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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 11

02/06/2025 Authored by Baker, Schultz, Bakeberg, Niska, Duran and others
The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy
02/17/2025 Adoption of Report: Re-referred to the Committee on Ways and Means
03/05/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/10/2025 Supplemental Calendar for the Day
Bill was laid on the Table

A bill for an act

relating to employment; delaying the implementation of the Minnesota Paid Leave Law by one year; amending Minnesota Statutes 2024, sections 268B.02, subdivision 6; 268B.14, subdivisions 6, 7; 268B.17; 268B.18; 268B.25; 268B.26.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 268B.02, subdivision 6, is amended to read:

Subd. 6. **Procurement.** For purposes of administering this chapter, until July 1, ~~2026~~ 2027, the department is exempt from the requirements of sections 16A.15, subdivision 3; 16C.06; 16C.08 to 16C.09; and any other applicable state procurement laws and procedures.

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

Sec. 2. Minnesota Statutes 2024, section 268B.14, subdivision 6, is amended to read:

Subd. 6. **Annual employer premium rates.** The employer premium rates beginning January 1, ~~2026~~ 2027, shall be as follows:

(1) for an employer participating in both family and medical benefit programs, 0.7 percent;

(2) for an employer participating in only the medical benefit program and with an approved private plan for the family benefit program, 0.4 percent; and

(3) for an employer participating in only the family benefit program and with an approved private plan for the medical benefit program, 0.3 percent.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 3. 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~~ 2027. By July 31, ~~2026~~ 2027, 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 percent of taxable wages paid to each employee.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 4. Minnesota Statutes 2024, section 268B.17, is amended to read:

268B.17 ADMINISTRATIVE COSTS.

Beginning January 1, ~~2026~~ 2027, and each calendar year thereafter, the commissioner may spend up to seven percent of projected benefit payments for that calendar year for the administration of this chapter. The department may enter into interagency agreements with the Department of Labor and Industry and the Department of Commerce, including agreements to transfer funds, subject to the limit in this section, for the Department of Labor and Industry to fulfill its enforcement authority of this chapter and for the Department of Commerce to fulfill the requirements of this chapter.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 268B.18, is amended to read:

268B.18 PUBLIC OUTREACH.

Beginning in fiscal year ~~2026~~ 2027, the commissioner must use at least 0.5 percent of projected benefit payments under section 268B.17 for the purpose of outreach, education,

and technical assistance for employees, employers, and self-employed individuals eligible to elect coverage under section 268B.11. The department may enter into interagency agreements with the Department of Labor and Industry and the Department of Commerce, including agreements to transfer funds, subject to the limit in section 268B.17, to accomplish the requirements of this section. At least one-half of the amount spent under this section must be used for grants to community-based groups.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 6. Minnesota Statutes 2024, section 268B.25, is amended to read:

268B.25 ANNUAL REPORTS.

(a) Beginning on or before January 1, ~~2027~~ 2028, the commissioner must annually report to the Department of Management and Budget and the house of representatives and senate committee chairs with jurisdiction over this chapter on program administrative expenditures and revenue collection for the prior fiscal year, including but not limited to:

(1) total revenue raised through premium collection;

(2) the number of self-employed individuals or independent contractors electing coverage under section 268B.11 and amount of associated revenue;

(3) the number of covered business entities paying premiums under this chapter and associated revenue;

(4) administrative expenditures including transfers to other state agencies expended in the administration of the chapter;

(5) summary of contracted services expended in the administration of this chapter;

(6) grant amounts and recipients under sections 268B.18 and 268B.29;

(7) an accounting of required outreach expenditures;

(8) summary of private plan approvals including the number of employers and employees covered under private plans; and

(9) adequacy and use of the private plan approval and oversight fee.

(b) Beginning on or before January 1, ~~2027~~ 2028, the commissioner must annually publish a publicly available report providing the following information for the previous fiscal year:

(1) total eligible claims;

(2) the number and percentage of claims attributable to each category of benefit;

(3) claimant demographics by age, race or ethnicity, gender, average weekly wage, occupation, and the type of leave taken;

(4) the percentage of claims denied and the reasons therefor, including but not limited to insufficient information and ineligibility and the reason therefor;

(5) average weekly benefit amount paid for all claims and by category of benefit;

(6) changes in the benefits paid compared to previous fiscal years;

(7) processing times for initial claims processing, initial determinations, and final decisions;

(8) average duration for cases completed;

(9) the number of cases remaining open at the close of such year; and

(10) the employers who received approval by the department for seasonal employee classification and the number of seasonal employees approved for each year.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 7. Minnesota Statutes 2024, section 268B.26, is amended to read:

268B.26 NOTICE REQUIREMENTS.

(a) Each employer must post in a conspicuous place on each of its premises a workplace notice prepared by the commissioner providing notice of benefits available under this chapter. The required workplace notice must be in English and each language other than English which is the primary language of five or more employees or independent contractors of that workplace, if such notice is available from the department.

(b) Each employer must issue to each employee not more than 30 days from the beginning date of the employee's employment, or 30 days before premium collection begins, whichever is later, the following written information provided by the department in the primary language of the employee:

(1) an explanation of the availability of family and medical leave benefits provided under this chapter, including rights to reinstatement and continuation of health insurance;

(2) the amount of premium deductions made by the employer under this chapter;

(3) the employer's premium amount and obligations under this chapter;

(4) the name and mailing address of the employer;

(5) the identification number assigned to the employer by the department;

(6) instructions on how to file a claim for family and medical leave benefits;

(7) the mailing address, email address, and telephone number of the department; and

(8) any other information required by the department.

Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information. In cases where an employee refuses to acknowledge receipt, an employer must be able to demonstrate the way the employee had been notified.

(c) An employer that fails to comply with this section may be issued, for a first violation, a civil penalty of $50 per employee, and for each subsequent violation, a civil penalty of $300 per employee. The employer shall have the burden of demonstrating compliance with this section.

(d) Employer notice to an employee under this section may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.

(e) The department shall prepare a uniform employee notice form for employers to use that provides the notice information required under this section. The commissioner shall prepare the uniform employee notice in the five most common languages spoken in Minnesota.

(f) Each employer who employs or intends to employ seasonal employees as defined in section 268B.01, subdivision 35, must issue to each seasonal employee a notice that the employee is not eligible to receive paid family and medical leave benefits while the employee is so employed. The notice must be provided at the time an employment offer is made, or within 30 days of November 1, ~~2025~~ 2026, for the employer's existing seasonal employees, and be in a form provided by the department. Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment.

EFFECTIVE DATE. This section is effective November 1, 2026.

Sec. 8. **EFFECTIVE DATES.**

(a) Notwithstanding any law to the contrary, the effective dates for the following sections of Minnesota Statutes are as follows:

(1) section 268B.03 is effective January 1, 2027;

(2) section 268B.04 is effective November 1, 2026;

(3) section 268B.05 is effective November 1, 2026;

(4) section 268B.06 is effective November 1, 2026;

(5) section 268B.07 is effective November 1, 2026;

(6) section 268B.081 is effective November 1, 2026;

(7) section 268B.085, subdivision 1, is effective November 1, 2026;

(8) section 268B.085, subdivisions 2 and 3, are effective January 1, 2027;

(9) section 268B.09, subdivisions 1 to 4, are effective November 1, 2026;

(10) section 268B.09, subdivisions 5 to 8, are effective January 1, 2027;

(11) section 268B.10 is effective July 1, 2026;

(12) section 268B.11 is effective July 1, 2026;

(13) section 268B.13 is effective January 1, 2027;

(14) section 268B.14 is effective January 1, 2027;

(15) section 268B.145 is effective January 1, 2027;

(16) section 268B.15 is effective January 1, 2027;

(17) section 268B.155 is effective January 1, 2027;

(18) section 268B.16 is effective January 1, 2027;

(19) section 268B.17 is effective July 1, 2026;

(20) section 268B.18 is effective January 1, 2027;

(21) section 268B.185 is effective January 1, 2027;

(22) section 268B.24 is effective November 1, 2026;

(23) section 268B.25 is effective January 1, 2027;

(24) section 268B.26 is effective November 1, 2026;

(25) section 268B.27 is effective January 1, 2027; and

(26) section 268B.29 is effective January 1, 2027.

(b) The effective dates in paragraph (a) supersede and prevail over the effective date of any other amendments to the sections in paragraph (a) enacted in the 2025 regular or special

session of the legislature, regardless of order of enactment. The effective dates for changes made to the sections in paragraph (a) during the 2023-2024 legislative sessions are void.

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