

1.1 Senator ..... moves to amend S.F. No. 1832 as follows:

1.2 Page 88, after line 29, insert:

1.3 **"ARTICLE 7**

1.4 **PAID LEAVE MODIFICATIONS**

1.5 Section 1. Minnesota Statutes 2024, section 268B.01, subdivision 17, is amended to read:

1.6 Subd. 17. **Employee.** (a) "Employee" means an individual who performs services of  
1.7 whatever nature for an employer.

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

1.10 (c) Employee does not include seasonal employees as defined in subdivision 35.

1.11 (d) Employee does not include an employee of a small employer, unless the employee  
1.12 individually elects coverage under section 268B.11, subdivision 1. In such cases, services  
1.13 provided by the employee are considered covered employment under subdivision 15.

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

1.15 Sec. 2. Minnesota Statutes 2024, section 268B.01, subdivision 18, is amended to read:

1.16 Subd. 18. **Employer.** (a) "Employer" means:

1.17 (1) any person, type of organization, or entity, including any partnership, association,  
1.18 trust, estate, joint stock company, insurance company, limited liability company, or  
1.19 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or  
1.20 the legal representative of a deceased person, having any individual in covered employment;

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

1.23 (3) any municipality or local government entity, including but not limited to a county,  
1.24 city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing  
1.25 and redevelopment authority, port authority, economic development authority, sports facilities  
1.26 authority, board or commission, joint powers board or organization created under section  
1.27 471.59, destination medical center corporation, municipal corporation, quasimunicipal  
1.28 corporation, or other political subdivision. An employer also includes charter schools; and

1.29 (4) the taxpaying employer as described in section 268.046, subdivision 1.

1.30 (b) Employer does not include:

2.1 (1) the United States of America; ~~or~~

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

2.5 (3) a small employer unless the small employer has elected to provide coverage under  
2.6 section 268B.11, subdivision 1a. In such cases, services provided by the employee of the  
2.7 small employer are considered covered employment under subdivision 15.

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

2.9 Sec. 3. Minnesota Statutes 2024, section 268B.01, subdivision 23, is amended to read:

2.10 Subd. 23. **Family member.** (a) "Family member" means, with respect to an applicant:

2.11 (1) a spouse or domestic partner;

2.12 (2) a child, including a biological child, adopted child, foster child, stepchild, child of  
2.13 a domestic partner, or child to whom the applicant stands in loco parentis, is a legal guardian,  
2.14 or is a de facto custodian;

2.15 (3) a parent or legal guardian of the applicant;

2.16 ~~(4) a sibling;~~

2.17 ~~(5) (4) a grandchild;~~

2.18 ~~(6) (5) a grandparent or spouse's grandparent; and~~

2.19 ~~(7) a son-in-law or daughter-in-law; and~~

2.20 ~~(8) an~~ (6) up to one individual annually designated by the applicant who has a personal  
2.21 relationship with the applicant that creates an expectation and reliance that the applicant  
2.22 care for the individual without compensation, whether or not the applicant and the individual  
2.23 reside together.

2.24 (b) For the purposes of this chapter, "grandchild" means a child of the applicant's child.

2.25 (c) For the purposes of this chapter, "grandparent" means a parent of the applicant's  
2.26 parent.

2.27 (d) For the purposes of this chapter, "parent" means the biological, adoptive, de facto  
2.28 custodian, or foster parent, stepparent, or legal guardian of an applicant or the applicant's  
2.29 spouse, or an individual who stood in loco parentis to an applicant when the applicant was  
2.30 a child.

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

3.2 Sec. 4. Minnesota Statutes 2024, section 268B.01, subdivision 35, is amended to read:

3.3 Subd. 35. **Seasonal employee.** (a) A seasonal employee is an individual who is employed  
3.4 for no more than 150 days during any consecutive 52-week period ~~in hospitality by an~~  
3.5 ~~employer whose average receipts during any six months of the preceding calendar year~~  
3.6 ~~were not more than 33 percent of its average receipts for the other six months of such year.~~

3.7 ~~(b) For the purposes of this section, "hospitality" has the meaning given under the~~  
3.8 ~~collective definitions in section 157.15, subdivisions 4 to 9 and 11 to 14.~~

3.9 ~~(e)~~ (b) For an individual to be classified as a seasonal employee, an employer must apply  
3.10 to the department in a format and manner prescribed by the commissioner and certify that:

3.11 (1) the employee meets or will meet the 150-day maximum employment duration under  
3.12 this subdivision; and

3.13 ~~(2) the employee's primary line of work is hospitality;~~

3.14 ~~(3) the employer meets the receipts threshold under this subdivision; and~~

3.15 ~~(4)~~ (2) the employer has provided the required employee notice required under section  
3.16 268B.26.

3.17 ~~(d)~~ (c) An employer must notify the department, in a format and manner prescribed by  
3.18 the commissioner, within five business days if a previously classified seasonal employee  
3.19 no longer meets the criteria above and is no longer a seasonal employee.

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

3.21 Sec. 5. Minnesota Statutes 2024, section 268B.01, is amended by adding a subdivision to  
3.22 read:

3.23 Subd. 39a. **Small employer.** "Small employer" means an employer with 15 or fewer  
3.24 employees.

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

3.26 Sec. 6. Minnesota Statutes 2024, section 268B.04, subdivision 3, is amended to read:

3.27 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**  
3.28 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit  
3.29 is calculated by adding the amounts obtained by applying the following percentage to an  
3.30 applicant's average weekly wage during the high quarter of the base period:

4.1 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;  
4.2 plus

4.3 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but  
4.4 not 100 percent; ~~plus.~~

4.5 ~~(3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.~~

4.6 (b) For applicants that have changed employers within the base period, the weekly benefit  
4.7 amount is calculated based on the highest quarter of wages in the base period.

4.8 (c) The state's average weekly wage is the average wage as calculated under section  
4.9 268.035, subdivision 23, at the time a benefit amount is first determined.

4.10 (d) The maximum weekly benefit amount is the state's average weekly wage as calculated  
4.11 under section 268.035, subdivision 23.

4.12 (e) The state's maximum weekly benefit amount, computed in accordance with section  
4.13 268.035, subdivision 23, applies to leaves established effective on or after the last Sunday  
4.14 in October. Once established, an applicant's weekly benefit amount is not affected by the  
4.15 last Sunday in October change in the state's maximum weekly benefit amount.

4.16 (f) For a covered individual receiving family or medical leave, a weekly benefit amount  
4.17 is prorated when:

4.18 (1) the covered individual works hours for wages;

4.19 (2) the covered individual uses paid sick leave, paid vacation leave, or other paid time  
4.20 off that is not considered a supplemental benefit payment as defined in section 268B.01,  
4.21 subdivision 41; or

4.22 (3) leave is taken intermittently.

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

4.24 Sec. 7. Minnesota Statutes 2024, section 268B.04, subdivision 5, is amended to read:

4.25 Subd. 5. **Maximum length of benefits.** ~~(a) The total number of weeks that an applicant~~  
4.26 ~~may take benefits in a single benefit year for a serious health condition is the lesser of 12~~  
4.27 ~~weeks, or 12 weeks minus the number of weeks within the same benefit year that the~~  
4.28 ~~applicant received benefits for bonding, safety leave, family care, and qualifying exigency~~  
4.29 ~~plus eight weeks. An applicant may not receive more than 12 total weeks of benefits in a~~  
4.30 single benefit year except as provided in paragraph (b). Subject to this limit, benefit weeks  
4.31 may be used in any combination of the benefits available under this chapter.

(b) ~~The total number of weeks that an applicant may take benefits in a single benefit year for bonding, safety leave, family care, and qualifying exigency is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for a serious health condition plus eight weeks.~~ In addition to the total benefit weeks permitted under paragraph (a), an applicant is eligible for two weeks of benefits for a serious health condition related to pregnancy or childbirth, for a total amount of benefits not to exceed 14 weeks in a single benefit year.

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

Sec. 8. Minnesota Statutes 2024, section 268B.10, subdivision 2, is amended to read:

Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the medical benefit program if the commissioner determines:

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

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

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;

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

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

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

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

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

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

(10) coverage will continue under the private plan while an employee remains employed by the employer. For former employees, coverage for the purposes of benefits applies until the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

(11) if an application for leave is filed by a former employee to a private plan, the plan pays benefits for the totality of the leave. Private plans may not cut off eligibility for a former employee during the course of an approved leave.

(b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave and benefit eligibility if the total dollar value of wage replacement benefits under the private plan for an employee for any particular qualifying event meets or exceeds what the total dollar value would be under the public family and medical benefit program.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2024, section 268B.10, subdivision 3, is amended to read:

Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the family benefit program if the commissioner determines:

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

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

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;

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

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

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

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

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

(9) the private plan will allow any employee covered under the private plan who is eligible to receive family benefits under this chapter to receive family benefits under the employer plan;

(10) coverage will continue under the private plan while an employee remains employed by the employer. For former employees, coverage for the purposes of benefits applies until the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

(11) if an application for leave is filed by a former employee to a private plan, the private plan is required to pay benefits for the totality of the leave. Private plans must not discontinue eligibility for a former employee during the course of an approved leave.

(b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave and benefit eligibility if the total dollar value of wage replacement benefits under the private plan for an employee for any particular qualifying event meets or exceeds what the total dollar value would be under the public family and medical benefit program.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 268B.11, is amended to read:

**~~268B.11 SELF-EMPLOYED AND INDEPENDENT CONTRACTOR ELECTION~~  
OF COVERAGE.**

Subdivision 1. **Individual election of coverage.** (a) A self-employed individual or independent contractor, or an individual employed by a small employer that has not made an election of coverage under subdivision 1a, may file with the commissioner by electronic transmission in a format prescribed by the commissioner an application to be entitled to benefits under this chapter for a period not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent by United States mail or electronic transmission, the individual is entitled to benefits under this chapter beginning the calendar quarter after the date of approval or beginning in a later calendar quarter if requested by the self-employed individual or independent contractor. The individual ceases to be entitled to benefits as of the first day of January of any calendar year only if, at least 30 calendar days before the

first day of January, the individual has filed with the commissioner by electronic transmission in a format prescribed by the commissioner a notice to that effect.

(b) The commissioner may terminate any application approved under this section with 30 calendar days' notice sent by United States mail or electronic transmission if the ~~self-employed~~ individual is delinquent on any premiums due under this chapter. If an approved application is terminated in this manner during the first 104 consecutive calendar weeks of election, the ~~self-employed~~ individual remains obligated to pay the premium under subdivision 3 for the remainder of that 104-week period.

Subd. 1a. **Small employer election of coverage.** A small employer may elect to participate in the family or medical benefit program, or both benefit programs, under this chapter on the same terms as an employer who provides covered employment. The commissioner shall establish procedures for a small employer to elect to participate and may require that a small employer who elects to receive coverage under this chapter collect and remit the employer and employee premiums for a minimum period of not less than one year.

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

**Subd. 3. Premium.** ~~A self-employed~~ (a) An individual who elects to receive coverage under this chapter must annually pay a premium as provided in section 268B.14, subdivision 6, clause (1), times the lesser of:

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

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

(b) An individual whose small employer has not elected to provide coverage under subdivision 1a, and who individually elects to receive coverage under subdivision 1, shall remit their premium payment under paragraph (a) through a payroll deduction. The small employer of such an individual shall remit the employee's premium payments to the department in the manner directed by the commissioner.



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

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 268B.14, subdivision 7, is amended to read:

Subd. 7. **Premium rate adjustments.** The commissioner may adjust the annual premium rates pursuant to this section prior to January 1, 2026. By July 31, 2026, and then by July 31 of each year thereafter, the commissioner must adjust the annual premium rates for the following calendar year based on program historical experience and sound actuarial principles and so that the projected fund balance as a percentage of total program expenditure does not fall below 25 percent. The commissioner shall contract with a qualified independent actuarial consultant to conduct an actuarial study for this purpose no less than every year. A copy of all actuarial studies, and any revisions or other documents received that relate to an actuarial study, must be provided promptly to the chairs and ranking minority members of the legislative committees with jurisdiction over this chapter. All actuarial studies, and any revisions or other documents received that relate to an actuarial study, must also be filed with the Legislative Reference Library in compliance with section 3.195. A qualified independent actuarial consultant is one who is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA) and who has experience directly relevant to the analysis required. In no year shall the annual premium rate exceed ~~1.2~~ one percent of taxable wages paid to each employee.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Amend the title accordingly