



Dear Chair Klein and members of the Senate Commerce and Consumer Protection Committee:

During the 2023 legislative session, this body approved a monumental employee protection bill that ensured 12 weeks of paid family and medical leave for nearly every worker in Minnesota. The proposal was championed by faith groups, labor unions, worker coalitions and small businesses across Minnesota; and after nearly eight years, it was signed into law by the Walz administration. However, the S.F. 5430 undermines that work by introducing new anti-worker carve outs and caveats that aim to pit workers against each other.

The bill creates a new three-tiered benefit structure based upon an employee's paid time off (PTO) accruals for the employee to access the benefit. If an employee has less than a combined 80 hours of PTO accrued, they can access the full 12 weeks of paid leave. If the employee has more than 80 hours of PTO accrued but less than 120 hours, their benefits during the initial week are prorated. And finally, if the employee has more than 120 hours of combined PTO accruals, they can either take 11 weeks of paid leave or use their accruals to access a benefit for which they have already paid premiums. The only exception to this tiering system is bonding leave, which would adversely impact older, longer-term employees, who generally accumulate PTO at higher rates due to years of service and are less likely to take bonding leave compared to their younger coworkers.

Beyond the equity issues presented by this approach, the PTO carve out structure is an affront to collective bargaining. For workers covered by collective bargaining agreements, vacation and sick leave accruals are not a benefit merely given by employers to an employee but negotiated as earned deferred compensation often in lieu of higher wages to ensure that if an employee needs time off, they can afford to take it. These accruals also play an important role in severance and retirement, as many employees convert their accruals into health care savings plans to offset costs of insurance. Requiring employees with more than 80 hours of combined PTO to spend down their accruals to access the 12 weeks of paid leave they were promised, and for which the employee already paid contribution premium, is unacceptable and tantamount to wage theft.

We are extremely frustrated and disappointed with the process by which this proposal was constructed and that such a massive change to the benefit would be considered this late in session. The Walz administration and other proponents of this approach failed to engage with stakeholders impacted by the provisions in the bill. The effect of the changes in the benefit structure that would give some workers 11 weeks of paid leave instead of the 12 weeks of paid leave enacted last session and touted by the majority deserves far more transparency and consideration.

We strongly encourage this committee to reject S.F. 5430 and any future efforts to implement an unpaid waiting week for workers at any level.

Sincerely,

Megan Dayton, MAPE President