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S.F. No. 5430 – Paid Leave modifications

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Date: April 17, 2024

Section 1 provides that chapter 268B may be cited as the “Minnesota Paid Leave Law.”

Section 2 modifies the definition of “applicant” to include the individual’s authorized representative.

Section 3 provides a definition of “authorized representative.”

Section 4 modifies the definition of “base period.”

Section 5 modifies the definition of “benefit year.”

Section 6 modifies the definition of “covered employment.”

Section 7 modifies the definition of “covered individual.”

Section 8 provides a definition of “effective date of application.”

Section 9 provides a definition of “effective date of leave.”

Section 10 modifies the definition of “family member.”

Section 11 provides a definition of “financially eligible.”

Section 12 provides a definition of “initial week.”

Section 13 modifies the definition of “typical workweek.”

Section 14 makes technical and clarifying changes to the section addressing application for benefits and financial eligibility. Clarifies minimum increment of leave amount for intermittent leave.

Allows the commissioner to backdate a claim if an applicant was unable to apply in a timely manner due to incapacitation or through no fault of their own. Effective November 1, 2025.

Section 15 clarifies who may provide documentation for an applicant taking safety leave. Allows the commissioner to adopt rules regarding safety leave. Effective November 1, 2025.

Section 16 specifies that an applicant is ineligible for benefits for a workweek in which the applicant is incarcerated is receiving or has received unemployment insurance benefits. Effective November 1, 2025.

Section 17 makes technical and clarifying changes. Specifies that an employer may provide an employee with wage replacement during an absence, but any benefit amounts that exceed the employee's salary must be returned by the employee to the employer or the paid leave division. Effective November 1, 2025.

Section 18 creates a separate subdivision addressing the mechanics of an offset for disability insurance payments received by an applicant. Effective November 1, 2025.

Section 19 makes clarifying changes regarding employer notification. Effective November 1, 2025.

Section 20 makes clarifying changes regarding determinations of eligibility or ineligibility and the requirements from an applicant to make a determination. Effective November 1, 2025.

Section 21 makes conforming and clarifying changes regarding amended determinations. Effective November 1, 2025.

Section 22 provides a process for the commissioner to allow appeals under the program. Provides appealable issues and deadlines for appeal. Allows for a notice of hearing and hearing, requests for reconsideration, and a withdrawal of an appeal. Provides data privacy considerations. The provisions in this section are consistent with the procedures for unemployment insurance appeals under Chapter 268 and rules. Effective November 1, 2025.

Section 23 is deleted as a result of the A-7 amendment since stricken language is being reinstated.

Section 24 makes technical and clarifying changes to the section prohibiting employer retaliation. Effective November 1, 2025.

Section 25 makes technical and clarifying changes to the section on an employee's right to reinstatement. Effective January 1, 2026.

Section 26 makes a clarifying change regarding maintenance of group health plan benefits to the section on the limitations on an employee's right to reinstatement. Effective January 1, 2026.

Section 27 specifies that insurers must file any insurance forms and other documents related to coverage for paid family and medical leave benefits with the commissioner of commerce for approval. Clarifies that an insurer authorized to write accident and sickness insurance may provide insurance products for paid family and medical leave benefits coverage. Effective July 1, 2025.

Section 28 clarifies coverage timing for former employees for purposes of medical benefit program application under a private plan. Effective November 1, 2025.

Section 29 clarifies coverage timing for former employees for purposes of family benefit program application under a private plan. Effective November 1, 2025.

Section 30 clarifies that if an employee's request for benefits is denied under a private plan, that the employee has the right to request administrative review and an appeal to the department. Effective November 1, 2025.

Section 31 addresses how a plan change is applied when the change is made while an employee is on leave. Effective July 1, 2025.

Sections 32 and 33 clarify coverage and benefit application for former employees under a private plan. Effective July 1, 2025.

Section 34 makes technical and clarifying changes to the section regarding revocation of an approval of a private plan by the commissioner. Effective July 1, 2025.

Section 35 makes a technical change related to appeal of penalties which is now addressed in **section 22**. Effective July 1, 2025.

Section 36 adds a new subdivision specifying that an employer covered under a private plan must file quarterly wage reports. Effective July 1, 2025.

Section 37 makes technical and clarifying changes to the section regarding employee premium charge back. Effective January 1, 2026.

Section 38 provides the mechanism for calculating the small employer premium rate applicable to employers with 30 or fewer employees.

Section 39 provides the methodology for determining employee count for purposes of the small employer premium rate.

Section 40 provides the mechanism for calculating the average wage for employers.

Section 41 changes dates to November 15 each year by which the commissioner must adjust the annual premium rates. Provides the methodology and information that must be used to make an adjustment. Requires the commissioner to contract with a qualified independent actuarial consultant to conduct an actuarial study every other year. Effective the day following final enactment (A-7).

Section 42 makes a technical change related to appeal for a credit adjustment or refund which is now addressed in **section 22**. Effective January 1, 2026

Sections 43 and 44 make technical and clarifying changes. Effective November 1, 2026.

Section 45 makes a technical change related to appeal of an employer penalty now addressed in **section 22**. Effective July 1, 2024.

Section 46 makes technical and clarifying changes to the section regarding employee notice requirements and employee acknowledgment of receipt. Effective November 1, 2025.

Section 47 makes technical and clarifying changes. Effective January 1, 2026.

Section 48 makes technical and clarifying changes to the section regarding small employer assistance grants regarding eligibility and applications. Effective January 1, 2026.

Section 49 provides that data gathered from any person under Chapter 268B are private data on individuals or nonpublic data not on individual that must not be disclosed except as provided. Specifies the dissemination of data to certain named agencies and parties for the uses listed without consent of the subject of the data.

Section 50 repeals the following:

- Section 268B.06, subdivision 7 (Separation, severance, or bonus payments)
- Section 268B.10, subdivision 11 (Appeal process)
- Section 268B.14, subdivision 5 (Appeal process for private plans)
- Section 268B.08 (Small business wage exclusion)