

Minnesota Paid Leave

Employer Roles & Responsibilities Webinar October 16, 2024

mn.gov/deed

Why Paid Leave Matters

- Minnesotans take care of each other. In our communities, families, and workplaces, we step up and help the people we care about.
- Minnesota Paid Leave will support people when they need time to care for themselves and their loved ones.
- Supporting your employees when they need time for leave builds connections in our families, communities, and workplaces, and improves employee retention, performance and morale on the job.
- Minnesota Paid Leave will help ensure Minnesotans don't need to choose between financial stability and being there for their families.



Minnesota's Paid Leave Program

- The Minnesota Paid Leave law, enacted in May 2023 and updated in May 2024, makes paid family and medical leave coverage available to Minnesota workers beginning Jan. 1, 2026.
- The law provides **job protections and partial wage replacement**, paid by the state, to individuals who take leave for a qualifying condition, such as to bond with a new child or for medical care for themselves and their loved ones.
- The Paid Leave program will be **funded by premiums** made up of contributions from employees and employers.

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Covered Leave

Medical Leave

Up to 12 weeks



Leave to care for an individual's own serious medical condition.

Family Leave

Up to 12 weeks

Bonding

Leave to bond with an individual's child during the first 12 months after the child's birth or after the placement of the child through adoption or foster care.



Leave to care for a family member with a serious health condition.

Caring

Safety



Leave because of domestic abuse, sexual assault, or stalking of the individual or individual's family member.



Leave because a family member is on active duty or has been notified of an impending call or order to active duty in the Armed Forces.

Maximum of 20 weeks total leave in a benefit year.

Qualifying conditions must last more than seven days and be certified by a health care provider or designated professional.

Who Paid Leave Covers

Covered employers	Nearly all Minnesota employers, regardless of business size or number of employees.
Covered employees	Includes full-time, part-time, temporary and most seasonal workers.
Who is not required to participate?	Independent contractors and self-employed individuals may opt in.
	Certain seasonal hospitality employees are excluded.

Paid Leave Wage Payments



- Wage replacement means workers can take the time they need to focus on care and bonding and return to work with improved morale and productivity.
- To support Minnesota workers who need it most, the program is designed to replace wages at a higher percentage for lower income claimants. Eligible individuals can receive up to 90% wage replacement while taking leave up to a maximum value of \$1,337 per week (equal to the statewide average weekly wage).
- To be eligible, employees must have earned at least 5.3% of the statewide average annual wage (\$3,684 in 2023) in the past year.

Paid Leave Job Protection



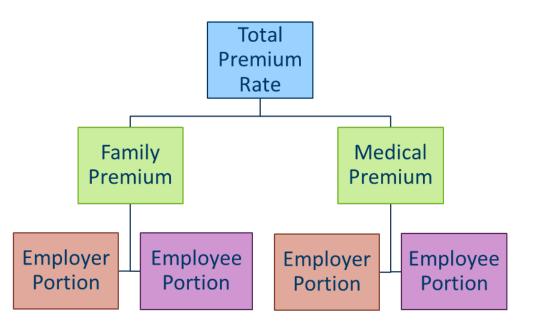
Job Protections

- Job protected leave improves employee retention, as workers can take the time they need to bond and care without having to choose between their job and their family.
- An employee who has taken family or medical leave must be restored to the same position or an equivalent position with the same pay, status, benefits, length of service, and seniority as prior to the date of leave.
- Job protections for employees begin after 90 calendar days from the date of hire.

Funding the Program

Starting January 2026, Paid Leave premiums will be financed through payroll deductions on employee wages and contributions from employers. The first premium is due April 30, 2026.

- Employers can deduct up to 50% of premiums from employee paychecks, starting January 1, 2026.
- Employers with fewer than 30 employees with an average employee wage of less than 150% of the statewide average annual wage are entitled to a reduced premium.



Building Paid Leave: Key Milestones

2024

- Public Comment on rulemaking for Paid Leave, summer and fall 2024
- UI employers now Joint UI/Paid Leave employers and Paid Leave Only employers begin registering May 2024
- First **quarterly wage report** due Oct. 31, 2024
- Initial **Private Plan guidance** available late fall 2024

2025

- **Private Plan applications** open for employer exemptions
- Community Outreach Grants start July 2025
- Employers need to notify their employees about Paid Leave benefits by Dec. 1, 2025

2026

- Payroll Deductions start Jan. 1, 2026
- Benefits and leave available to Minnesotans Jan. 1, 2026
- Small Business Assistance funding available Jan. 1, 2026
- First **quarterly premium** due by April 30, 2026

Employers' Role in Paid Leave

Paid Leave supports your employees when they need it most and strengthens connections in our families, communities, and workplaces. As an employer, you play an important role in helping your employees learn about and access Paid Leave and in building an effective program.

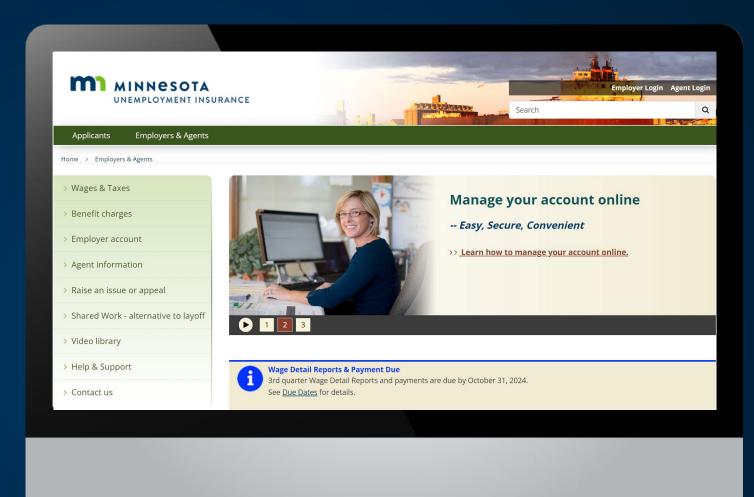


Your Paid Leave Employer Account

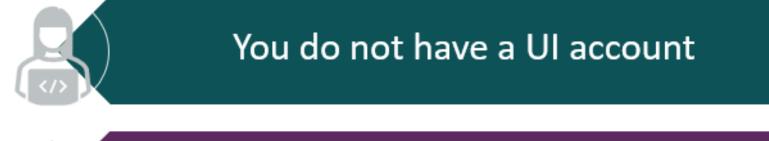
Paid Leave has partnered with Unemployment Insurance (UI) to use its online portal for collecting wage detail reports starting this month, and premium payments in April 2026.

Already in UI?

If all of an employer's employees are covered by UI, you do <u>not</u> need to take any new action. Your UI account has been converted into a joint UI & Paid Leave Account.



Employers may need to create a Paid Leave Only account if:



Some of your employees are not included in your UI wage report

Set up a Paid Leave Only account at: uimn.org/employers

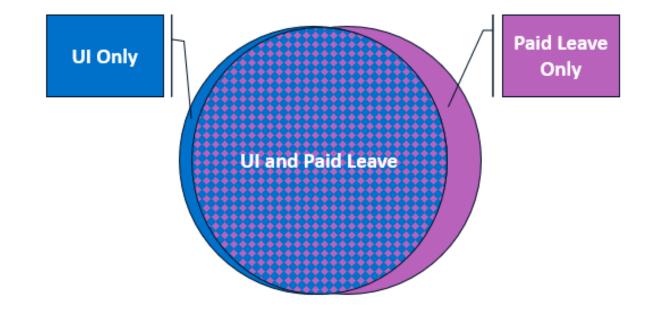
Employer Accounts Outreach

We are committed to helping employers get registered and in compliance over the coming months.

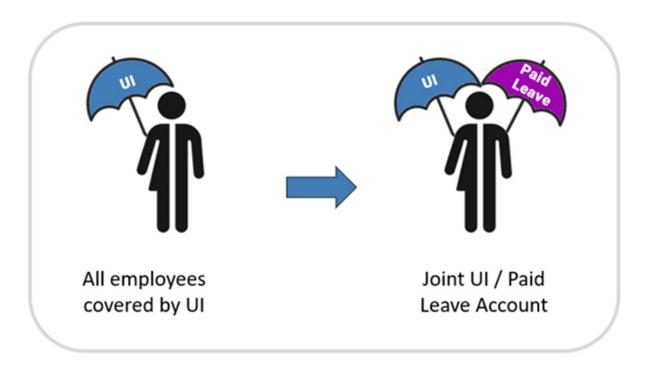
Other mixed-	Religious -
account	faith
situations	organizations
Municipalities	Small agricultural businesses

- Leveraging UI
- Similarities, differences
- Basic overview of registration
- Questions

Most work in the state is covered by both UI and Paid Leave



UI => UI/Paid Leave Joint



Benefit of Joint UI/Paid Leave Accounts

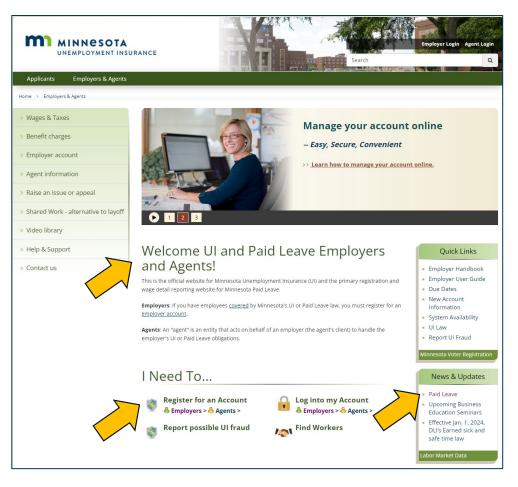
- For most employers, no further action is necessary.
- Just keep reporting wage detail as you have.
- All the processes are the same and file formats are the same.
- If you use a Third-Party Administrator, they will just keep sending us files on your behalf.
- Paid Leave Premiums are not due until April 2026 which will be for wages paid in 2026-1

We are re-branding – <u>www.uimn.org</u>



UI => UI/Paid Leave 1

We are re-branding – <u>www.uimn.org</u>



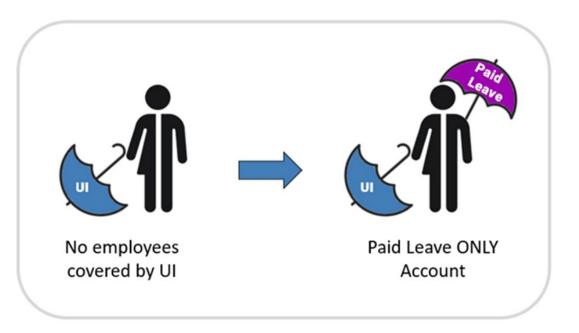
UI => UI/Paid Leave 2

Pick your current relationship to UI

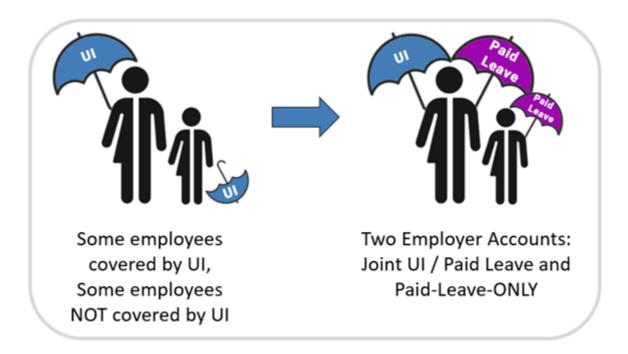


Aside from Joint UI/Paid Leave employer accounts, what are the other types?

No UI => Paid Leave ONLY



Some UI Some NOT UI => UI/Paid Leave Joint account and Paid Leave ONLY account



Paid Leave Employer Registration

Priority – Register employers that need a **Paid Leave ONLY** account

Start at the UI website: www.uimn.org

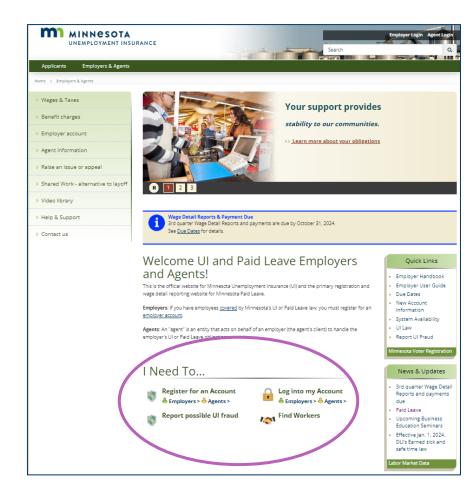
Welcome to the Minnesota Unemployment Insurance (UI) Program

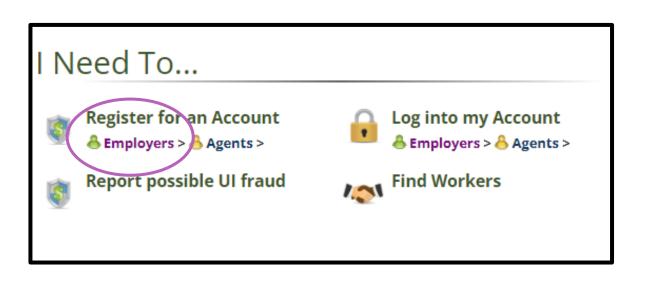
This is the official website of the Minnesota Unemployment Insurance Program, administered by the Department of Employment and Economic Development (DEED).

Select who you are:



Select Register for an Account





Employer Login Page

UNEMPLOYMENT INSURANCE	Thursday, October 17, 2024 English	h ~
nu 🔳		
eo Library Iome Page I Leave Home Page	Welcome to the Minnesota Unemployment Insurance (UI) and Paid Leave Employer System	d Field
	Message updated: 13-Oct-2024 12:00 AM	
	Is your account up to date? Check your address, phone number, owners/officers, and user information.	
	For account security, your password is the same as signing your name.	
	Existing employer account	
	Log in to your account	
	* User ID	
	* Password	
	Login Forgot your Password?	
	New employer account	
	How to register for an employer account (video, 12:41)	
	How to register for an employer account (video.1241) More information on Unemployment Insurance (UI)	
	More information on Unemployment Insurance (UI)	
	More information on Unemployment Insurance (UI) More information on Paid Leave	
	More information on Unemployment Insurance (UI) More information on Paid Leave Register	

Employer login page

If you already have an account, you can login

- Review and update your information
- Submit wage detail
- Pay UI amounts due
- In April 2026, Paid Leave Premiums will be paid here too

Need a new account, select Register

Let's select Register

Registering for a Paid Leave ONLY Account

- We need to gather some information to set up your account
- Your account will be set up based on the information you provide
- Read all the options and select the choices that fit your organization best

The following shows some key points in the process

Things you should have

Federal and state identification numbers:

- Federal Employment Identification Number (FEIN)
- Minnesota Department of Revenue Tax ID number
- Business/organization information:
- Type of business/organization (Sole proprietorship, LLC, corporation, etc.)
- State and date of incorporation (if applicable)

Information to determine program coverage and effective date: What is coverage?

- Date wages were paid for Minnesota employment (first payroll date)
- Number of employees you are paying <u>UI covered wages</u> to in Minnesota
- Number of employees you are paying <u>Paid Leave covered wages</u> to in Minnesota

Business/organization names and addresses:

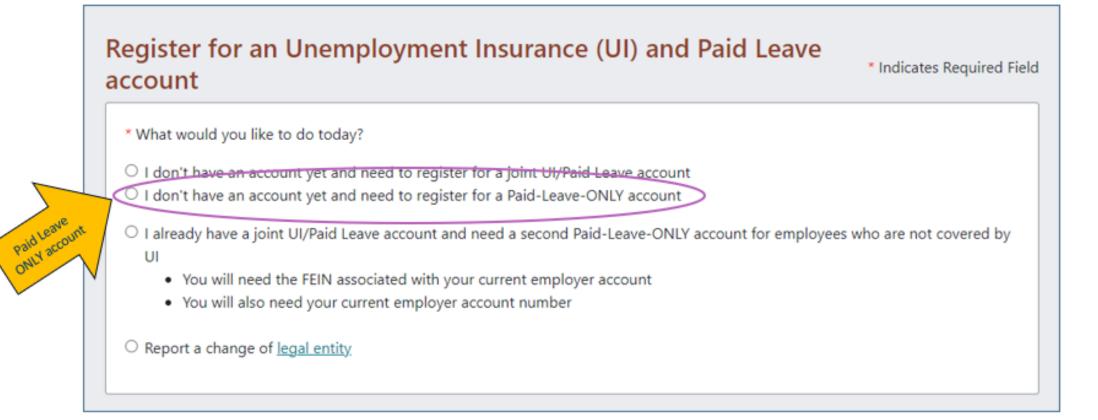
- "Legal Entity" name (as registered with the Secretary of State)
- "Doing Business As" name (when different than "Legal Entity" name)
- · Physical address of business/organization (where the work is done)
- · Business address for correspondence mailings (when different from business location)

Owner/Officer information:

- · Owner/officer/director names(s), home address, phone number
- Social Security Number(s) or FEIN
- Percentage of ownership

The information that you enter matters

Tell us what you want to do – ultimately your responses during the registration process will determine your account type.



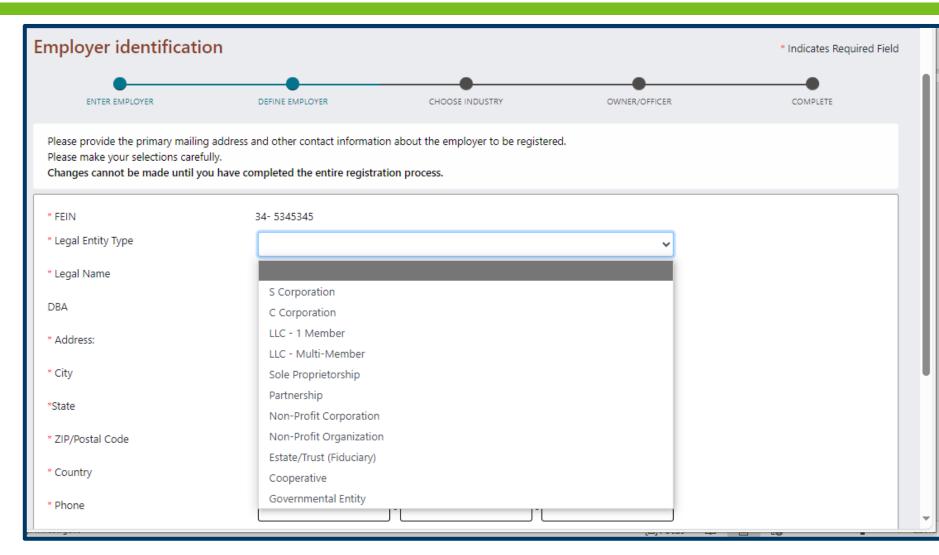
Screens that matter - Wages first paid

Have you paid wages in Minnesota?

- "Coverage" for both UI and Paid Leave starts when you make your first wage payment
- Enter the date you issued your first paycheck
- Paid Leave ONLY account?
 - Enter the actual date if you know it
 - If you don't know the actual date, enter 7-1-2024
- All other types of employer registrations: enter the actual date wages first paid

* Has the employer paid wages in Minnesota?
 Yes, the employer already paid wages in Minnesota No, the employer plans to pay wages in the future
* What date were wages first paid?
07 / 01 / 2024 (mm/dd/yyyy)

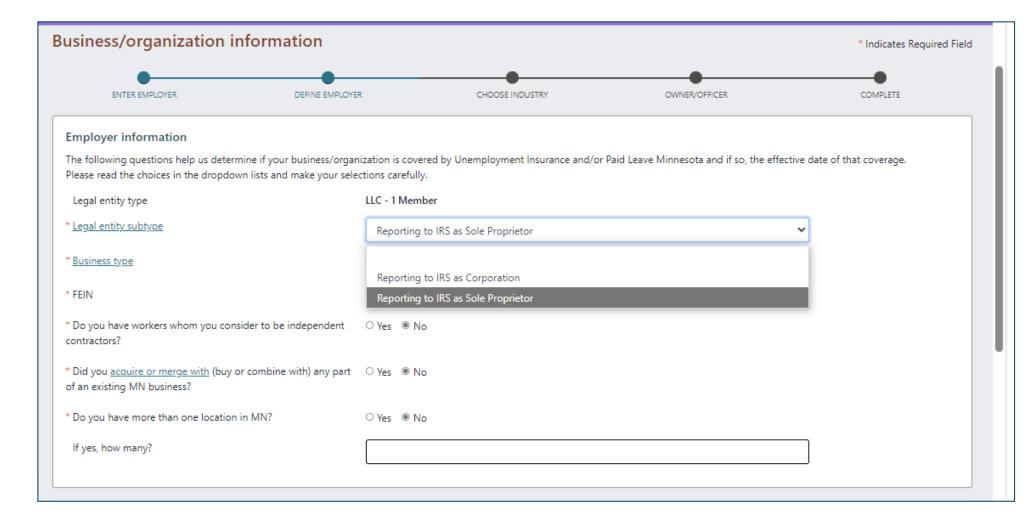
Screens that matter – Entity Type



Select your Legal Entity Type

- Read the choices carefully
- Religious organizations are non-profit corporations or non-profit organizations
- Your choice on this page will determine the entity sub types available for you to choose

Screens that matter -Subtypes



Legal Entity Subtype

- The choices are based on your Legal Entity Type
- This example is for a single member LLC
- If you selected nonprofit for your Legal Entity Type, you will be offered choices for religious organizations

Screens that matter – Business type

Business/organization inf	ormation			* Indicates Required Field
•	•	•	•	
ENTER EMPLOYER	DEFINE EMPLOYER	CHOOSE INDUSTRY	OWNER/OFFICER	COMPLETE
Employer information				
The following questions help us determin coverage. Please read the choices in the dropdown			ance and/or Paid Leave Minnesota and if sc	o, the effective date of that
Legal entity type	LLC - 1 Mem	ber		
* Legal entity subtype	Reporting	to IRS as Sole Proprietor	~	
* <u>Business type</u>			~	
* FEIN	Agricultur	al employment (Ag)		
* Do you have workers whom you conside	ur to bo	(Household) employment		
independent contractors?	Only own	er/officers employed with this emp	loyer (Not Ag or Domestic)	
* Did you <u>acquire or merge with</u> (buy or c part of an existing MN business?	ombine with) any All other e	employment (Not Ag or Domestic)		
* Do you have more than one location in	MN? O Yes O N	o		
If yes, how many?				

Business Type

- Narrows things down a bit more
- Select Agricultural or Domestic if that fits for you
- Select Only owner/officer if the only employees you will be reporting are the owner(s) and officer(s)
- Most employers including religious organizations will select the fourth option

Screens that matter – Number of employees

UI covered employees * How many employees do you currently have or plan to have in Minnesota? Only count those you expect to be covered by Minnesota's Unemployment Insurance Law. UI <u>covered wages</u>	
* Date covered services were first performed in Minnesota.	
Paid Leave Minnesota covered employees	
* How many employees do you currently have or plan to have in Minnesota? Only count those you expect to be covered by the Paid Leave Minnesota Law. <u>Paid Leave</u> <u>covered wages</u>	
* Date covered services were first performed in Minnesota.	

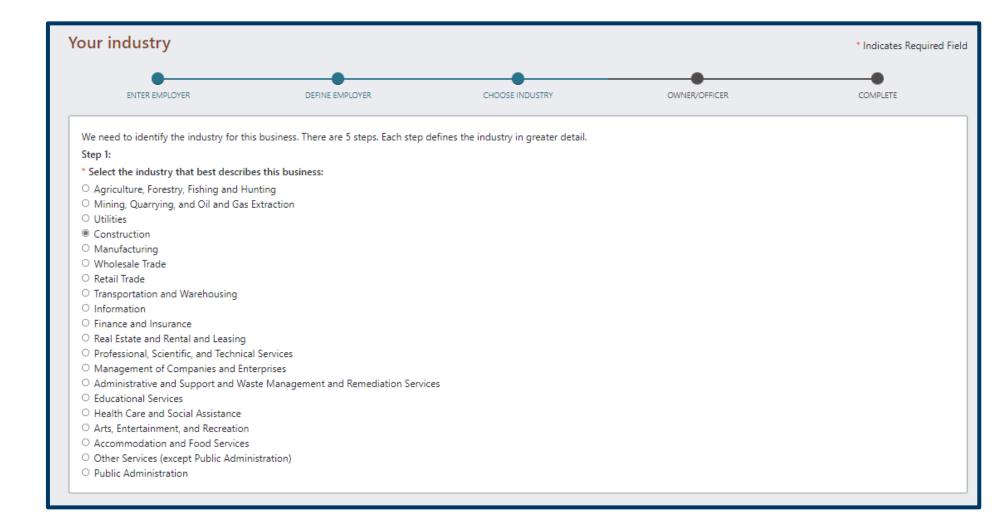
How many employees covered by UI, how many covered by Paid Leave?

Enter the number for each.

If you enter a zero, we do not need a date

If you enter something other than zero, enter the date work was first performed in Minnesota For Paid Leave, if you don't know the date, use 7-1-2024

Screens that matter –Industry codes



We need to know what industry you are in

- There will be five steps
- Select the choice that fits best for you.
- Religious organizations are under "Other Services"

Screens that matter – Person Responsible

Ownership needs to add up to 100%

- For LLC and Corporations
- Total percent for all owners must equal 100%
- It's not unusual that a corporation would need 3 names, but most of these already have a
 joint account

Non-profit and Governmental entities

• Officers, board members or persons responsible

Need

- Names
- Social Security Number
- Address

Confirmation with EAN

Determination of Employer Status				* Indicates Required Field
ENTER EMPLOYER	DESINE EMPLOYER	CHOOSE INDUSTINY	OWNER/OFFICER	COMPLETE
If your business/organization is also covered by UI, you will ge Review more information about <u>your responsibilities as an em</u>	zation is covered by Paid Leave. This is your confirmation of success t mailed a Determination of UI Coverage and you will need to file w <u>ployer.</u> stail submission for Paid Leave ONLY employers will be due in Octob	vage detail beginning with the first quarter your business is covered	d by UL.	
An employer that has noncovered employees may apply to ex during which to apply for coverage. UI Election of Coverage Information	t the threshold to become subject to Minnesota UI Law. This is your tend coverage to those employees. An election of coverage is effect oyees, login after you have received your permanent User ID and pa	tive for a minimum of two calendar years. The Minnesota Departm	ent of Employment and Economic Development (DEED) may gran	t or deny elections of coverage. Employers have limited times
Employer Account Number Employer Account Number: 5257922				
Quarterly Wage Detail Report Information You must submit quarterly wage detail reports. Go to the Min The due date of the next wage detail report is listed below.	nesota UI website <u>(www.uimn.org) for details about submitting thes</u>	e reports. Due Date: 10/31/2024		

Confirmation Page

- We'll confirm your Paid Leave registration
- We'll confirm your UI registration – and tell you your UI tax rate if required
- Your Employer Account Number for UI and Paid Leave will be at the bottom – keep this

Good job and thanks!

Next Steps

We will mail you:

- Password
- UI/Paid Leave Determination
- Paid Leave ONLY letter

Give us a day to review your account

Submit wage detail

After you register	
We will mail you a UI Determination and password (same letter)	
Your UI Determination will show a UI tax rate of 0.00% if you are Paid Leave only.	
We will mail you a Paid Leave Determination	
It's your account.	
You can review and make updates.	
You can assign a third-party agent if you want to.	
You can submit wage detail	
You can make UI payments	
In 2026, Paid Leave Payments	
We know this process feels new for some folks, so we are	

We know this process feels new for some folks, so we are reviewing all your data and correcting errors if we can. We may contact you if we have questions. Otherwise, you're all set.

Need Help

Friends -- Most accountants and bookkeepers in your community work with UI regularly

Website -- www.uimn.org

Call: with any questions

651-296-6141 8am to 4:30 pm Mon-Fri Press 4 to speak to a person



Help Make Paid Leave Work

Your partnership and experience help make Paid Leave work.

- Check out FAQs on our website: <u>paidleave.mn.gov</u>
- Register for a UI account: <u>uimn.org/employers/</u>
- Sign up for the Paid Leave updates: <u>Minnesota Paid Leave Newsletter</u>
- Send us questions: <u>Paid Family and Medical Leave Question Form</u>
- Watch for upcoming opportunities to engage and provide feedback on program and product design



Thank you + Questions

Greg Norfleet | Minnesota Paid Leave

Jim Hegman | Minnesota Unemployment Insurance



Help us improve!



Please take a moment to answer a few quick questions about today's session.

