act or omission was not a violation of the provisions
 36.9 of this section, the court may, in the discretion of the court, reduce the amount of the liability
 36.10 to the amount and interest determined under items (i) and (ii), respectively; and

36.11 (2) such equitable relief as may be appropriate, including employment, reinstatement,
 36.12 and promotion.

36.13 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
 36.14 maintained against any employer in any federal or state court of competent jurisdiction by
 36.15 any one or more employees for and on behalf of:

36.16 (1) the employees; or

36.17 (2) the employees and other employees similarly situated.

36.18 (c) The court in an action under this section must, in addition to any judgment awarded
 36.19 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
 36.20 and other costs of the action to be paid by the defendant.

36.21 (d) Nothing in this section shall be construed to allow an employee to recover damages
 36.22 from an employer for the denial of benefits under this chapter by the department, unless the
 36.23 employer unlawfully interfered with the application for benefits under subdivision 2.

36.24 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 36.25 2025.

36.26 Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.

36.27 Subdivision 1. **Application for substitution.** Employers may apply to the commissioner
 36.28 for approval to meet their obligations under this chapter through the substitution of a private
 36.29 plan that provides paid family, paid medical, or paid family and medical benefits. In order
 36.30 to be approved as meeting an employer's obligations under this chapter, a private plan must
 36.31 confer all of the same rights, protections, and benefits provided to employees under this
 36.32 chapter, including but not limited to benefits under section 268B.04 and employment

37.1 protections under section 268B.09. An employee covered by a private plan under this section
37.2 retains all applicable rights and remedies under section 268B.09.

37.3 Subd. 2. **Private plan requirements; medical benefit program.** The commissioner
37.4 must approve an application for private provision of the medical benefit program if the
37.5 commissioner determines:

37.6 (1) all of the employees of the employer are to be covered under the provisions of the
37.7 employer plan;

37.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
37.9 under this chapter;

37.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
37.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
37.12 with respect to concurrent employment by another employer;

37.13 (4) the total number of weeks for which benefits are payable under the private plan is
37.14 at least equal to the total number of weeks for which benefits would have been payable
37.15 under this chapter;

37.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
37.17 under the employer plan than by this chapter;

37.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
37.19 benefits;

37.20 (7) the private plan will provide benefits and leave for any serious health condition or
37.21 pregnancy for which benefits are payable, and leave provided, under this chapter;

37.22 (8) the private plan will impose no additional condition or restriction on the use of
37.23 medical benefits beyond those explicitly authorized by this chapter or regulations
37.24 promulgated pursuant to this chapter;

37.25 (9) the private plan will allow any employee covered under the private plan who is
37.26 eligible to receive medical benefits under this chapter to receive medical benefits under the
37.27 employer plan; and

37.28 (10) coverage will continue under the private plan while an employee remains employed
37.29 by the employer.

37.30 Subd. 3. **Private plan requirements; family benefit program.** The commissioner must
37.31 approve an application for private provision of the family benefit program if the
37.32 commissioner determines:

38.1 (1) all of the employees of the employer are to be covered under the provisions of the
38.2 employer plan;

38.3 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
38.4 under this chapter;

38.5 (3) the weekly benefits payable under the private plan for any week are at least equal to
38.6 the weekly benefit amount payable under this chapter, taking into consideration any coverage
38.7 with respect to concurrent employment by another employer;

38.8 (4) the total number of weeks for which benefits are payable under the private plan is
38.9 at least equal to the total number of weeks for which benefits would have been payable
38.10 under this chapter;

38.11 (5) no greater amount is required to be paid by employees toward the cost of benefits
38.12 under the employer plan than by this chapter;

38.13 (6) wage replacement benefits are stated in the plan separately and distinctly from other
38.14 benefits;

38.15 (7) the private plan will provide benefits and leave for any care for a family member
38.16 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
38.17 event for which benefits are payable, and leave provided, under this chapter;

38.18 (8) the private plan will impose no additional condition or restriction on the use of family
38.19 benefits beyond those explicitly authorized by this chapter or regulations promulgated
38.20 pursuant to this chapter;

38.21 (9) the private plan will allow any employee covered under the private plan who is
38.22 eligible to receive medical benefits under this chapter to receive medical benefits under the
38.23 employer plan; and

38.24 (10) coverage will continue under the private plan while an employee remains employed
38.25 by the employer.

38.26 Subd. 4. Use of private insurance products. Nothing in this section prohibits an
38.27 employer from meeting the requirements of a private plan through a private insurance
38.28 product. If the employer plan involves a private insurance product, that insurance product
38.29 must conform to any applicable law or rule.

38.30 Subd. 5. Private plan approval and oversight fee. An employer with an approved
38.31 private plan is not required to pay premiums established under section 268B.14. An employer
38.32 with an approved private plan is responsible for a private plan approval and oversight fee

39.1 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to
39.2 499 employees, and \$1,000 for employers with 500 or more employees. The employer must
39.3 pay this fee (1) upon initial application for private plan approval, and (2) any time the
39.4 employer applies to amend the private plan. The commissioner must review and report on
39.5 the adequacy of this fee to cover private plan administrative costs annually beginning July
39.6 1, 2025, as part of the annual report established in section 268B.24.

39.7 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
39.8 of at least one year and, thereafter, continuously unless the commissioner finds that the
39.9 employer has given notice of withdrawal from the plan in a manner specified by the
39.10 commissioner in this section or rule. The plan may be withdrawn by the employer within
39.11 30 days of the effective date of any law increasing the benefit amounts or within 30 days
39.12 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
39.13 amended to conform to provide the increased benefit amount or change in the rate of the
39.14 employee's premium on the date of the increase or change.

39.15 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's
39.16 private plan to the commissioner, in a manner specified by the commissioner. An employee
39.17 covered under a private plan has the same right to appeal to the state under section 268B.04,
39.18 subdivision 7, as any other employee.

39.19 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an
39.20 approved private plan if a leave under this chapter occurs after the employment relationship
39.21 with the private plan employer ends, or if the commissioner revokes the approval of the
39.22 private plan.

39.23 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
39.24 immediately entitled to benefits under this chapter to the same extent as though there had
39.25 been no approval of the private plan.

39.26 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan
39.27 must provide a notice prepared by or approved by the commissioner regarding the private
39.28 plan consistent with section 268B.26.

39.29 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private
39.30 plan adjusting the provisions thereof, if the commissioner determines:

39.31 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

39.32 (2) that notice of the amendment has been delivered to all affected employees at least
39.33 ten days before the submission of the amendment.

40.1 (b) Any amendments approved under this subdivision are effective on the date of the
40.2 commissioner's approval, unless the commissioner and the employer agree on a later date.

40.3 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires
40.4 the employer organization, trade, or business, or substantially all the assets thereof, or a
40.5 distinct and severable portion of the organization, trade, or business, and continues its
40.6 operation without substantial reduction of personnel resulting from the acquisition, must
40.7 continue the approved private plan and must not withdraw the plan without a specific request
40.8 for withdrawal in a manner and at a time specified by the commissioner. A successor may
40.9 terminate a private plan with notice to the commissioner and within 90 days from the date
40.10 of the acquisition.

40.11 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may
40.12 terminate any private plan if the commissioner determines the employer:

40.13 (1) failed to pay benefits;

40.14 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
40.15 chapter;

40.16 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;

40.17 or

40.18 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

40.19 (b) The commissioner must give notice of the intention to terminate a plan to the employer
40.20 at least ten days before taking any final action. The notice must state the effective date and
40.21 the reason for the termination.

40.22 (c) The employer may, within ten days from mailing or personal service of the notice,
40.23 file an appeal to the commissioner in the time, manner, method, and procedure provided by
40.24 the commissioner under subdivision 7.

40.25 (d) The payment of benefits must not be delayed during an employer's appeal of the
40.26 revocation of approval of a private plan.

40.27 (e) If the commissioner revokes approval of an employer's private plan, that employer
40.28 is ineligible to apply for approval of another private plan for a period of three years, beginning
40.29 on the date of revocation.

40.30 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
40.31 penalties against an employer with an approved private plan found to have violated this
40.32 chapter:

41.1 (1) \$1,000 for the first violation; and

41.2 (2) \$2,000 for the second, and each successive violation.

41.3 (b) The commissioner must waive collection of any penalty if the employer corrects the
41.4 violation within 30 days of receiving a notice of the violation and the notice is for a first
41.5 violation.

41.6 (c) The commissioner may waive collection of any penalty if the commissioner determines
41.7 the violation to be an inadvertent error by the employer.

41.8 (d) Monetary penalties collected under this section shall be deposited in the family and
41.9 medical benefit insurance account.

41.10 (e) Assessment of penalties under this subdivision may be appealed as provided by the
41.11 commissioner under subdivision 7.

41.12 Subd. 14. **Reports, information, and records.** Employers with an approved private
41.13 plan must maintain all reports, information, and records as relating to the private plan and
41.14 claims for a period of six years from creation and provide to the commissioner upon request.

41.15 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
41.16 approved under this section both before and after the plans are approved.

41.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

41.18 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
41.19 **ELECTION OF COVERAGE.**

41.20 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
41.21 contractor may file with the commissioner by electronic transmission in a format prescribed
41.22 by the commissioner an application to be entitled to benefits under this chapter for a period
41.23 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
41.24 by United States mail or electronic transmission, the individual is entitled to benefits under
41.25 this chapter beginning the calendar quarter after the date of approval or beginning in a later
41.26 calendar quarter if requested by the self-employed individual or independent contractor.
41.27 The individual ceases to be entitled to benefits as of the first day of January of any calendar
41.28 year only if, at least 30 calendar days before the first day of January, the individual has filed
41.29 with the commissioner by electronic transmission in a format prescribed by the commissioner
41.30 a notice to that effect.

41.31 (b) The commissioner may terminate any application approved under this section with
41.32 30 calendar days' notice sent by United States mail or electronic transmission if the

42.1 self-employed individual is delinquent on any premiums due under this chapter. If an
42.2 approved application is terminated in this manner during the first 104 consecutive calendar
42.3 weeks of election, the self-employed individual remains obligated to pay the premium under
42.4 subdivision 3 for the remainder of that 104-week period.

42.5 Subd. 2. **Application.** A self-employed individual who applies for coverage under this
42.6 section must provide the commissioner with (1) the amount of the individual's net earnings
42.7 from self-employment, if any, from the two most recent taxable years and all tax documents
42.8 necessary to prove the accuracy of the amounts reported, and (2) any other documentation
42.9 the commissioner requires. A self-employed individual who is covered under this chapter
42.10 must annually provide the commissioner with the amount of the individual's net earnings
42.11 from self-employment within 30 days of filing a federal income tax return.

42.12 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
42.13 this chapter must annually pay a premium equal to one-half the percentage in section
42.14 268B.14, subdivision 5, clause (1), times the lesser of:

42.15 (1) the individual's self-employment premium base; or

42.16 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
42.17 Insurance tax.

42.18 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
42.19 who has applied to and been approved for coverage by the commissioner under this section
42.20 is entitled to benefits on the same basis as an employee under this chapter, except that a
42.21 self-employed individual's weekly benefit amount under section 268B.04, subdivision 1,
42.22 must be calculated as a percentage of the self-employed individual's self-employment
42.23 premium base, rather than wages.

42.24 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
42.25 2025.

42.26 Sec. 17. **[268B.12] WAGE REPORTING.**

42.27 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer
42.28 premium account described in section 268B.13, a quarterly wage detail report by electronic
42.29 transmission, in a format prescribed by the commissioner. The report must include for each
42.30 employee in covered employment during the calendar quarter, the employee's name, the
42.31 total wages paid to the employee, and total number of paid hours worked. For employees
42.32 exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the
42.33 employer must report 40 hours worked for each week any duties were performed by a

43.1 full-time employee and must report a reasonable estimate of the hours worked for each
43.2 week duties were performed by a part-time employee. In addition, the wage detail report
43.3 must include the number of employees employed during the payroll period that includes
43.4 the 12th day of each calendar month and, if required by the commissioner, the report must
43.5 be broken down by business location and separate business unit. The report is due and must
43.6 be received by the commissioner on or before the last day of the month following the end
43.7 of the calendar quarter. The commissioner may delay the due date on a specific calendar
43.8 quarter in the event the department is unable to accept wage detail reports electronically.

43.9 (b) The employer may report the wages paid to the next lower whole dollar amount.

43.10 (c) An employer need not include the name of the employee or other required information
43.11 on the wage detail report if disclosure is specifically exempted from being reported by
43.12 federal law.

43.13 (d) A wage detail report must be submitted for each calendar quarter even though no
43.14 wages were paid, unless the business has been terminated.

43.15 Subd. 2. **Electronic transmission of report required.** Each employer must submit the
43.16 quarterly wage detail report by electronic transmission in a format prescribed by the
43.17 commissioner. The commissioner has the discretion to accept wage detail reports that are
43.18 submitted by any other means or the commissioner may return the report submitted by other
43.19 than electronic transmission to the employer, and reports returned are considered as not
43.20 submitted and the late fees under subdivision 3 may be imposed.

43.21 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
43.22 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
43.23 based upon the highest of:

43.24 (1) the number of employees reported on the last wage detail report submitted;

43.25 (2) the number of employees reported in the corresponding quarter of the prior calendar
43.26 year; or

43.27 (3) if no wage detail report has ever been submitted, the number of employees listed at
43.28 the time of employer registration.

43.29 The late fee is canceled if the wage detail report is received within 30 calendar days after
43.30 a demand for the report is sent to the employer by mail or electronic transmission. A late
43.31 fee assessed an employer may not be canceled more than twice each 12 months. The amount
43.32 of the late fee assessed may not be less than \$250.

44.1 (b) If the wage detail report is not received in a manner and format prescribed by the
44.2 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
44.3 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
44.4 increased late fee will be sent to the employer by mail or electronic transmission.

44.5 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
44.6 section 268B.16.

44.7 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage
44.8 detail report, but fails to include all required employee information or enters erroneous
44.9 information, is subject to an administrative service fee of \$25 for each employee for whom
44.10 the information is partially missing or erroneous.

44.11 (b) Any employer that submits the wage detail report, but fails to include an employee,
44.12 is subject to an administrative service fee equal to two percent of the total wages for each
44.13 employee for whom the information is completely missing.

44.14 Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest
44.15 and other penalties imposed by this chapter and are collected in the same manner as
44.16 delinquent taxes and credited to the family and medical benefit insurance account.

44.17 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
44.18 2025.

44.19 Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

44.20 The commissioner must maintain a premium account for each employer. The
44.21 commissioner must assess the premium account for all the premiums due under section
44.22 268B.14, and credit the family and medical benefit insurance account with all premiums
44.23 paid.

44.24 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
44.25 2025.

44.26 Sec. 19. **[268B.14] PREMIUMS.**

44.27 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become
44.28 payable by each employer for each calendar year on the taxable wages that the employer
44.29 paid to employees in covered employment.

44.30 Each employer must pay premiums quarterly, at the premium rate defined under this
44.31 section, on the taxable wages paid to each employee. The commissioner must compute the

45.1 premium due from the wage detail report required under section 268B.12 and notify the
45.2 employer of the premium due. The premiums must be paid to the family and medical benefit
45.3 insurance account and must be received by the department on or before the last day of the
45.4 month following the end of the calendar quarter.

45.5 (b) If for any reason the wages on the wage detail report under section 268B.12 are
45.6 adjusted for any quarter, the commissioner must recompute the premiums due for that quarter
45.7 and assess the employer for any amount due or credit the employer as appropriate.

45.8 Subd. 2. **Payments by electronic payment required.** (a) Every employer must make
45.9 any payments due under this chapter by electronic payment.

45.10 (b) All third-party processors, paying on behalf of a client company, must make any
45.11 payments due under this chapter by electronic payment.

45.12 (c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept
45.13 payment by other means.

45.14 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
45.15 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
45.16 of annual premiums paid under this section from employee wages. Such deductions for any
45.17 given employee must be in equal proportion to the premiums paid based on the wages of
45.18 that employee, and all employees of an employer must be subject to the same percentage
45.19 deduction. Deductions under this section must not cause an employee's wage, after the
45.20 deduction, to fall below the rate required to be paid to the worker by law, including any
45.21 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
45.22 other legal authority, whichever rate of pay is greater.

45.23 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to
45.24 premium in a calendar year is equal to the maximum earnings in that year subject to the
45.25 FICA Old-Age, Survivors, and Disability Insurance tax.

45.26 Subd. 5. **Annual premium rates.** The employer premium rates beginning July 1, 2025,
45.27 shall be as follows:

45.28 (1) for employers participating in both family and medical benefit programs, 0.7 percent;

45.29 (2) for an employer participating in only the medical benefit program and with an
45.30 approved private plan for the family benefit program, 0.57 percent; and

45.31 (3) for an employer participating in only the family benefit program and with an approved
45.32 private plan for the medical benefit program, 0.13 percent.

46.1 Subd. 6. **Premium rate adjustments.** (a) Beginning July 1, 2026, and each year
46.2 thereafter, the commissioner must adjust the annual premium rates using the formula in
46.3 paragraph (b).

46.4 (b) To calculate the employer rates for a calendar year, the commissioner must:

46.5 (1) multiply 1.45 times the amount disbursed from the family and medical benefit
46.6 insurance account for the 52-week period ending September 30 of the prior year;

46.7 (2) subtract the amount in the family and medical benefit insurance account on that
46.8 September 30 from the resulting figure;

46.9 (3) divide the resulting figure by the total wages in covered employment of employees
46.10 of employers without approved private plans under section 268B.10 for either the family
46.11 or medical benefit program. For employers with an approved private plan for either the
46.12 medical benefit program or the family benefit program, but not both, count only the
46.13 proportion of wages in covered employment associated with the program for which the
46.14 employer does not have an approved private plan; and

46.15 (4) round the resulting figure down to the nearest one-hundredth of one percent.

46.16 (c) The commissioner must apportion the premium rate between the family and medical
46.17 benefit programs based on the relative proportion of expenditures for each program during
46.18 the preceding year.

46.19 Subd. 7. **Deposit of premiums.** All premiums collected under this section must be
46.20 deposited into the family and medical benefit insurance account.

46.21 Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay
46.22 premiums does not impact the right of an employee to benefits, or any other right, under
46.23 this chapter.

46.24 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
46.25 2025.

46.26 Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

46.27 If the Internal Revenue Service determines that benefits are subject to federal income
46.28 tax, and an applicant elects to have federal income tax deducted and withheld from the
46.29 applicant's benefits, the commissioner must deduct and withhold the amount specified in
46.30 the Internal Revenue Code in a manner consistent with state law.

46.31 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
46.32 2025.

47.1 Sec. 21. [268B.15] COLLECTION OF PREMIUMS.

47.2 Subdivision 1. Amount computed presumed correct. Any amount due from an
47.3 employer, as computed by the commissioner, is presumed to be correctly determined and
47.4 assessed, and the burden is upon the employer to show its incorrectness. A statement by the
47.5 commissioner of the amount due is admissible in evidence in any court or administrative
47.6 proceeding and is prima facie evidence of the facts in the statement.

47.7 Subd. 2. Priority of payments. (a) Any payment received from an employer must be
47.8 applied in the following order:

47.9 (1) family and medical leave premiums under this chapter; then

47.10 (2) interest on past due premiums; then

47.11 (3) penalties, late fees, administrative service fees, and costs.

47.12 (b) Paragraph (a) is the priority used for all payments received from an employer,
47.13 regardless of how the employer may designate the payment to be applied, except when:

47.14 (1) there is an outstanding lien and the employer designates that the payment made
47.15 should be applied to satisfy the lien;

47.16 (2) the payment is specifically designated by the employer to be applied to an outstanding
47.17 overpayment of benefits of an applicant;

47.18 (3) a court or administrative order directs that the payment be applied to a specific
47.19 obligation;

47.20 (4) a preexisting payment plan provides for the application of payment; or

47.21 (5) the commissioner, under the compromise authority of section 268B.16, agrees to
47.22 apply the payment to a different priority.

47.23 Subd. 3. Estimating the premium due. Only if an employer fails to make all necessary
47.24 records available for an audit under section 268B.21 and the commissioner has reason to
47.25 believe the employer has not reported all the required wages on the quarterly wage detail
47.26 reports, may the commissioner then estimate the amount of premium due and assess the
47.27 employer the estimated amount due.

47.28 Subd. 4. Costs. (a) Any employer and any applicant subject to section 268B.185,
47.29 subdivision 2, that fails to pay any amount when due under this chapter is liable for any
47.30 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private
47.31 collection agency, or litigation costs, including attorney fees, incurred in the collection of
47.32 the amounts due.

48.1 (b) If any tendered payment of any amount due is not honored when presented to a
48.2 financial institution for payment, any costs assessed the department by the financial institution
48.3 and a fee of \$25 must be assessed to the person.

48.4 (c) Costs and fees collected under this subdivision are credited to the enforcement account
48.5 under section 268B.185, subdivision 3.

48.6 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
48.7 this chapter are not received on the date due, the commissioner must assess interest on any
48.8 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any
48.9 part of a month. Interest is not assessed on unpaid interest. Interest collected under this
48.10 subdivision is credited to the account.

48.11 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered
48.12 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
48.13 interest at the rate specified in subdivision 5 until the date of payment.

48.14 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a
48.15 credit adjustment of any amount paid under this chapter within four years of the date that
48.16 the payment was due, in a manner and format prescribed by the commissioner, and the
48.17 commissioner determines that the payment or any portion thereof was erroneous, the
48.18 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
48.19 be used, the commissioner must refund, without interest, the amount erroneously paid. The
48.20 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
48.21 under this subdivision.

48.22 (b) Any refund returned to the commissioner is considered unclaimed property under
48.23 chapter 345.

48.24 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
48.25 must be sent to the employer by mail or electronic transmission. The determination of denial
48.26 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings
48.27 on the appeal are conducted in accordance with section 268B.08.

48.28 (d) If an employer receives a credit adjustment or refund under this section, the employer
48.29 must determine the amount of any overpayment attributable to a deduction from employee
48.30 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted
48.31 to each affected employee.

48.32 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any
48.33 distribution of an employer's assets according to an order of any court, including any

49.1 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
49.2 proceeding, premiums then or thereafter due must be paid in full before all other claims
49.3 except claims for wages of not more than \$1,000 per former employee, earned within six
49.4 months of the commencement of the proceedings. In the event of an employer's adjudication
49.5 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority
49.6 provided in that law for taxes due in any state.

49.7 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
49.8 2025.

49.9 **Sec. 22. [268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

49.10 Subdivision 1. **Definitions.** As used in this section:

49.11 (1) "child support agency" means the public agency responsible for child support
49.12 enforcement, including federally approved comprehensive Tribal IV-D programs; and

49.13 (2) "child support obligations" means obligations that are being enforced by a child
49.14 support agency in accordance with a plan described in United States Code, title 42, sections
49.15 454 and 455 of the Social Security Act that has been approved by the secretary of health
49.16 and human services under part D of title IV of the Social Security Act. This does not include
49.17 any type of spousal maintenance or foster care payments.

49.18 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,
49.19 the applicant must disclose if child support obligations are owed and, if so, in what state
49.20 and county. If child support obligations are owed, the commissioner must, if the applicant
49.21 establishes a benefit account, notify the child support agency.

49.22 Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from
49.23 any family or medical leave benefits payable to an applicant who owes child support
49.24 obligations:

49.25 (1) the amount required under a proper order of a court or administrative agency; or

49.26 (2) if clause (1) is not applicable, the amount determined under an agreement under
49.27 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

49.28 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

49.29 Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support
49.30 agency, must for all purposes be treated as if it were paid to the applicant as family or
49.31 medical leave benefits and paid by the applicant to the child support agency in satisfaction
49.32 of the applicant's child support obligations.

50.1 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by
50.2 the commissioner in the implementation and administration of this section and sections
50.3 518A.50 and 518A.53.

50.4 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
50.5 2025.

50.6 Sec. 23. **[268B.16] COMPROMISE.**

50.7 (a) The commissioner may compromise in whole or in part any action, determination,
50.8 or decision that affects only an employer and not an applicant. This paragraph applies if it
50.9 is determined by a court of law, or a confession of judgment, that an applicant, while
50.10 employed, wrongfully took from the employer \$500 or more in money or property.

50.11 (b) The commissioner may at any time compromise any premium or reimbursement due
50.12 from an employer under this chapter.

50.13 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney
50.14 licensed to practice law in Minnesota who is an employee of the department designated by
50.15 the commissioner for that purpose.

50.16 (d) Any compromise must be in the best interest of the state of Minnesota.

50.17 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
50.18 2025.

50.19 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

50.20 From July 1, 2025, through December 31, 2025, the commissioner may spend up to
50.21 seven percent of projected benefit payments during the period for the administration of this
50.22 chapter. Beginning January 1, 2026, and each calendar year thereafter, the commissioner
50.23 may spend up to seven percent of projected benefit payments for that calendar year for the
50.24 administration of this chapter. The department may enter into interagency agreements with
50.25 the Department of Labor and Industry, including agreements to transfer funds, subject to
50.26 the limit in this section, for the Department of Labor and Industry to fulfill its enforcement
50.27 authority of this chapter.

50.28 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
50.29 2025.

51.1 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

51.2 Beginning in fiscal year 2025, the commissioner must use at least 0.5 percent of projected
51.3 benefit payments under section 268B.17 for the purpose of outreach, education, and technical
51.4 assistance for employees, employers, and self-employed individuals eligible to elect coverage
51.5 under section 268B.11. The department may enter into interagency agreements with the
51.6 Department of Labor and Industry, including agreements to transfer funds, subject to the
51.7 limit in section 268B.17, to accomplish the requirements of this section. At least one-half
51.8 of the amount spent under this section must be used for grants to community-based groups.

51.9 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
51.10 2025.

51.11 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

51.12 **Subdivision 1. Repaying an overpayment.** (a) Any applicant who (1) because of a
51.13 determination or amended determination issued under this chapter, or (2) because of a
51.14 benefit law judge's decision under section 268B.08, has received any family or medical
51.15 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must
51.16 promptly repay the benefits to the family and medical benefit insurance account.

51.17 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest
51.18 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed
51.19 under state and federal law.

51.20 **Subd. 2. Overpayment because of misrepresentation.** (a) An applicant has committed
51.21 misrepresentation if the applicant is overpaid benefits by making an intentional false
51.22 statement or representation in an effort to fraudulently collect benefits. Overpayment because
51.23 of misrepresentation does not occur where there is unintentional mistake without a good
51.24 faith belief as to the eligibility or correctness of the statement or representation.

51.25 (b) A determination of overpayment penalty must state the methods of collection the
51.26 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
51.27 received in repayment of overpaid benefits, penalties, and interest is first applied to the
51.28 benefits overpaid, second to the penalty amount due, and third to any interest due.

51.29 (c) The department is authorized to issue a determination of overpayment penalty under
51.30 this subdivision within 12 months of the establishment of the benefit account upon which
51.31 the benefits were obtained through misrepresentation.

51.32 **Subd. 3. Family and medical benefit insurance enforcement account created.** The
51.33 family and medical benefit insurance enforcement account is created in the state treasury.

52.1 Any penalties and interest collected under this section shall be deposited into the account
52.2 under this subdivision and shall be used only for the purposes of administering and enforcing
52.3 this chapter. Only the commissioner may authorize expenditures from the account under
52.4 this subdivision.

52.5 Subd. 4. **Interest.** For any family and medical leave benefits obtained by
52.6 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner
52.7 must assess interest on any amount that remains unpaid beginning 30 calendar days after
52.8 the date of a determination of overpayment penalty. Interest is assessed at the rate of six
52.9 percent per year. A determination of overpayment penalty must state that interest will be
52.10 assessed. Interest is not assessed on unpaid interest. Interest collected under this subdivision
52.11 is credited to the family and medical benefit insurance enforcement account.

52.12 Subd. 5. **Offset of benefits.** An employee may offset from any future family and medical
52.13 leave benefits otherwise payable the amount of an overpayment. No single offset may exceed
52.14 20 percent of the amount of the payment from which the offset is made.

52.15 Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits
52.16 overpayments are not repaid or offset from subsequent benefits within three years after the
52.17 date of the determination or decision holding the applicant overpaid, the commissioner must
52.18 cancel the overpayment balance, and no administrative or legal proceedings may be used
52.19 to enforce collection of those amounts.

52.20 (b) The commissioner may cancel at any time any overpayment, including penalties and
52.21 interest that the commissioner determines is uncollectible because of death or bankruptcy.

52.22 Subd. 7. **Collection of overpayments.** (a) The commissioner has discretion regarding
52.23 the recovery of any overpayment for reasons other than misrepresentation. Regardless of
52.24 any law to the contrary, the commissioner is not required to refer any overpayment for
52.25 reasons other than misrepresentation to a public or private collection agency, including
52.26 agencies of this state.

52.27 (b) Amounts overpaid for reasons other than misrepresentation are not considered a
52.28 "debt" to the state of Minnesota for purposes of any reporting requirements to the
52.29 commissioner of management and budget.

52.30 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,
52.31 penalties, or collection of an overpayment.

52.32 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,
52.33 penalty, or interest.

53.1 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 53.2 2025.

53.3 Sec. 27. **[268B.19] EMPLOYER MISCONDUCT; PENALTY.**

53.4 (a) The commissioner must penalize an employer if that employer or any employee,
 53.5 officer, or agent of that employer is in collusion with any applicant for the purpose of
 53.6 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
 53.7 of benefits determined to be overpaid, whichever is greater.

53.8 (b) The commissioner must penalize an employer if that employer or any employee,
 53.9 officer, or agent of that employer:

53.10 (1) made a false statement or representation knowing it to be false;

53.11 (2) made a false statement or representation without a good-faith belief as to the
 53.12 correctness of the statement or representation; or

53.13 (3) knowingly failed to disclose a material fact.

53.14 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
 53.15 employer's action:

53.16 (1) the amount of any overpaid benefits to an applicant;

53.17 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;
 53.18 or

53.19 (3) the amount of any payment required from the employer under this chapter that was
 53.20 not paid.

53.21 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
 53.22 penalty and credited to the family and medical benefit insurance account.

53.23 (e) The determination of penalty is final unless the employer files an appeal within 30
 53.24 calendar days after the sending of the determination of penalty to the employer by United
 53.25 States mail or electronic transmission.

53.26 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 53.27 2025.

53.28 Sec. 28. **[268B.21] RECORDS; AUDITS.**

53.29 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate
 53.30 records on individuals performing services for the employer, containing the information

54.1 the commissioner may require under this chapter. The records must be kept for a period of
 54.2 not less than four years in addition to the current calendar year.

54.3 (b) For the purpose of administering this chapter, the commissioner has the power to
 54.4 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,
 54.5 records, or memoranda that are the property of, or in the possession of, an employer or any
 54.6 other person at any reasonable time and as often as may be necessary. Subpoenas may be
 54.7 issued under section 268B.22 as necessary, for an audit.

54.8 (c) An employer or other person that refuses to allow an audit of its records by the
 54.9 department or that fails to make all necessary records available for audit in the state upon
 54.10 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
 54.11 collected is credited to the family and medical benefit insurance account.

54.12 (d) An employer, or other person, that fails to provide a weekly breakdown of money
 54.13 earned by an applicant upon request of the commissioner, information necessary for the
 54.14 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be
 54.15 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown
 54.16 must clearly state that a \$100 penalty may be assessed for failure to provide the information.
 54.17 The penalty collected is credited to the family and medical benefit insurance account.

54.18 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,
 54.19 compilations, duplications, or reproductions of any records pertaining to this chapter that
 54.20 the commissioner considers advisable for the preservation of the information.

54.21 (b) Regardless of any law to the contrary, the commissioner may destroy any records
 54.22 that are no longer necessary for the administration of this chapter. In addition, the
 54.23 commissioner may destroy any record from which the information has been electronically
 54.24 captured and stored.

54.25 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 54.26 2025.

54.27 Sec. 29. **[268B.22] SUBPOENAS; OATHS.**

54.28 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
 54.29 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
 54.30 individuals and the production of documents and other personal property necessary in
 54.31 connection with the administration of this chapter.

55.1 (b) Individuals subpoenaed, other than applicants or officers and employees of an
55.2 employer that is the subject of the inquiry, are paid witness fees the same as witness fees
55.3 in civil actions in district court. The fees need not be paid in advance.

55.4 (c) The subpoena is enforceable through the district court in Ramsey County.

55.5 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
55.6 2025.

55.7 **Sec. 30. [268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

55.8 Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an
55.9 employer, becomes a lien upon all the property, within this state, both real and personal, of
55.10 the person liable, from the date of assessment. For the purposes of this section, "date of
55.11 assessment" means the date the obligation was due.

55.12 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a
55.13 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,
55.14 until a notice of lien has been filed with the county recorder of the county where the property
55.15 is situated, or in the case of personal property belonging to a nonresident person in the Office
55.16 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee
55.17 for filing and indexing is as provided in sections 272.483 and 272.484.

55.18 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the
55.19 commissioner, may be filed with the county recorder or the secretary of state by mail,
55.20 personal delivery, or electronic transmission into the computerized filing system of the
55.21 secretary of state. The secretary of state must, on any notice filed with that office, transmit
55.22 the notice electronically to the appropriate county recorder. The filing officer, whether the
55.23 county recorder or the secretary of state, must endorse and index a printout of the notice as
55.24 if the notice had been mailed or delivered.

55.25 (d) County recorders and the secretary of state must enter information on lien notices,
55.26 renewals, and releases into the central database of the secretary of state. For notices filed
55.27 electronically with the county recorders, the date and time of receipt of the notice and county
55.28 recorder's file number, and for notices filed electronically with the secretary of state, the
55.29 secretary of state's recording information, must be entered into the central database before
55.30 the close of the working day following the day of the original data entry by the commissioner.

55.31 (e) The lien imposed on personal property, even though properly filed, is not enforceable
55.32 against a purchaser of tangible personal property purchased at retail or personal property
55.33 listed as exempt in sections 550.37, 550.38, and 550.39.

56.1 (f) A notice of lien filed has priority over any security interest arising under chapter 336,
56.2 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

56.3 (1) the perfected security interest secures property not in existence at the time the notice
56.4 of lien is filed; and

56.5 (2) the property comes into existence after the 45th calendar day following the day the
56.6 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien
56.7 filing, whichever is earlier.

56.8 (g) The lien is enforceable from the time the lien arises and for ten years from the date
56.9 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional
56.10 ten years.

56.11 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure
56.12 under chapter 550.

56.13 (i) The lien may be imposed upon property defined as homestead property in chapter
56.14 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead
56.15 property.

56.16 (j) The commissioner may sell and assign to a third party the commissioner's right of
56.17 redemption in specific real property for liens filed under this subdivision. The assignee is
56.18 limited to the same rights of redemption as the commissioner, except that in a bankruptcy
56.19 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from
56.20 the sale of the right of redemption are credited to the family and medical benefit insurance
56.21 account.

56.22 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,
56.23 is not paid when due, the amount may be collected by the commissioner by direct levy upon
56.24 all property and rights of property of the person liable for the amount due except property
56.25 exempt from execution under section 550.37. For the purposes of this section, "levy" includes
56.26 the power of distraint and seizure by any means.

56.27 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of
56.28 any county who must proceed within 60 calendar days to levy upon the property or rights
56.29 to property of the delinquent person within the county, except property exempt under section
56.30 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together
56.31 with the commissioner's and sheriff's costs. The sales are governed by the law applicable
56.32 to sales of like property on execution of a judgment.

57.1 (c) Notice and demand for payment of the total amount due must be mailed to the
57.2 delinquent person at least ten calendar days before action being taken under paragraphs (a)
57.3 and (b).

57.4 (d) If the commissioner has reason to believe that collection of the amount due is in
57.5 jeopardy, notice and demand for immediate payment may be made. If the total amount due
57.6 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without
57.7 regard to the ten calendar day period.

57.8 (e) In executing the levy, the commissioner must have all of the powers provided in
57.9 chapter 550 or any other law that provides for execution against property in this state. The
57.10 sale of property levied upon and the time and manner of redemption is as provided in chapter
57.11 550. The seal of the court is not required. The levy may be made whether or not the
57.12 commissioner has commenced a legal action for collection.

57.13 (f) Where any assessment has been made by the commissioner, the property seized for
57.14 collection of the total amount due must not be sold until any determination of liability has
57.15 become final. No sale may be made unless a portion of the amount due remains unpaid for
57.16 a period of more than 30 calendar days after the determination of liability becomes final.
57.17 Seized property may be sold at any time if:

57.18 (1) the delinquent person consents in writing to the sale; or

57.19 (2) the commissioner determines that the property is perishable or may become greatly
57.20 reduced in price or value by keeping, or that the property cannot be kept without great
57.21 expense.

57.22 (g) Where a levy has been made to collect the amount due and the property seized is
57.23 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505
57.24 and maintained under full supervision of the court, the property may not be sold until the
57.25 probate proceedings are completed or until the court orders.

57.26 (h) The property seized must be returned if the owner:

57.27 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,
57.28 as determined by the commissioner; or

57.29 (2) deposits with the commissioner security in a form and amount the commissioner
57.30 considers necessary to insure payment of the liability.

57.31 (i) If a levy or sale would irreparably injure rights in property that the court determines
57.32 superior to rights of the state, the court may grant an injunction to prohibit the enforcement
57.33 of the levy or to prohibit the sale.

58.1 (j) Any person who fails or refuses to surrender without reasonable cause any property
 58.2 or rights to property subject to levy is personally liable in an amount equal to the value of
 58.3 the property or rights not so surrendered, but not exceeding the amount due.

58.4 (k) If the commissioner has seized the property of any individual, that individual may,
 58.5 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable
 58.6 relief before the district court for the release of the property upon terms and conditions the
 58.7 court considers equitable.

58.8 (l) Any person in control or possession of property or rights to property upon which a
 58.9 levy has been made who surrenders the property or rights to property, or who pays the
 58.10 amount due is discharged from any obligation or liability to the person liable for the amount
 58.11 due with respect to the property or rights to property.

58.12 (m) The notice of any levy may be served personally or by mail.

58.13 (n) The commissioner may release the levy upon all or part of the property or rights to
 58.14 property levied upon if the commissioner determines that the release will facilitate the
 58.15 collection of the liability, but the release does not prevent any subsequent levy. If the
 58.16 commissioner determines that property has been wrongfully levied upon, the commissioner
 58.17 must return:

58.18 (1) the specific property levied upon, at any time; or

58.19 (2) an amount of money equal to the amount of money levied upon, at any time before
 58.20 the expiration of nine months from the date of levy.

58.21 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial
 58.22 institution located in this state, has priority over any unexercised right of setoff of the
 58.23 financial institution to apply the levied funds toward the balance of an outstanding loan or
 58.24 loans owed by the person to the financial institution. A claim by the financial institution
 58.25 that it exercised its right to setoff before the levy must be substantiated by evidence of the
 58.26 date of the setoff, and verified by an affidavit from a corporate officer of the financial
 58.27 institution. For purposes of determining the priority of any levy under this subdivision, the
 58.28 levy is treated as if it were an execution under chapter 550.

58.29 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner
 58.30 of management and budget, or to any state agency that disburses its own funds, that a person,
 58.31 applicant, or employer has a liability under this chapter, and that the state has purchased
 58.32 personal services, supplies, contract services, or property from that person, the commissioner
 58.33 of management and budget or the state agency must set off and pay to the commissioner an

59.1 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the
 59.2 obligation of the state otherwise due the person. No amount may be set off from any funds
 59.3 exempt under section 550.37 or funds due an individual who receives assistance under
 59.4 chapter 256.

59.5 (b) All funds, whether general or dedicated, are subject to setoff.

59.6 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff
 59.7 from any funds otherwise due from the department to a delinquent person.

59.8 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an
 59.9 applicant or employer, may be collected by civil action in the name of the state of Minnesota.
 59.10 Civil actions brought under this subdivision must be heard as provided under section 16D.14.
 59.11 In any action, judgment must be entered in default for the relief demanded in the complaint
 59.12 without proof, together with costs and disbursements, upon the filing of an affidavit of
 59.13 default.

59.14 (b) Any person that is not a resident of this state and any resident person removed from
 59.15 this state, is considered to appoint the secretary of state as its agent for the acceptance of
 59.16 process in any civil action. The commissioner must file process with the secretary of state,
 59.17 together with a payment of a fee of \$15 and that service is considered sufficient service and
 59.18 has the same force and validity as if served personally within this state. Notice of the service
 59.19 of process, together with a copy of the process, must be sent by certified mail to the person's
 59.20 last known address. An affidavit of compliance with this subdivision, and a copy of the
 59.21 notice of service must be appended to the original of the process and filed in the court.

59.22 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed
 59.23 against the state for actions under this subdivision.

59.24 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the
 59.25 determination, assessment, or collection of any amounts due under this chapter, from an
 59.26 applicant or employer, are allowed.

59.27 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 59.28 2025.

59.29 Sec. 31. **[268B.24] CONCILIATION SERVICES.**

59.30 The Department of Labor and Industry may offer conciliation services to employers and
 59.31 employees to resolve disputes concerning alleged violations of employment protections
 59.32 identified in section 268B.09.

60.1 EFFECTIVE DATE. Except as provided in section 38, this section is effective July 1,
60.2 2025.

60.3 Sec. 32. [268B.25] ANNUAL REPORTS.

60.4 (a) Beginning on or before July 1, 2026, the commissioner must annually report to the
60.5 Department of Management and Budget and the house of representatives and senate
60.6 committee chairs with jurisdiction over this chapter on program administrative expenditures
60.7 and revenue collection for the prior fiscal year, including but not limited to:

60.8 (1) total revenue raised through premium collection;

60.9 (2) the number of self-employed individuals or independent contractors electing coverage
60.10 under section 268B.11 and amount of associated revenue;

60.11 (3) the number of covered business entities paying premiums under this chapter and
60.12 associated revenue;

60.13 (4) administrative expenditures including transfers to other state agencies expended in
60.14 the administration of the chapter;

60.15 (5) summary of contracted services expended in the administration of this chapter;

60.16 (6) grant amounts and recipients under sections 268B.18 and 268B.29;

60.17 (7) an accounting of required outreach expenditures;

60.18 (8) summary of private plan approvals including the number of employers and employees
60.19 covered under private plans; and

60.20 (9) adequacy and use of the private plan approval and oversight fee.

60.21 (b) Beginning on or before July 1, 2026, the commissioner must annually publish a
60.22 publicly available report providing the following information for the previous fiscal year:

60.23 (1) total eligible claims;

60.24 (2) the number and percentage of claims attributable to each category of benefit;

60.25 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
60.26 type of leave taken;

60.27 (4) the percentage of claims denied and the reasons therefor, including but not limited
60.28 to insufficient information and ineligibility and the reason therefor;

60.29 (5) average weekly benefit amount paid for all claims and by category of benefit;

60.30 (6) changes in the benefits paid compared to previous fiscal years;

61.1 (7) processing times for initial claims processing, initial determinations, and final
 61.2 decisions;

61.3 (8) average duration for cases completed; and

61.4 (9) the number of cases remaining open at the close of such year.

61.5 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 61.6 2025.

61.7 Sec. 33. **[268B.26] NOTICE REQUIREMENTS.**

61.8 (a) Each employer must post in a conspicuous place on each of its premises a workplace
 61.9 notice prepared or approved by the commissioner providing notice of benefits available
 61.10 under this chapter. The required workplace notice must be in English and each language
 61.11 other than English which is the primary language of five or more employees or independent
 61.12 contractors of that workplace, if such notice is available from the department.

61.13 (b) Each employer must issue to each employee not more than 30 days from the beginning
 61.14 date of the employee's employment, or 30 days before premium collection begins, whichever
 61.15 is later, the following written information provided or approved by the department in the
 61.16 primary language of the employee:

61.17 (1) an explanation of the availability of family and medical leave benefits provided under
 61.18 this chapter, including rights to reinstatement and continuation of health insurance;

61.19 (2) the amount of premium deductions made by the employer under this chapter;

61.20 (3) the employer's premium amount and obligations under this chapter;

61.21 (4) the name and mailing address of the employer;

61.22 (5) the identification number assigned to the employer by the department;

61.23 (6) instructions on how to file a claim for family and medical leave benefits;

61.24 (7) the mailing address, e-mail address, and telephone number of the department; and

61.25 (8) any other information required by the department.

61.26 Delivery is made when an employee provides written acknowledgment of receipt of the
 61.27 information, or signs a statement indicating the employee's refusal to sign such
 61.28 acknowledgment.

61.29 (c) Each employer shall provide to each independent contractor with whom it contracts,
 61.30 at the time such contract is made or, for existing contracts, within 30 days of the effective

62.1 date of this section, the following written information provided or approved by the department
 62.2 in the self-employed individual's primary language:

62.3 (1) the address and telephone number of the department; and

62.4 (2) any other information required by the department.

62.5 (d) An employer that fails to comply with this subdivision may be issued, for a first
 62.6 violation, a civil penalty of \$50 per employee and per independent contractor with whom
 62.7 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
 62.8 or self-employed individual with whom it has contracted. The employer shall have the
 62.9 burden of demonstrating compliance with this section.

62.10 (e) Employer notice to an employee under this section may be provided in paper or
 62.11 electronic format. For notice provided in electronic format only, the employer must provide
 62.12 employee access to an employer-owned computer during an employee's regular working
 62.13 hours to review and print required notices.

62.14 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 62.15 2025.

62.16 **Sec. 34. [268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

62.17 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
 62.18 chapter to run concurrently with leave taken for the same purpose under section 181.941
 62.19 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
 62.20 as amended.

62.21 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

62.22 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
 62.23 or personal time before or while taking leave under this chapter;

62.24 (2) except as provided under section 268B.01, subdivision 37, prohibit an employer
 62.25 from providing additional benefits, including but not limited to covering the portion of
 62.26 earnings not provided under this chapter during periods of leave covered under this chapter;
 62.27 or

62.28 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
 62.29 with respect to leave benefits and related procedures and employee protections that meet
 62.30 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
 62.31 this chapter.

63.1 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
63.2 2025.

63.3 Sec. 35. **[268B.28] SEVERABLE.**

63.4 If the United States Department of Labor or a court of competent jurisdiction determines
63.5 that any provision of the family and medical benefit insurance program under this chapter
63.6 is not in conformity with, or is inconsistent with, the requirements of federal law, the
63.7 provision has no force or effect. If only a portion of the provision, or the application to any
63.8 person or circumstances, is determined not in conformity, or determined inconsistent, the
63.9 remainder of the provision and the application of the provision to other persons or
63.10 circumstances are not affected.

63.11 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
63.12 2025.

63.13 Sec. 36. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

63.14 (a) Employers with 50 or fewer employees may apply to the department for grants under
63.15 this section.

63.16 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
63.17 temporary worker to replace an employee on family or medical leave for a period of seven
63.18 days or more.

63.19 (c) For an employee's family or medical leave, the commissioner may approve a grant
63.20 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
63.21 employee's leave.

63.22 (d) To be eligible for consideration for a grant under this section, the employer must
63.23 provide the department written documentation showing the temporary worker hired or
63.24 significant wage-related costs incurred are due to an employee's use of leave under this
63.25 chapter.

63.26 (e) The grants under this section may be funded from the family and medical benefit
63.27 insurance account.

63.28 (f) For the purposes of this section, the commissioner shall average the number of
63.29 employees reported by an employer over the last four completed calendar quarters to
63.30 determine the size of the employer.

64.1 (g) An employer who has an approved private plan is not eligible to receive a grant under
 64.2 this section.

64.3 (h) The commissioner may award grants under this section only up to a maximum of
 64.4 \$5,000,000 per calendar year.

64.5 **EFFECTIVE DATE.** Except as provided in section 38, this section is effective July 1,
 64.6 2025.

64.7 Sec. 37. **APPROPRIATIONS.**

64.8 (a) \$1,700,000,000 in fiscal year 2024 is appropriated from the general fund to the
 64.9 commissioner of employment and economic development for transfer to the family and
 64.10 medical insurance benefit account for the purposes of Minnesota Statutes, chapter 268B,
 64.11 including:

64.12 (1) payment of family and medical benefits;

64.13 (2) implementation and administration of the family and medical benefit insurance
 64.14 program;

64.15 (3) staffing, outreach, information technology implementation, and related activities;
 64.16 and

64.17 (4) outreach, education, and technical assistance for employees, employers, and
 64.18 self-employed individuals regarding Minnesota Statutes, chapter 268B.

64.19 This is a onetime appropriation.

64.20 (b) \$..... in fiscal year 2027 is appropriated from the family and medical insurance
 64.21 benefit account to the commissioner of employment and economic development for the
 64.22 purposes of Minnesota Statutes, chapter 268B, including administration of the family and
 64.23 medical benefit insurance program, and outreach, education, and technical assistance for
 64.24 employees, employers, and self-employed individuals. Of the amount used for outreach,
 64.25 education, and technical assistance, at least half must be used for grants to community-based
 64.26 groups providing outreach, education, and technical assistance for employees, employers,
 64.27 and self-employed individuals regarding Minnesota Statutes, chapter 268B. Outreach must
 64.28 include efforts to notify self-employed individuals of their ability to elect coverage under
 64.29 Minnesota Statutes, section 268B.11, and providing individuals with technical assistance
 64.30 to elect coverage. The base for fiscal year 2028 and beyond is \$.....

65.1 Sec. 38. APPLICATION.

65.2 Family and medical benefits under Minnesota Statutes, chapter 268B, may be applied
65.3 for and paid starting July 1, 2025.

65.4 **ARTICLE 2**

65.5 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

65.6 Section 1. Minnesota Statutes 2022, section 256J.561, is amended by adding a subdivision
65.7 to read:

65.8 Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets
65.9 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required
65.10 to participate in employment services.

65.11 Sec. 2. Minnesota Statutes 2022, section 256J.95, subdivision 3, is amended to read:

65.12 **Subd. 3. Eligibility for diversionary work program.** (a) Except for the categories of
65.13 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
65.14 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must
65.15 participate in the diversionary work program. Family units or individuals that are not eligible
65.16 for the diversionary work program include:

65.17 (1) child only cases;

65.18 (2) single-parent family units that include a child under 12 months of age. A parent is
65.19 eligible for this exception once in a parent's lifetime;

65.20 (3) family units with a minor parent without a high school diploma or its equivalent;

65.21 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or
65.22 its equivalent who chooses to have an employment plan with an education option;

65.23 (5) family units with a caregiver who received DWP benefits within the 12 months prior
65.24 to the month the family applied for DWP, except as provided in paragraph (c);

65.25 (6) family units with a caregiver who received MFIP within the 12 months prior to the
65.26 month the family applied for DWP;

65.27 (7) family units with a caregiver who received 60 or more months of TANF assistance;
65.28 ~~and~~

65.29 (8) family units with a caregiver who is disqualified from the work participation cash
65.30 benefit program, DWP, or MFIP due to fraud; and

66.1 (9) single-parent family units where a parent is receiving family and medical leave
 66.2 benefits under chapter 268B.

66.3 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
 66.4 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
 66.5 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

66.6 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
 66.7 leaves the program for any reason and reapplies during the four-month period, the county
 66.8 must redetermine eligibility for DWP.

66.9 Sec. 3. Minnesota Statutes 2022, section 256J.95, subdivision 11, is amended to read:

66.10 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
 66.11 who meet the criteria in paragraph (d), are required to participate in DWP employment
 66.12 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
 66.13 at a minimum, meet the requirements in section 256J.55, subdivision 1.

66.14 (b) A caregiver who is a member of a two-parent family that is required to participate
 66.15 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed
 66.16 to develop an employment plan under section 256J.521, subdivision 2, that may contain
 66.17 alternate activities and reduced hours.

66.18 (c) A participant who is a victim of family violence shall be allowed to develop an
 66.19 employment plan under section 256J.521, subdivision 3. A claim of family violence must
 66.20 be documented by the applicant or participant by providing a sworn statement which is
 66.21 supported by collateral documentation in section 256J.545, paragraph (b).

66.22 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
 66.23 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
 66.24 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
 66.25 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
 66.26 ~~(a), clause (5).~~ if that parent:

66.27 (1) receives family and medical leave benefits under chapter 268B; or

66.28 (2) has a natural born child under 12 months of age until the child reaches 12 months
 66.29 of age unless the family unit has already used the exclusion under section 256J.561,
 66.30 subdivision 3, or the previously allowed child under age one exemption under section
 66.31 256J.56, paragraph (a), clause (5).

67.1 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
67.2 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
67.3 household, only one parent shall be allowed to use this category.

67.4 (f) The participant and job counselor must meet in the month after the month the child
67.5 reaches 12 months of age to revise the participant's employment plan. The employment plan
67.6 for a family unit that has a child under 12 months of age that has already used the exclusion
67.7 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

67.8 Sec. 4. Minnesota Statutes 2022, section 256P.01, subdivision 3, is amended to read:

67.9 Subd. 3. **Earned income.** "Earned income" means income earned through the receipt
67.10 of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities,
67.11 net profit from self-employment activities, payments made by an employer for regularly
67.12 accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid
67.13 under chapter 268B, royalties, honoraria, or other profit from activity that results from the
67.14 client's work, effort, or labor for purposes other than student financial assistance,
67.15 rehabilitation programs, student training programs, or service programs such as AmeriCorps.
67.16 The income must be in return for, or as a result of, legal activity.

67.17 Sec. 5. **EFFECTIVE DATES.**

67.18 Sections 1 to 4 are effective January 1, 2024.