

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 5430: A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 10, after the semicolon, insert "or"

Page 5, line 12, after "other" insert "single" and after "state" insert "within the United States" and strike "Canada" and insert "United States territory or foreign nation"

Page 5, line 14, strike "; or" and insert a period

Page 5, strike lines 15 to 17

Page 5, after line 24, insert:

"(e) The commissioner may adopt rules in accordance with chapter 14 to:

(1) further define the application of this subdivision; and

(2) establish the criteria for covered employment for individuals that do not meet the criteria in paragraphs (a) and (b), but that perform services as an employee to a Minnesota employer."

Page 7, delete section 12 and insert:

"Sec. 12. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:

Subd. 27a. **Initial paid week.** "Initial paid week," except as provided in section 268B.04, subdivision 6, means the first seven days of a leave, which must be paid and is a payable period for leave types including family care, medical care related to pregnancy, serious health condition, qualifying exigency, or safety leave. For intermittent leave, initial paid week means seven consecutive or nonconsecutive, or a combination of consecutive and nonconsecutive, calendar days from the effective date of leave, of which only days when leave is taken are payable.

EFFECTIVE DATE. This section is effective the day following final enactment."

2.1 Page 7, line 23, reinstate the stricken "within the" and before "prior" insert "last two
2.2 quarters"

2.3 Page 10, line 12, before "Except" insert "(a)"

2.4 Page 10, after line 15, insert

2.5 "(b) The initial paid week is only payable if the applicant submits documentation to the
2.6 commissioner's satisfaction demonstrating that the applicant does not have at least 80 hours
2.7 of paid vacation leave, paid sick leave, or other paid time off available to them from the
2.8 employer from whom they are taking leave at the earlier of the effective date of application
2.9 or the effective date of leave. For an applicant having an available leave balance of 80 hours
2.10 or less, the program pays the first week in its entirety.

2.11 (c) The initial paid week is partially payable if the applicant submits documentation to
2.12 the commissioner's satisfaction demonstrating that the applicant has more than 80 hours
2.13 and less than 120 hours of paid vacation leave, paid sick leave, or other paid time off available
2.14 to them from the employer from whom they are taking leave at the earlier of the effective
2.15 date of application or the effective date of leave. The department shall prorate the initial
2.16 paid week based on the applicant's leave balance, so as not to go below 80 available leave
2.17 hours remaining at the end of the initial paid week.

2.18 (d) The requirements in paragraphs (b) and (c) do not apply to bonding leave."

2.19 Page 11, after line 9, insert:

2.20 "Sec. 15. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 2, is amended
2.21 to read:

2.22 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
2.23 benefits must be or have been based on a single event of at least seven calendar days' duration
2.24 related to medical care related to pregnancy, family care, a qualifying exigency, safety leave,
2.25 or the applicant's serious health condition. The days must be consecutive, unless the leave
2.26 is intermittent. Subject to the requirements in section 268B.04, subdivision 6, the seven-day
2.27 qualifying event under this paragraph is a payable period, not an unpaid waiting period.

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

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

2.32 **EFFECTIVE DATE.** This section is effective November 1, 2025."

Page 16, line 24, after "final" insert ", unless the appealing party can demonstrate good cause for failing to file in a timely manner. For purposes of this paragraph, "good cause" is a reason that would have prevented a reasonable person acting with due diligence from filing in a timely manner. Unless otherwise specified, deadlines in this section may be extended up to 60 days for good cause"

Page 17, after line 2, insert:

"(2) within 30 calendar days after an eligibility determination sent by the department related to seasonal employment status under section 268B.06, subdivision 9;"

Page 17, after line 7, insert:

"(4) within 30 calendar days after the denial of a good cause demonstration under subdivision 1, paragraph (e). The deadline for appeals of denials of good cause demonstration may not be extended;"

Page 17, after line 14, insert:

"(1) within 30 calendar days after a denial of an application for seasonal worker status under section 268B.01, subdivision 35;"

Page 29, lines 20 to 27, reinstate the stricken language

Page 40, delete section 38 and insert:

"Sec. 39. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a subdivision to read:

Subd. 5a. **Small employer premium rate.** (a) Small employers are eligible for the premium rates provided by this subdivision if the employer:

(1) has 30 or fewer employees pursuant to subdivision 5b of this section; and

(2) the average wage for that employer as calculated in subdivision 5c is less than or equal to 150 percent of the state's average wage in covered employment for the basis period.

(b) The premium rate for small employers eligible under this subdivision is 75 percent of the annual premium rate calculated in subdivisions 6 and 7, as follows:

(1) employers must pay a minimum of 25 percent of the rate calculated in subdivisions 6 and 7. Employers shall not deduct from any employees' pay to fund the employer portion of the premium; and

4.1 (2) employees must pay the remaining portion due under this subdivision, if any, of the
4.2 premium not paid by the employer. The employer must make wage deductions as necessary
4.3 under this subdivision to fund the employee portion of the premium."

4.4 Page 42, line 15, delete "2026" and insert "2024"

4.5 Page 42, line 20, delete "other" and after the period, insert "A copy of the actuarial study
4.6 must be provided promptly to the chairs and ranking minority members of the legislative
4.7 committees with jurisdiction over this chapter. The actuarial study must also be filed with
4.8 the Legislative Reference Library in compliance with section 3.195."

4.9 Page 43, line 7, delete "January 1, 2026" and insert "the day following final enactment"

4.10 Page 47 line 20, reinstate "and related" and delete the new language and insert "policies"

4.11 Page 47, line 21, delete the new language

4.12 Renumber the clauses and sections in sequence

4.13 Amend the title numbers accordingly

4.14 And when so amended the bill do pass and be re-referred to the Committee on Commerce
4.15 and Consumer Protection. Amendments adopted. Report adopted.

4.16 _____
4.17 (Committee Chair)

4.18 April 18, 2024.....

4.19 (Date of Committee recommendation)