

**HOUSE OF REPRESENTATIVES**

NINETY-THIRD SESSION

**H. F. No. 2**

- 01/04/2023 Authored by Richardson, Hortman, Frazier, Noor, Hassan and others  
The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy
- 01/26/2023 Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law
- 02/01/2023 Adoption of Report: Amended and re-referred to the Committee on Children and Families Finance and Policy
- 02/06/2023 Adoption of Report: Amended and re-referred to the Committee on Labor and Industry Finance and Policy
- 02/08/2023 Adoption of Report: Amended and re-referred to the Committee on State and Local Government Finance and Policy
- 02/13/2023 Adoption of Report: Re-referred to the Committee on Human Services Finance
- 02/20/2023 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy
- 04/12/2023 Adoption of Report: Amended and re-referred to the Committee on Workforce Development Finance and Policy  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration  
Adoption of Report: Re-referred to the Committee on Workforce Development Finance and Policy  
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
- 04/17/2023 Adoption of Report: Re-referred to the Committee on Taxes
- 04/21/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/25/2023 Adoption of Report: Placed on the General Register as Amended and Read for the Second Time  
Read for the Second Time
- 05/02/2023 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/08/2023 Passed by the Senate as Amended and returned to the House
- 05/09/2023 Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to employment; creating a family and medical benefit insurance program;

1.3 requiring leave from employment under certain circumstances; allowing substitution

1.4 of a private plan; prohibiting retaliation; classifying data; authorizing expedited

1.5 rulemaking; transferring money; appropriating money; amending Minnesota

1.6 Statutes 2022, sections 13.719, by adding a subdivision; 62A.01, subdivision 1;

1.7 177.27, subdivision 4; 181.032; 256B.0659, subdivision 18; 256B.85, subdivisions

1.8 13, 13a; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01,

1.9 subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota

1.10 Statutes, chapter 268B.

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

**ARTICLE 1**

**FAMILY AND MEDICAL BENEFITS**

1.14 Section 1. Minnesota Statutes 2022, section 13.719, is amended by adding a subdivision

1.15 to read:

1.16 Subd. 7. Family and medical insurance data. (a) For the purposes of this subdivision,

1.17 the terms used have the meanings given them in section 268B.01.

1.18 (b) Data on applicants, family members, or employers under chapter 268B are private

1.19 or nonpublic data, provided that the department may share data collected from applicants

1.20 with employers or health care providers to the extent necessary to meet the requirements

1.21 of chapter 268B or other applicable law.

1.22 (c) The department and the Department of Labor and Industry may share data classified

1.23 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or

1.24 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided

1.25 in section 177.27.

2.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

2.2 Sec. 2. Minnesota Statutes 2022, section 62A.01, subdivision 1, is amended to read:

2.3 Subdivision 1. **Definition.** The term "policy of accident and sickness insurance" as used  
2.4 herein includes any policy covering the kind of insurance described in section 60A.06,  
2.5 subdivision 1, clause (5)(a), or the paid family and medical leave benefits as described in  
2.6 section 268B.10.

2.7 Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

2.8 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
2.9 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
2.10 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
2.11 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and  
2.12 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The  
2.13 commissioner shall issue an order requiring an employer to comply with sections 177.41  
2.14 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is  
2.15 repeated if at any time during the two years that preceded the date of violation, the  
2.16 commissioner issued an order to the employer for violation of sections 177.41 to 177.435  
2.17 and the order is final or the commissioner and the employer have entered into a settlement  
2.18 agreement that required the employer to pay back wages that were required by sections  
2.19 177.41 to 177.435. The department shall serve the order upon the employer or the employer's  
2.20 authorized representative in person or by certified mail at the employer's place of business.  
2.21 An employer who wishes to contest the order must file written notice of objection to the  
2.22 order with the commissioner within 15 calendar days after being served with the order. A  
2.23 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.  
2.24 If, within 15 calendar days after being served with the order, the employer fails to file a  
2.25 written notice of objection with the commissioner, the order becomes a final order of the  
2.26 commissioner.

2.27 **EFFECTIVE DATE.** This section is effective July 1, 2023.

2.28 Sec. 4. Minnesota Statutes 2022, section 181.032, is amended to read:

2.29 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
2.30 **TO EMPLOYEE.**

2.31 (a) At the end of each pay period, the employer shall provide each employee an earnings  
2.32 statement, either in writing or by electronic means, covering that pay period. An employer

3.1 who chooses to provide an earnings statement by electronic means must provide employee  
3.2 access to an employer-owned computer during an employee's regular working hours to  
3.3 review and print earnings statements, and must make statements available for review or  
3.4 printing for a period of three years.

3.5 (b) The earnings statement may be in any form determined by the employer but must  
3.6 include:

3.7 (1) the name of the employee;

3.8 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by  
3.9 hour, shift, day, week, salary, piece, commission, or other method;

3.10 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

3.11 (4) the total number of hours worked by the employee unless exempt from chapter 177;

3.12 (5) the total amount of gross pay earned by the employee during that period;

3.13 (6) a list of deductions made from the employee's pay;

3.14 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and  
3.15 the amount paid by the employer based on the employee's wages under section 268B.14,  
3.16 subdivision 1;

3.17 ~~(7)~~ (8) the net amount of pay after all deductions are made;

3.18 ~~(8)~~ (9) the date on which the pay period ends;

3.19 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if  
3.20 different from the legal name;

3.21 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,  
3.22 and a mailing address if different; and

3.23 ~~(11)~~ (12) the telephone number of the employer.

3.24 (c) An employer must provide earnings statements to an employee in writing, rather  
3.25 than by electronic means, if the employer has received at least 24 hours notice from an  
3.26 employee that the employee would like to receive earnings statements in written form. Once  
3.27 an employer has received notice from an employee that the employee would like to receive  
3.28 earnings statements in written form, the employer must comply with that request on an  
3.29 ongoing basis.

3.30 (d) At the start of employment, an employer shall provide each employee a written notice  
3.31 containing the following information:

4.1 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by  
4.2 the hour, shift, day, week, salary, piece, commission, or other method, and the specific  
4.3 application of any additional rates;

4.4 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

4.5 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;

4.6 (4) the employee's employment status and whether the employee is exempt from minimum  
4.7 wage, overtime, and other provisions of chapter 177, and on what basis;

4.8 (5) a list of deductions that may be made from the employee's pay;

4.9 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay  
4.10 day on which the employee will receive the first payment of wages earned;

4.11 (7) the legal name of the employer and the operating name of the employer if different  
4.12 from the legal name;

4.13 (8) the physical address of the employer's main office or principal place of business, and  
4.14 a mailing address if different; and

4.15 (9) the telephone number of the employer.

4.16 (e) The employer must keep a copy of the notice under paragraph (d) signed by each  
4.17 employee acknowledging receipt of the notice. The notice must be provided to each employee  
4.18 in English. The English version of the notice must include text provided by the commissioner  
4.19 that informs employees that they may request, by indicating on the form, the notice be  
4.20 provided in a particular language. If requested, the employer shall provide the notice in the  
4.21 language requested by the employee. The commissioner shall make available to employers  
4.22 the text to be included in the English version of the notice required by this section and assist  
4.23 employers with translation of the notice in the languages requested by their employees.

4.24 (f) An employer must provide the employee any written changes to the information  
4.25 contained in the notice under paragraph (d) prior to the date the changes take effect.

4.26 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
4.27 2025.

4.28 Sec. 5. Minnesota Statutes 2022, section 256B.0659, subdivision 18, is amended to read:

4.29 Subd. 18. **Personal care assistance choice option; generally.** (a) The commissioner  
4.30 may allow a recipient of personal care assistance services to use a fiscal intermediary to  
4.31 assist the recipient in paying and accounting for medically necessary covered personal care

5.1 assistance services. Unless otherwise provided in this section, all other statutory and  
5.2 regulatory provisions relating to personal care assistance services apply to a recipient using  
5.3 the personal care assistance choice option.

5.4 (b) Personal care assistance choice is an option of the personal care assistance program  
5.5 that allows the recipient who receives personal care assistance services to be responsible  
5.6 for the hiring, training, scheduling, and firing of personal care assistants according to the  
5.7 terms of the written agreement with the personal care assistance choice agency required  
5.8 under subdivision 20, paragraph (a). This program offers greater control and choice for the  
5.9 recipient in who provides the personal care assistance service and when the service is  
5.10 scheduled. The recipient or the recipient's responsible party must choose a personal care  
5.11 assistance choice provider agency as a fiscal intermediary. This personal care assistance  
5.12 choice provider agency manages payroll, invoices the state, is responsible for all  
5.13 payroll-related taxes and insurance, including premiums for family and medical benefit  
5.14 insurance, and is responsible for providing the consumer training and support in managing  
5.15 the recipient's personal care assistance services.

5.16 Sec. 6. Minnesota Statutes 2022, section 256B.85, subdivision 13, is amended to read:

5.17 Subd. 13. **Budget model.** (a) Under the budget model participants exercise responsibility  
5.18 and control over the services and supports described and budgeted within the CFSS service  
5.19 delivery plan. Participants must use services specified in subdivision 13a provided by an  
5.20 FMS provider. Under this model, participants may use their approved service budget  
5.21 allocation to:

5.22 (1) directly employ support workers, and pay wages, federal and state payroll taxes, and  
5.23 premiums for workers' compensation, liability, family and medical benefit insurance, and  
5.24 health insurance coverage; and

5.25 (2) obtain supports and goods as defined in subdivision 7.

5.26 (b) Participants who are unable to fulfill any of the functions listed in paragraph (a) may  
5.27 authorize a legal representative or participant's representative to do so on their behalf.

5.28 (c) If two or more participants using the budget model live in the same household and  
5.29 have the same support worker, the participants must use the same FMS provider.

5.30 (d) If the FMS provider advises that there is a joint employer in the budget model, all  
5.31 participants associated with that joint employer must use the same FMS provider.

6.1 (e) The commissioner shall disenroll or exclude participants from the budget model and  
6.2 transfer them to the agency-provider model under, but not limited to, the following  
6.3 circumstances:

6.4 (1) when a participant has been restricted by the Minnesota restricted recipient program,  
6.5 in which case the participant may be excluded for a specified time period under Minnesota  
6.6 Rules, parts 9505.2160 to 9505.2245;

6.7 (2) when a participant exits the budget model during the participant's service plan year.  
6.8 Upon transfer, the participant shall not access the budget model for the remainder of that  
6.9 service plan year; or

6.10 (3) when the department determines that the participant or participant's representative  
6.11 or legal representative is unable to fulfill the responsibilities under the budget model, as  
6.12 specified in subdivision 14.

6.13 (f) A participant may appeal in writing to the department under section 256.045,  
6.14 subdivision 3, to contest the department's decision under paragraph (e), clause (3), to disenroll  
6.15 or exclude the participant from the budget model.

6.16 Sec. 7. Minnesota Statutes 2022, section 256B.85, subdivision 13a, is amended to read:

6.17 Subd. 13a. **Financial management services.** (a) Services provided by an FMS provider  
6.18 include but are not limited to: filing and payment of federal and state payroll taxes and  
6.19 premiums on behalf of the participant; initiating and complying with background study  
6.20 requirements under chapter 245C and maintaining documentation of background study  
6.21 requests and results; billing for approved CFSS services with authorized funds; monitoring  
6.22 expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining  
6.23 and filing for liability, workers' compensation, family and medical benefit insurance, and  
6.24 unemployment coverage; and providing participant instruction and technical assistance to  
6.25 the participant in fulfilling employer-related requirements in accordance with section 3504  
6.26 of the Internal Revenue Code and related regulations and interpretations, including Code  
6.27 of Federal Regulations, title 26, section 31.3504-1.

6.28 (b) Agency-provider services shall not be provided by the FMS provider.

6.29 (c) The FMS provider shall provide service functions as determined by the commissioner  
6.30 for budget model participants that include but are not limited to:

6.31 (1) assistance with the development of the detailed budget for expenditures portion of  
6.32 the CFSS service delivery plan as requested by the consultation services provider or  
6.33 participant;

7.1 (2) data recording and reporting of participant spending;

7.2 (3) other duties established by the department, including with respect to providing  
7.3 assistance to the participant, participant's representative, or legal representative in performing  
7.4 employer responsibilities regarding support workers. The support worker shall not be  
7.5 considered the employee of the FMS provider; and

7.6 (4) billing, payment, and accounting of approved expenditures for goods.

7.7 (d) The FMS provider shall obtain an assurance statement from the participant employer  
7.8 agreeing to follow state and federal regulations and CFSS policies regarding employment  
7.9 of support workers.

7.10 (e) The FMS provider shall:

7.11 (1) not limit or restrict the participant's choice of service or support providers or service  
7.12 delivery models consistent with any applicable state and federal requirements;

7.13 (2) provide the participant, consultation services provider, and case manager or care  
7.14 coordinator, if applicable, with a monthly written summary of the spending for services and  
7.15 supports that were billed against the spending budget;

7.16 (3) be knowledgeable of state and federal employment regulations, including those under  
7.17 the Fair Labor Standards Act of 1938, and comply with the requirements under chapter  
7.18 268B and section 3504 of the Internal Revenue Code and related regulations and  
7.19 interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, regarding  
7.20 agency employer tax liability for vendor fiscal/employer agent, and any requirements  
7.21 necessary to process employer and employee deductions, provide appropriate and timely  
7.22 submission of employer tax liabilities, and maintain documentation to support medical  
7.23 assistance claims;

7.24 (4) have current and adequate liability insurance and bonding and sufficient cash flow  
7.25 as determined by the commissioner and have on staff or under contract a certified public  
7.26 accountant or an individual with a baccalaureate degree in accounting;

7.27 (5) assume fiscal accountability for state funds designated for the program and be held  
7.28 liable for any overpayments or violations of applicable statutes or rules, including but not  
7.29 limited to the Minnesota False Claims Act, chapter 15C;

7.30 (6) maintain documentation of receipts, invoices, and bills to track all services and  
7.31 supports expenditures for any goods purchased and maintain time records of support workers.  
7.32 The documentation and time records must be maintained for a minimum of five years from  
7.33 the claim date and be available for audit or review upon request by the commissioner. Claims

8.1 submitted by the FMS provider to the commissioner for payment must correspond with  
8.2 services, amounts, and time periods as authorized in the participant's service budget and  
8.3 service plan and must contain specific identifying information as determined by the  
8.4 commissioner; and

8.5 (7) provide written notice to the participant or the participant's representative at least 30  
8.6 calendar days before a proposed service termination becomes effective.

8.7 (f) The commissioner shall:

8.8 (1) establish rates and payment methodology for the FMS provider;

8.9 (2) identify a process to ensure quality and performance standards for the FMS provider  
8.10 and ensure statewide access to FMS providers; and

8.11 (3) establish a uniform protocol for delivering and administering CFSS services to be  
8.12 used by eligible FMS providers.

8.13 Sec. 8. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

8.14 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from  
8.15 any person under the administration of the Minnesota Unemployment Insurance Law are  
8.16 private data on individuals or nonpublic data not on individuals as defined in section 13.02,  
8.17 subdivisions 9 and 12, and may not be disclosed except according to a district court order  
8.18 or section 13.05. A subpoena is not considered a district court order. These data may be  
8.19 disseminated to and used by the following agencies without the consent of the subject of  
8.20 the data:

8.21 (1) state and federal agencies specifically authorized access to the data by state or federal  
8.22 law;

8.23 (2) any agency of any other state or any federal agency charged with the administration  
8.24 of an unemployment insurance program;

8.25 (3) any agency responsible for the maintenance of a system of public employment offices  
8.26 for the purpose of assisting individuals in obtaining employment;

8.27 (4) the public authority responsible for child support in Minnesota or any other state in  
8.28 accordance with section 256.978;

8.29 (5) human rights agencies within Minnesota that have enforcement powers;

8.30 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
8.31 laws;

9.1 (7) public and private agencies responsible for administering publicly financed assistance  
9.2 programs for the purpose of monitoring the eligibility of the program's recipients;

9.3 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
9.4 Department of Commerce for uses consistent with the administration of their duties under  
9.5 Minnesota law;

9.6 (9) the Department of Human Services and the Office of Inspector General and its agents  
9.7 within the Department of Human Services, including county fraud investigators, for  
9.8 investigations related to recipient or provider fraud and employees of providers when the  
9.9 provider is suspected of committing public assistance fraud;

9.10 (10) local and state welfare agencies for monitoring the eligibility of the data subject  
9.11 for assistance programs, or for any employment or training program administered by those  
9.12 agencies, whether alone, in combination with another welfare agency, or in conjunction  
9.13 with the department or to monitor and evaluate the statewide Minnesota family investment  
9.14 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,  
9.15 and the Supplemental Nutrition Assistance Program Employment and Training program by  
9.16 providing data on recipients and former recipients of Supplemental Nutrition Assistance  
9.17 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
9.18 care assistance under chapter 119B, or medical programs under chapter 256B or 256L or  
9.19 formerly codified under chapter 256D;

9.20 (11) local and state welfare agencies for the purpose of identifying employment, wages,  
9.21 and other information to assist in the collection of an overpayment debt in an assistance  
9.22 program;

9.23 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining  
9.24 the last known address and employment location of an individual who is the subject of a  
9.25 criminal investigation;

9.26 (13) the United States Immigration and Customs Enforcement has access to data on  
9.27 specific individuals and specific employers provided the specific individual or specific  
9.28 employer is the subject of an investigation by that agency;

9.29 (14) the Department of Health for the purposes of epidemiologic investigations;

9.30 (15) the Department of Corrections for the purposes of case planning and internal research  
9.31 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
9.32 to probation and preconfinement and postconfinement employment tracking of committed  
9.33 offenders;

10.1 (16) the state auditor to the extent necessary to conduct audits of job opportunity building  
 10.2 zones as required under section 469.3201; ~~and~~

10.3 (17) the Office of Higher Education for purposes of supporting program improvement,  
 10.4 system evaluation, and research initiatives including the Statewide Longitudinal Education  
 10.5 Data System; and

10.6 (18) the Family and Medical Benefits Division of the Department of Employment and  
 10.7 Economic Development to be used as necessary to administer chapter 268B..

10.8 (b) Data on individuals and employers that are collected, maintained, or used by the  
 10.9 department in an investigation under section 268.182 are confidential as to data on individuals  
 10.10 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3  
 10.11 and 13, and must not be disclosed except under statute or district court order or to a party  
 10.12 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

10.13 (c) Data gathered by the department in the administration of the Minnesota unemployment  
 10.14 insurance program must not be made the subject or the basis for any suit in any civil  
 10.15 proceedings, administrative or judicial, unless the action is initiated by the department.

10.16 **EFFECTIVE DATE.** This section is effective July 1, 2023.

10.17 Sec. 9. **[268B.01] DEFINITIONS.**

10.18 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section  
 10.19 have the meanings given.

10.20 Subd. 2. **Applicant.** "Applicant" means an individual applying for leave with benefits  
 10.21 under this chapter.

10.22 Subd. 3. **Applicant's average weekly wage.** "Applicant's average weekly wage" means  
 10.23 an amount equal to the applicant's high quarter wage credits divided by 13.

10.24 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,  
 10.25 means the most recent four completed calendar quarters before the effective date of an  
 10.26 applicant's application for family or medical leave benefits if the application has an effective  
 10.27 date occurring after the month following the most recent completed calendar quarter. The  
 10.28 base period under this paragraph is as follows:

10.29 <u>If the application for family or medical leave</u>	
10.30 <u>benefits is effective on or between these</u>	
10.31 <u>dates:</u>	<u>The base period is the prior:</u>
10.32 <u>February 1 to March 31</u>	<u>January 1 to December 31</u>
10.33 <u>May 1 to June 30</u>	<u>April 1 to March 31</u>



12.1 recent eight completed calendar quarters before the effective date of the application for  
12.2 family or medical leave benefits; and

12.3 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base  
12.4 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
12.5 recent nine completed calendar quarters before the effective date of the application for  
12.6 family or medical leave benefits.

12.7 (e) For an applicant under a private plan as provided in section 268B.10, the base period  
12.8 is those most recent four quarters in which wage credits were earned with the current  
12.9 employer as provided by the current employer. If an employer does not have four quarters  
12.10 of wage detail information, the employer must accept an employee's certification of wage  
12.11 credits, based on the employee's records. If the employee does not provide certification of  
12.12 additional wage credits, the employer may use a base period that consists of all available  
12.13 quarters.

12.14 Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter  
12.15 associated with qualifying bonding, family care, pregnancy, serious health condition,  
12.16 qualifying exigency, or safety leave events, unless otherwise indicated by context.

12.17 Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under  
12.18 section 268B.04.

12.19 Subd. 7. **Benefit year.** (a) Except as provided in paragraph (b), "benefit year" means  
12.20 the period of 52 calendar weeks beginning the date a benefit account under section 268B.04  
12.21 is effective. For a benefit account established effective any January 1, April 1, July 1, or  
12.22 October 1, the benefit year will be a period of 53 calendar weeks.

12.23 (b) For a private plan under section 268B.10, "benefit year" means:

12.24 (1) a calendar year;

12.25 (2) any fixed 12-month period, such as a fiscal year or a 12-month period measured  
12.26 forward from an employee's first date of employment;

12.27 (3) a 12-month period measured forward from an employee's first day of leave taken;

12.28 or

12.29 (4) a rolling 12-month period measured backward from an employee's first day of leave  
12.30 taken.

12.31 Employers are required to notify employees of their benefit year within 30 days of the  
12.32 private plan approval and first day of employment.

13.1 Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological,  
13.2 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the  
13.3 child's birth, adoption, or placement.

13.4 Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period  
13.5 corresponding to a single calendar date.

13.6 Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive  
13.7 calendar months ending on March 31, June 30, September 30, or December 31.

13.8 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under  
13.9 subdivision 46.

13.10 Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment  
13.11 and economic development, unless otherwise indicated by context.

13.12 Subd. 13. **Construction industry.** "Construction industry" means any construction,  
13.13 reconstruction, building erection, alteration, remodel, repair, renovation, rehabilitation,  
13.14 excavation, or demolition of any building, structure, facility utility, power plant, sewer,  
13.15 dam, highway, road, street, airport, bridge, or other improvement.

13.16 Subd. 14. **Covered active duty.** "Covered active duty" has the meaning given in United  
13.17 States Code, title 29, section 2611(14).

13.18 Subd. 15. **Covered employment.** (a) "Covered employment" means performing services  
13.19 of whatever nature, unlimited by the relationship of master and servant as known to the  
13.20 common law, or any other legal relationship performed for wages or under any contract  
13.21 calling for the performance of services, written or oral, express or implied.

13.22 (b) For the purposes of this chapter, covered employment means an employee's entire  
13.23 employment during a calendar quarter if:

13.24 (1) 50 percent or more of the employment during the calendar quarter is performed in  
13.25 Minnesota;

13.26 (2) 50 percent or more of the employment during the calendar quarter is not performed  
13.27 in Minnesota or any other state, or Canada, but some of the employment is performed in  
13.28 Minnesota and the employee's residence is in Minnesota during 50 percent or more of the  
13.29 calendar quarter; or

13.30 (3) 50 percent or more of the employment during the calendar quarter is not performed  
13.31 in Minnesota or any other state, or Canada, but the place from where the employee's  
13.32 employment is controlled and directed is based in Minnesota.

14.1 (c) "Covered employment" does not include:

14.2 (1) a self-employed individual; or

14.3 (2) an independent contractor.

14.4 Subd. 16. **Department.** "Department" means the Department of Employment and

14.5 Economic Development, unless otherwise indicated by context.

14.6 Subd. 17. **Employee.** (a) "Employee" means an individual who performs services of

14.7 whatever nature for an employer.

14.8 (b) Employee does not include employees of the United States of America, self-employed

14.9 individuals, or independent contractors.

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

14.11 (1) any person, type of organization, or entity, including any partnership, association,

14.12 trust, estate, joint stock company, insurance company, limited liability company, or

14.13 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or

14.14 the legal representative of a deceased person, having any individual in covered employment;

14.15 (2) the state, state agencies, Minnesota State Colleges and Universities, University of

14.16 Minnesota, and other statewide public systems; and

14.17 (3) any municipality or local government entity, including but not limited to a county,

14.18 city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing

14.19 and redevelopment authority, port authority, economic development authority, sports facilities

14.20 authority, joint powers board or organization created under section 471.59, destination

14.21 medical center corporation, municipal corporation, quasimunicipal corporation, or other

14.22 political subdivision. An employer also includes charter schools.

14.23 (b) Employer does not include:

14.24 (1) the United States of America; or

14.25 (2) a self-employed individual who has elected and been approved for coverage under

14.26 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

14.27 Subd. 19. **Estimated self-employment income.** "Estimated self-employment income"

14.28 means a self-employed individual's average net earnings from self-employment in the two

14.29 most recent taxable years. For a self-employed individual who had net earnings from

14.30 self-employment in only one of the years, the individual's estimated self-employment income

14.31 equals the individual's net earnings from self-employment in the year in which the individual

14.32 had net earnings from self-employment.

15.1 Subd. 20. **Family and medical benefit insurance account.** "Family and medical benefit  
15.2 insurance account" means the family and medical benefit insurance account in the special  
15.3 revenue fund in the state treasury under section 268B.02.

15.4 Subd. 21. **Family and medical benefit insurance enforcement account.** "Family and  
15.5 medical benefit insurance enforcement account" means the family and medical benefit  
15.6 insurance enforcement account in the state treasury under section 268B.185.

15.7 Subd. 22. **Family benefit program.** "Family benefit program" means the program  
15.8 administered under this chapter for the collection of premiums and payment of benefits  
15.9 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

15.10 Subd. 23. **Family care.** "Family care" means an applicant caring for a family member  
15.11 with a serious health condition or caring for a family member who is a covered service  
15.12 member.

15.13 Subd. 24. **Family member.** (a) "Family member" means, with respect to an applicant:

15.14 (1) a spouse or domestic partner;

15.15 (2) a child, including a biological, adopted, or foster child, a stepchild, or a child to  
15.16 whom the applicant stands in loco parentis, is a legal guardian, or is a de facto parent;

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

15.18 (4) a sibling;

15.19 (5) a grandchild;

15.20 (6) a grandparent or spouse's grandparent;

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

15.22 (8) an individual who has a relationship with the applicant that creates an expectation  
15.23 and reliance that the applicant care for the individual, whether or not the applicant and the  
15.24 individual reside together.

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

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

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

15.31 Subd. 25. **Health care provider.** "Health care provider" means:

16.1 (1) an individual who is licensed, certified, or otherwise authorized under law to practice  
16.2 in the individual's scope of practice as a physician, physician assistant, osteopath, surgeon,  
16.3 podiatrist, advanced practice registered nurse, alcohol and drug counselor, as defined in  
16.4 section 148F.01, subdivision 5, or mental health professional, as defined in section 245I.02,  
16.5 subdivision 27; or

16.6 (2) any other individual determined by the commissioner by rule, in accordance with  
16.7 the rulemaking procedures in the Administrative Procedure Act, to be capable of providing  
16.8 health care services.

16.9 Subd. 26. **High quarter.** "High quarter" means the calendar quarter in an applicant's  
16.10 base period with the highest amount of wage credits.

16.11 Subd. 27. **Incapacity.** "Incapacity" means inability to perform regular work, attend  
16.12 school, or fully perform other regular daily activities due to a serious health condition,  
16.13 treatment therefore, or recovery therefrom.

16.14 Subd. 28. **Independent contractor.** If there is an existing specific test or definition for  
16.15 independent contractor in Minnesota statute or rule applicable to an occupation or sector  
16.16 as of the date of enactment of this chapter, that test or definition shall apply to that occupation  
16.17 or sector for purposes of this chapter. If there is not an existing test or definition as described,  
16.18 the definition for independent contractor shall be as provided in Minnesota Rules, part  
16.19 5200.0221.

16.20 Subd. 29. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,  
16.21 or residential medical care facility, including any period of incapacity, or any subsequent  
16.22 treatment in connection with such inpatient care.

16.23 Subd. 30. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"  
16.24 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

16.25 Subd. 31. **Medical benefit program.** "Medical benefit program" means the program  
16.26 administered under this chapter for the collection of premiums and payment of benefits  
16.27 related to an applicant's serious health condition or pregnancy.

16.28 Subd. 32. **Net earnings from self-employment.** "Net earnings from self-employment"  
16.29 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section  
16.30 290.01, subdivision 31.

16.31 Subd. 33. **Pregnancy.** "Pregnancy" includes prenatal care or incapacity due to pregnancy  
16.32 or recovery from childbirth, stillbirth, miscarriage, or related health conditions.

17.1 Subd. 34. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of  
17.2 a military member's covered active duty service or notice of an impending call or order to  
17.3 covered active duty in the United States armed forces, including providing for the care or  
17.4 other needs of the family member's child or other dependent, making financial or legal  
17.5 arrangements for the family member, attending counseling, attending military events or  
17.6 ceremonies, spending time with the family member during a rest and recuperation leave or  
17.7 following return from deployment, or making arrangements following the death of the  
17.8 military member.

17.9 (b) For the purposes of this chapter, a "military member" means a current or former  
17.10 member of the United States armed forces, including a member of the National Guard or  
17.11 reserves, who, except for a deceased military member, is a resident of the state and is a  
17.12 family member of the applicant taking leave related to the qualifying exigency.

17.13 Subd. 35. **Safety leave.** "Safety leave" means leave from work because of domestic  
17.14 abuse, sexual assault, or stalking of the applicant or applicant's family member, provided  
17.15 the leave is to:

17.16 (1) seek medical attention related to the physical or psychological injury or disability  
17.17 caused by domestic abuse, sexual assault, or stalking;

17.18 (2) obtain services from a victim services organization;

17.19 (3) obtain psychological or other counseling;

17.20 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

17.21 (5) seek legal advice or take legal action, including preparing for or participating in any  
17.22 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual  
17.23 assault, or stalking.

17.24 Subd. 36. **Self-employed individual.** "Self-employed individual" means a resident of  
17.25 the state who, in one of the two taxable years preceding the current calendar year, derived  
17.26 at least 5.3 percent of the state's average annual wage in net earnings from self-employment  
17.27 from an entity other than an S corporation for the performance of services in this state.

17.28 Subd. 37. **Self-employment premium base.** "Self-employment premium base" means  
17.29 the lesser of:

17.30 (1) a self-employed individual's estimated self-employment income for the calendar year  
17.31 plus the individual's self-employment wages in the calendar year; or

18.1 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability  
18.2 Insurance tax in the taxable year.

18.3 Subd. 38. **Self-employment wages.** "Self-employment wages" means the amount of  
18.4 wages that a self-employed individual earned in the calendar year from an entity from which  
18.5 the individual also received net earnings from self-employment.

18.6 Subd. 39. **Serious health condition.** (a) "Serious health condition" means a physical or  
18.7 mental illness, injury, impairment, condition, or substance use disorder that involves:

18.8 (1) inpatient care in a hospital, hospice, or residential medical care facility, including  
18.9 any period of incapacity; or

18.10 (2) continuing treatment or supervision by a health care provider which includes any  
18.11 one or more of the following:

18.12 (i) a period of incapacity of more than three consecutive, full calendar days, and any  
18.13 subsequent treatment or period of incapacity relating to the same condition, that also involves:

18.14 (A) treatment two or more times, within 30 days of the first day of incapacity, unless  
18.15 extenuating circumstances beyond the applicant's control prevent a follow-up visit from  
18.16 occurring as planned, by a health care provider or by a provider of health care services under  
18.17 orders of, or on referral by, a health care provider; or

18.18 (B) treatment by a health care provider on at least one occasion that results in a regimen  
18.19 of continuing treatment under the supervision of the health care provider;

18.20 (ii) a period of incapacity due to pregnancy;

18.21 (iii) a period of incapacity or treatment for a chronic health condition that:

18.22 (A) requires periodic visits, defined as at least twice a year, for treatment by a health  
18.23 care provider or under orders of, or on referral by, a health care provider;

18.24 (B) continues over an extended period of time, including recurring episodes of a single  
18.25 underlying condition; and

18.26 (C) may cause episodic rather than continuing periods of incapacity;

18.27 (iv) a period of incapacity which is permanent or long term due to a condition for which  
18.28 treatment may not be effective. The applicant or family member must be under the continuing  
18.29 supervision of, but need not be receiving active treatment by, a health care provider; or

19.1 (v) a period of absence to receive multiple treatments, including any period of recovery  
19.2 from the treatments, by a health care provider or by a provider of health care services under  
19.3 orders of, or on referral by, a health care provider, for:

19.4 (A) restorative surgery after an accident or other injury; or

19.5 (B) a condition that would likely result in a period of incapacity of more than three  
19.6 consecutive, full calendar days in the absence of medical intervention or treatment.

19.7 (b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care  
19.8 provider means an in-person visit or telemedicine visit with a health care provider, or by a  
19.9 provider of health care services under orders of, or on referral by, a health care provider.

19.10 (c) For the purposes of paragraph (a), treatment includes but is not limited to examinations  
19.11 to determine if a serious health condition exists and evaluations of the condition.

19.12 (d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii),  
19.13 qualify for leave under this chapter even if the applicant or the family member does not  
19.14 receive treatment from a health care provider during the absence, and even if the absence  
19.15 does not last more than three consecutive, full calendar days.

19.16 Subd. 40. **State's average weekly wage.** "State's average weekly wage" means the  
19.17 weekly wage calculated under section 268.035, subdivision 23.

19.18 Subd. 41. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

19.19 (1) a payment made by an employer to an employee as salary continuation or as paid  
19.20 time off. Such a payment must be in addition to any family or medical leave benefits the  
19.21 employee is receiving under this chapter; and

19.22 (2) a payment offered by an employer to an employee who is taking leave under this  
19.23 chapter to supplement the family or medical leave benefits the employee is receiving.

19.24 (b) Employers may, but are not required to, designate certain benefits including but not  
19.25 limited to salary continuation, vacation leave, sick leave, or other paid time off as a  
19.26 supplemental benefit payment.

19.27 (c) Nothing in this chapter requires an employee to receive supplemental benefit  
19.28 payments.

19.29 Subd. 42. **Taxable year.** "Taxable year" has the meaning given in section 290.01,  
19.30 subdivision 9.

19.31 Subd. 43. **Taxable wages.** "Taxable wages" means those wages paid to an employee in  
19.32 covered employment each calendar year up to an amount equal to the maximum wages

20.1 subject to premium in a calendar year, which is equal to the maximum earnings in that year  
20.2 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest  
20.3 \$1,000.

20.4 Subd. 44. **Typical workweek.** "Typical workweek" means:

20.5 (1) for an hourly employee, the average number of hours worked per week by an  
20.6 employee within the high quarter during the base year; or

20.7 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried  
20.8 employee typically works.

20.9 Subd. 45. **Wage credits.** "Wage credits" means the amount of wages paid within an  
20.10 applicant's base period for covered employment, as defined in subdivision 13.

20.11 Subd. 46. **Wage detail report.** "Wage detail report" means the report on each employee  
20.12 in covered employment required from an employer on a calendar quarter basis under section  
20.13 268B.12.

20.14 Subd. 47. **Wages.** (a) "Wages" means all compensation for employment, including  
20.15 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and  
20.16 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by  
20.17 a customer of an employer and accounted for by the employee to the employer; sickness  
20.18 and accident disability payments, except as otherwise provided in this subdivision; and the  
20.19 cash value of housing, utilities, meals, exchanges of services, and any other goods and  
20.20 services provided to compensate an employee, except:

20.21 (1) the amount of any payment made to, or on behalf of, an employee under a plan  
20.22 established by an employer that makes provision for employees generally or for a class or  
20.23 classes of employees, including any amount paid by an employer for insurance or annuities,  
20.24 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and  
20.25 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

20.26 (2) the payment by an employer of the tax imposed upon an employee under United  
20.27 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect  
20.28 to compensation paid to an employee for domestic employment in a private household of  
20.29 the employer or for agricultural employment;

20.30 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a  
20.31 trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue  
20.32 Code, that is exempt from tax under section 501(a) at the time of the payment unless the  
20.33 payment is made to an employee of the trust as compensation for services as an employee

21.1 and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of  
21.2 the payment, is a plan described in section 403(a);

21.3 (4) the value of any special discount or markdown allowed to an employee on goods  
21.4 purchased from or services supplied by the employer where the purchases are optional and  
21.5 do not constitute regular or systematic payment for services;

21.6 (5) customary and reasonable directors' fees paid to individuals who are not otherwise  
21.7 employed by the corporation of which they are directors;

21.8 (6) the payment to employees for reimbursement of meal expenses when employees are  
21.9 required to perform work after their regular hours;

21.10 (7) the payment into a trust or plan for purposes of providing legal or dental services if  
21.11 provided for all employees generally or for a class or classes of employees;

21.12 (8) the value of parking facilities provided or paid for by an employer, in whole or in  
21.13 part, if provided for all employees generally or for a class or classes of employees;

21.14 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other  
21.15 right;

21.16 (10) advances or reimbursements for traveling or other ordinary and necessary expenses  
21.17 incurred or reasonably expected to be incurred in the business of the employer. Traveling  
21.18 and other reimbursed expenses must be identified either by making separate payments or  
21.19 by specifically indicating the separate amounts where both wages and expense allowances  
21.20 are combined in a single payment;

21.21 (11) residual payments to radio, television, and similar artists that accrue after the  
21.22 production of television commercials, musical jingles, spot announcements, radio  
21.23 transcriptions, film soundtracks, and similar activities;

21.24 (12) the income to a former employee resulting from the exercise of a nonqualified stock  
21.25 option;

21.26 (13) supplemental unemployment benefit payments under a plan established by an  
21.27 employer, if the payment is not wages under the Federal Unemployment Tax Act. The  
21.28 payments are wages unless made solely for the supplementing of weekly state or federal  
21.29 unemployment benefits. Supplemental unemployment benefit payments may not be assigned,  
21.30 nor may any consideration be required from the applicant, other than a release of claims in  
21.31 order to be excluded from wages;

22.1 (14) sickness or accident disability payments made by the employer after the expiration  
22.2 of six calendar months following the last calendar month that the individual worked for the  
22.3 employer;

22.4 (15) disability payments made under the provisions of any workers' compensation law;

22.5 (16) sickness or accident disability payments made by a third-party payer such as an  
22.6 insurance company; or

22.7 (17) payments made into a trust fund, or for the purchase of insurance or an annuity, to  
22.8 provide for sickness or accident disability payments to employees under a plan or system  
22.9 established by the employer that provides for the employer's employees generally or for a  
22.10 class or classes of employees.

22.11 (b) Nothing in this subdivision excludes from the term "wages" any payment made under  
22.12 any type of salary reduction agreement, including payments made under a cash or deferred  
22.13 arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k)  
22.14 and 125 of the federal Internal Revenue Code, to the extent that the employee has the option  
22.15 to receive the payment in cash.

22.16 (c) Wages includes the total payment to the operator and supplier of a vehicle or other  
22.17 equipment where the payment combines compensation for personal services as well as  
22.18 compensation for the cost of operating and hiring the equipment in a single payment. This  
22.19 paragraph does not apply if:

22.20 (1) there is a preexisting written agreement providing for allocation of specific amounts;  
22.21 or

22.22 (2) at the time of each payment there is a written acknowledgment indicating the separate  
22.23 allocated amounts.

22.24 (d) Wages includes payments made for services as a caretaker. Unless there is a contract  
22.25 or other proof to the contrary, compensation is considered as being equally received by a  
22.26 married couple where the employer makes payment to only one spouse, or by all tenants of  
22.27 a household who perform services where two or more individuals share the same dwelling  
22.28 and the employer makes payment to only one individual.

22.29 (e) Wages includes payments made for services by a migrant family. Where services  
22.30 are performed by a married couple or a family and an employer makes payment to only one  
22.31 individual, each worker is considered as having received an equal share of the compensation  
22.32 unless there is a contract or other proof to the contrary.

23.1 (f) Wages includes advances or draws against future earnings, when paid, unless the  
23.2 payments are designated as a loan or return of capital on the books and records of the  
23.3 employer at the time of payment.

23.4 (g) Wages includes payments made by a subchapter "S" corporation, as organized under  
23.5 the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable  
23.6 compensation for services performed for the corporation.

23.7 For a subchapter "S" corporation, wages does not include:

23.8 (1) a loan for business purposes to an officer or shareholder evidenced by a promissory  
23.9 note signed by an officer before the payment of the loan proceeds and recorded on the books  
23.10 and records of the corporation as a loan to an officer or shareholder;

23.11 (2) a repayment of a loan or payment of interest on a loan made by an officer to the  
23.12 corporation and recorded on the books and records of the corporation as a liability;

23.13 (3) a reimbursement of reasonable corporation expenses incurred by an officer and  
23.14 documented by a written expense voucher and recorded on the books and records of the  
23.15 corporation as corporate expenses; and

23.16 (4) a reasonable lease or rental payment to an officer who owns property that is leased  
23.17 or rented to the corporation.

23.18 Subd. 48. **Wages paid.** (a) "Wages paid" means the amount of wages:

23.19 (1) that have been actually paid; or

23.20 (2) that have been credited to or set apart so that payment and disposition is under the  
23.21 control of the employee.

23.22 (b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on  
23.23 the missed pay date. Back pay is wages paid on the date of actual payment. Any wages  
23.24 earned but not paid with no scheduled date of payment are wages paid on the last day of  
23.25 employment.

23.26 (c) Wages paid does not include wages earned but not paid except as provided for in  
23.27 this subdivision.

23.28 Subd. 49. **Week.** "Week" means calendar week ending at midnight Saturday.

23.29 Subd. 50. **Weekly benefit amount.** "Weekly benefit amount" means the amount of  
23.30 family and medical leave benefits computed under section 268B.04.

23.31 **EFFECTIVE DATE.** This section is effective July 1, 2023.

24.1 Sec. 10. [268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM  
24.2 CREATION.

24.3 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to  
24.4 be administered by the commissioner according to the terms of this chapter.

24.5 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is  
24.6 created within the department under the authority of the commissioner. The commissioner  
24.7 shall appoint a director of the division. The division shall administer and operate the benefit  
24.8 program under this chapter.

24.9 Subd. 3. **Rulemaking.** The commissioner shall adopt rules to implement the provisions  
24.10 of this chapter. For the purposes of this chapter, the commissioner may use the expedited  
24.11 rulemaking process under section 14.389.

24.12 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance  
24.13 account is created in the special revenue fund in the state treasury. Money in this account  
24.14 is appropriated to the commissioner to pay benefits under and to administer this chapter,  
24.15 including outreach required under section 268B.18. Appropriations and transfers to the  
24.16 account are credited to the account. Earnings, such as interest, dividends, and any other  
24.17 earnings arising from assets of the account, are credited to the account. Money remaining  
24.18 in the account at the end of a fiscal year are not canceled to the general fund but remain in  
24.19 the account until expended.

24.20 Subd. 5. **Information technology services and equipment.** The department is exempt  
24.21 from the provisions of section 16E.016 for the purposes of this chapter.

24.22 **EFFECTIVE DATE.** This section is effective July 1, 2023.

24.23 Sec. 11. [268B.03] PAYMENT OF BENEFITS.

24.24 Subdivision 1. **Requirements.** The commissioner must pay benefits from the family  
24.25 and medical benefit insurance account as provided under this chapter to an applicant who  
24.26 has met each of the following requirements:

24.27 (1) the applicant has filed an application for benefits and established a benefit account  
24.28 in accordance with section 268B.04;

24.29 (2) the applicant has met all of the ongoing eligibility requirements under section  
24.30 268B.06;

24.31 (3) the applicant does not have an outstanding overpayment of family or medical leave  
24.32 benefits, including any penalties or interest;

25.1 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision  
25.2 2; and

25.3 (5) the applicant is not employed exclusively by a private plan employer and has wage  
25.4 credits during the base year attributable to employers covered under the state family and  
25.5 medical leave program.

25.6 Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not  
25.7 considered paid from any special insurance plan, nor as paid by an employer. An application  
25.8 for family or medical leave benefits is not considered a claim against an employer but is  
25.9 considered a request for benefits from the family and medical benefit insurance account.  
25.10 The commissioner has the responsibility for the proper payment of benefits regardless of  
25.11 the level of interest or participation by an applicant or an employer in any determination or  
25.12 appeal. An applicant's entitlement to benefits must be determined based upon that information  
25.13 available without regard to a burden of proof. Any agreement between an applicant and an  
25.14 employer is not binding on the commissioner in determining an applicant's entitlement.  
25.15 There is no presumption of entitlement or nonentitlement to benefits.

25.16 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
25.17 2025.

25.18 Sec. 12. **[268B.04] BENEFIT ACCOUNT; BENEFITS.**

25.19 Subdivision 1. **Application for benefits; determination of benefit account.** (a) An  
25.20 application for benefits may be filed up to 60 days before leave taken under section 268B.085  
25.21 in person, by mail, or by electronic transmission as the commissioner may require. The  
25.22 applicant must include certification supporting a request for leave under this chapter. The  
25.23 applicant must meet eligibility requirements and must provide all requested information in  
25.24 the manner required. If the applicant fails to provide all requested information, the  
25.25 communication is not an application for family and medical leave benefits.

25.26 (b) The commissioner must examine each application for benefits to determine the base  
25.27 period and the benefit year, and based upon all the covered employment in the base period  
25.28 the commissioner must determine the weekly benefit amount available, if any, and the  
25.29 maximum amount of benefits available, if any. The determination, which is a document  
25.30 separate and distinct from a document titled a determination of eligibility or determination  
25.31 of ineligibility, must be titled determination of benefit account. A determination of benefit  
25.32 account must be sent to the applicant and all base period employers, by mail or electronic  
25.33 transmission.

26.1 (c) If a base period employer did not provide wage detail information for the applicant  
26.2 as required under section 268B.12, the commissioner may accept an applicant certification  
26.3 of wage credits, based upon the applicant's records, and issue a determination of benefit  
26.4 account.

26.5 (d) The commissioner may, at any time within 24 months from the establishment of a  
26.6 benefit account, reconsider any determination of benefit account and make an amended  
26.7 determination if the commissioner finds that the wage credits listed in the determination  
26.8 were incorrect for any reason. An amended determination of benefit account must be  
26.9 promptly sent to the applicant and all base period employers, by mail or electronic  
26.10 transmission. This paragraph does not apply to documents titled determinations of eligibility  
26.11 or determinations of ineligibility issued.

26.12 (e) If an amended determination of benefit account reduces the weekly benefit amount  
26.13 or maximum amount of benefits available, any benefits that have been paid greater than the  
26.14 applicant was entitled is an overpayment of benefits. A determination or amended  
26.15 determination issued under this section that results in an overpayment of benefits must set  
26.16 out the amount of the overpayment and the requirement that the overpaid benefits must be  
26.17 repaid according to section 268B.185.

26.18 Subd. 2. **Benefit account requirements.** To establish a benefit account, an applicant  
26.19 must have wage credits of at least 5.3 percent of the state's average annual wage rounded  
26.20 down to the next lower \$100.

26.21 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**  
26.22 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit  
26.23 is calculated by adding the amounts obtained by applying the following percentage to an  
26.24 applicant's average typical workweek and weekly wage during the high quarter of the base  
26.25 period:

26.26 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;  
26.27 plus

26.28 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but  
26.29 not 100 percent; plus

26.30 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

26.31 (b) The state's average weekly wage is the average wage as calculated under section  
26.32 268.035, subdivision 23, at the time a benefit amount is first determined.

27.1 (c) The maximum weekly benefit amount is the state's average weekly wage as calculated  
27.2 under section 268.035, subdivision 23.

27.3 (d) The state's maximum weekly benefit amount, computed in accordance with section  
27.4 268.035, subdivision 23, applies to a benefit account established effective on or after the  
27.5 last Sunday in October. Once established, an applicant's weekly benefit amount is not  
27.6 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

27.7 (e) For an employee receiving family or medical leave, a weekly benefit amount is  
27.8 prorated when:

27.9 (1) the employee works hours for wages; or

27.10 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is  
27.11 not considered a supplemental benefit payment as defined in section 268B.01, subdivision  
27.12 41.

27.13 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits  
27.14 must be paid weekly.

27.15 Subd. 5. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a  
27.16 single benefit year, an applicant may receive benefits under this chapter as follows:

27.17 (1) for an applicant's serious health condition or pregnancy, up to 12 weeks of benefits;  
27.18 or

27.19 (2) for bonding, safety leave, family care, or leave related to a qualifying exigency, up  
27.20 to 12 weeks of benefits; and

27.21 (3) if an applicant is eligible for benefits under clauses (1) and (2) in the same benefit  
27.22 year, up to an additional six weeks of benefits; provided that, the maximum length of benefits  
27.23 an applicant may receive in a single benefit year under this chapter shall not exceed 18  
27.24 weeks total, unless paragraph (b) applies.

27.25 (b) In addition to the benefits received under paragraph (a), an applicant may receive  
27.26 up to an additional six weeks of benefits for leave related to pregnancy recovery or  
27.27 complications; provided that, the maximum length of benefits an applicant may receive in  
27.28 a single benefit year under this chapter shall not exceed 24 weeks total.

27.29 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits  
27.30 for bonding leave, any claim for benefits must be based on a single qualifying event of at  
27.31 least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive

28.1 hours in a week. If an applicant on leave claims eight hours at any point during a week, the  
28.2 minimum duration is satisfied.

28.3 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit  
28.4 account is final unless an appeal is filed by the applicant within 60 calendar days after the  
28.5 sending of the determination or amended determination.

28.6 (b) Any applicant may appeal from a determination or amended determination of benefit  
28.7 account on the issue of whether services performed constitute employment, whether the  
28.8 employment is covered employment, and whether money paid constitutes wages.

28.9 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for  
28.10 family or medical leave benefits is effective the Sunday of the calendar week that the  
28.11 application was filed. An application for benefits may be backdated one calendar week  
28.12 before the Sunday of the week the application was actually filed if the applicant requests  
28.13 the backdating within seven calendar days of the date the application is filed. An application  
28.14 may be backdated only if the applicant was eligible for the benefit during the period of the  
28.15 backdating. If an individual attempted to file an application for benefits, but was prevented  
28.16 from filing an application by the department, the application is effective the Sunday of the  
28.17 calendar week the individual first attempted to file an application.

28.18 (b) A benefit account established under subdivision 2 is effective the date the application  
28.19 for benefits was effective.

28.20 (c) A benefit account, once established, may later be withdrawn if:

28.21 (1) the applicant has not been paid any benefits on that benefit account; and

28.22 (2) a new application for benefits is filed and a new benefit account is established at the  
28.23 time of the withdrawal.

28.24 (d) A benefit account may be withdrawn after the expiration of the benefit year if the  
28.25 applicant was not paid any benefits on the benefit account that is being withdrawn.

28.26 (e) A determination or amended determination of eligibility or ineligibility issued under  
28.27 section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect  
28.28 and is not voided by the withdrawal of the benefit account.

28.29 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
28.30 2025.

29.1 **Sec. 13. [268B.05] NOTIFICATION OF CHANGED CIRCUMSTANCES.**

29.2 An applicant shall promptly notify the department of changes that may affect eligibility  
29.3 under section 268B.06.

29.4 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
29.5 2025.

29.6 **Sec. 14. [268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**  
29.7 **BENEFITS.**

29.8 Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family  
29.9 or medical leave benefits for any week if:

29.10 (1) the week for which benefits are requested is in the applicant's benefit year;

29.11 (2) the applicant was unable to perform regular work due to a serious health condition,  
29.12 a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from  
29.13 pregnancy for the period required under subdivision 2. For bonding leave, eligibility ends  
29.14 12 months after birth or placement;

29.15 (3) the applicant has sufficient wage credits from an employer or employers as defined  
29.16 in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04;  
29.17 and

29.18 (4) an applicant requesting benefits under this chapter must fulfill certification  
29.19 requirements under subdivision 3.

29.20 (b) A self-employed individual or independent contractor who has elected and been  
29.21 approved for coverage under section 268B.11 need not fulfill the requirement of paragraph  
29.22 (a), clause (3) or (4).

29.23 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking  
29.24 benefits must be or have been based on a single event of at least seven calendar days' duration  
29.25 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety  
29.26 leave, or the applicant's serious health condition. The days must be consecutive, unless the  
29.27 leave is intermittent.

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

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

30.1 Subd. 3. Certification. (a) Certification for an applicant taking leave related to the  
30.2 applicant's serious health condition shall be sufficient if the certification states the date on  
30.3 which the serious health condition began, the probable duration of the condition, and the  
30.4 appropriate medical facts within the knowledge of the health care provider as required by  
30.5 the commissioner.

30.6 (b) Certification for an applicant taking leave to care for a family member with a serious  
30.7 health condition shall be sufficient if the certification states the date on which the serious  
30.8 health condition commenced, the probable duration of the condition, the appropriate medical  
30.9 facts within the knowledge of the health care provider as required by the commissioner, a  
30.10 statement that the family member requires care, and an estimate of the amount of time that  
30.11 the family member will require care.

30.12 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if  
30.13 the certification states the applicant is experiencing a pregnancy and recovery period based  
30.14 on appropriate medical facts within the knowledge of the health care provider.

30.15 (d) Certification for an applicant taking bonding leave because of the birth of the  
30.16 applicant's child shall be sufficient if the certification includes either the child's birth  
30.17 certificate or a document issued by the health care provider of the child or the health care  
30.18 provider of the person who gave birth, stating the child's birth date or estimated due date.

30.19 (e) Certification for an applicant taking bonding leave because of the placement of a  
30.20 child with the applicant for adoption or foster care shall be sufficient if the applicant provides  
30.21 a document issued by the health care provider of the child, an adoption or foster care agency  
30.22 involved in the placement, or by other individuals as determined by the commissioner that  
30.23 confirms the placement and the date of placement. To the extent that the status of an applicant  
30.24 as an adoptive or foster parent changes while an application for benefits is pending, or while  
30.25 the covered individual is receiving benefits, the applicant must notify the department of  
30.26 such change in status in writing.

30.27 (f) Certification for an applicant taking leave because of a qualifying exigency shall be  
30.28 sufficient if the certification includes:

30.29 (1) a copy of the family member's active-duty orders;

30.30 (2) other documentation issued by the United States armed forces; or

30.31 (3) other documentation permitted by the commissioner.

30.32 (g) Certification for an applicant taking safety leave is sufficient if the certification  
30.33 includes a court record or documentation signed by a volunteer or employee of a victim's

31.1 services organization, an attorney, a police officer, or an antiviolen  
31.2 commissioner must not require disclosure of details relating to an applicant's or applicant's  
31.3 family member's domestic abuse, sexual assault, or stalking.

31.4 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health  
31.5 care provider with knowledge of the qualifying event associated with the leave.

31.6 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious  
31.7 health condition of an applicant or applicant's family member, the certification under this  
31.8 subdivision must include an explanation of how such leave would be medically beneficial  
31.9 to the individual with the serious health condition.

31.10 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for  
31.11 any portion of a typical workweek:

31.12 (1) that occurs before the effective date of a benefit account;

31.13 (2) that the applicant fails or refuses to provide information on an issue of ineligibility  
31.14 required under section 268B.07, subdivision 2; or

31.15 (3) for which the applicant worked for pay from the employer from whom the applicant  
31.16 is taking leave under this chapter.

31.17 Subd. 5. **Vacation, sick leave, paid time off, and disability insurance payments.** (a)  
31.18 An employee may use vacation pay, sick pay, paid time off pay, or disability insurance  
31.19 payments, in lieu of family or medical leave program benefits under this chapter, provided  
31.20 the employee is concurrently eligible. Subject to the limitations of section 268B.09,  
31.21 subdivision 1, an employee is entitled to the employment protections under section 268B.09  
31.22 for those workdays during which this option is exercised. This subdivision applies to private  
31.23 plans under section 268B.10.

31.24 (b) An employer may offer a supplemental benefit payment, as defined in section  
31.25 268B.01, subdivision 41, to an employee on family or medical leave in addition to any paid  
31.26 family or medical leave benefits the employee is receiving. The choice to receive a  
31.27 supplemental benefit payment lies with the employee. Nothing in this section shall be  
31.28 construed as requiring an employee to receive, or an employer to provide, a supplemental  
31.29 benefit payment.

31.30 Subd. 6. **Workers' compensation offset.** (a) An applicant is not eligible to receive  
31.31 benefits for any portion of a week in which the applicant is receiving or has received  
31.32 compensation for loss of wages equal to or in excess of the applicant's weekly family or  
31.33 medical leave benefit amount under:

32.1 (1) the workers' compensation law of this state; or

32.2 (2) the workers' compensation law of any other state or similar federal law.

32.3 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
32.4 wages under paragraph (a). If the applicant later receives compensation as a result of the  
32.5 pending claim, the applicant is subject to paragraph (a) and the family or medical leave  
32.6 benefits paid are overpaid benefits under section 268B.185.

32.7 (c) If the amount of compensation described under paragraph (a) for any week is less  
32.8 than the applicant's weekly family or medical leave benefit amount, benefits requested for  
32.9 that week are reduced by the amount of that compensation payment.

32.10 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible  
32.11 to receive benefits for any week the applicant is receiving, has received, or will receive  
32.12 separation pay, severance pay, bonus pay, or any other payments paid by an employer  
32.13 because of, upon, or after separation from employment. This subdivision applies if the  
32.14 payment is:

32.15 (1) considered wages under section 268B.01, subdivision 43; or

32.16 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
32.17 Security and Medicare.

32.18 (b) Payments under this subdivision are applied to the period immediately following the  
32.19 later of the date of separation from employment or the date the applicant first becomes  
32.20 aware that the employer will be making a payment. The date the payment is actually made  
32.21 or received, or that an applicant must agree to a release of claims, does not affect the  
32.22 application of this paragraph.

32.23 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or  
32.24 supplemental benefit payment under subdivision 4.

32.25 (d) This subdivision applies to all the weeks of payment.

32.26 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
32.27 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that  
32.28 week. If the payment with respect to a week is less than the applicant's weekly benefit  
32.29 amount, benefits are reduced by the amount of the payment.

32.30 Subd. 8. **Social Security disability benefits.** (a) An applicant who is receiving, has  
32.31 received, or has filed for primary Social Security disability benefits for any week is ineligible  
32.32 for benefits for that week, unless:

33.1 (1) the Social Security Administration approved the collecting of primary Social Security  
33.2 disability benefits each month the applicant was employed during the base period; or

33.3 (2) the applicant provides a statement from an appropriate health care professional who  
33.4 is aware of the applicant's Social Security disability claim and the basis for that claim,  
33.5 certifying that the applicant is able to perform the essential functions of their employment  
33.6 with or without a reasonable accommodation.

33.7 (b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no  
33.8 deduction from the applicant's weekly benefit amount for any Social Security disability  
33.9 benefits.

33.10 (c) Information from the Social Security Administration is conclusive, absent specific  
33.11 evidence showing that the information was erroneous.

33.12 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
33.13 2025.

33.14 **Sec. 15. [268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

33.15 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is  
33.16 entitled to benefits, the commissioner must promptly send a notification to each current  
33.17 employer of the applicant, if any, in accordance with paragraph (b).

33.18 (b) The notification under paragraph (a) must include, at a minimum:

33.19 (1) the name of the applicant;

33.20 (2) that the applicant has applied for and received benefits;

33.21 (3) the week the benefits commence;

33.22 (4) the weekly benefit amount payable; and

33.23 (5) the maximum duration of benefits.

33.24 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility  
33.25 raised by information required from an applicant and send to the applicant and any current  
33.26 base period employer, by mail or electronic transmission, a document titled a determination  
33.27 of eligibility or a determination of ineligibility, as is appropriate, within two weeks, unless  
33.28 the application is incomplete due to outstanding requests for information including clerical  
33.29 or other errors. Nothing prohibits the commissioner from requesting additional information  
33.30 or the applicant from supplementing their initial application before a determination of

34.1 eligibility. The commissioner may extend the deadline for a determination under this  
34.2 subdivision due to extenuating circumstances.

34.3 (b) If an applicant obtained benefits through misrepresentation, the department is  
34.4 authorized to issue a determination of ineligibility within 12 months of the establishment  
34.5 of the benefit account.

34.6 (c) If the department has filed an intervention in a worker's compensation matter under  
34.7 section 176.361, the department is authorized to issue a determination of ineligibility within  
34.8 48 months of the establishment of the benefit account.

34.9 (d) A determination of eligibility or determination of ineligibility is final unless an appeal  
34.10 is filed by the applicant within 60 calendar days after sending. The determination must  
34.11 contain a prominent statement indicating the consequences of not appealing. Proceedings  
34.12 on the appeal are conducted in accordance with section 268B.08.

34.13 (e) An issue of ineligibility required to be determined under this section includes any  
34.14 question regarding the denial or allowing of benefits under this chapter.

34.15 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,  
34.16 on the commissioner's own motion, may reconsider a determination of eligibility or  
34.17 determination of ineligibility that has not become final and issue an amended determination.  
34.18 Any amended determination must be sent to the applicant and any employer in the current  
34.19 base period by mail or electronic transmission. Any amended determination is final unless  
34.20 an appeal is filed by the applicant within 60 calendar days after sending.

34.21 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits  
34.22 to an applicant, the family or medical leave benefits must be paid regardless of any appeal  
34.23 period or any appeal having been filed.

34.24 Subd. 5. **Overpayment.** A determination or amended determination that holds an  
34.25 applicant ineligible for benefits for periods an applicant has been paid benefits is an  
34.26 overpayment of those family or medical leave benefits. A determination or amended  
34.27 determination issued under this section that results in an overpayment of benefits must set  
34.28 out the amount of the overpayment and the requirement that the overpaid benefits must be  
34.29 repaid according to section 268B.185.

34.30 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
34.31 2025.

35.1 Sec. 16. **[268B.08] APPEAL PROCESS.**35.2 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.35.3 (b) Upon a timely appeal to a determination having been filed or upon a referral for  
35.4 direct hearing, the chief benefit judge must set a time and date for a de novo due-process  
35.5 hearing and send notice to an applicant and an employer, by mail or electronic transmission,  
35.6 not less than ten calendar days before the date of the hearing.35.7 (c) The commissioner may adopt rules on procedures for hearings. The rules need not  
35.8 conform to common law or statutory rules of evidence and other technical rules of procedure.35.9 (d) The chief benefit judge has discretion regarding the method by which the hearing is  
35.10 conducted.35.11 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,  
35.12 the benefit judge must serve by mail or electronic transmission to all parties the decision,  
35.13 reasons for the decision, and written findings of fact.35.14 (b) Decisions of a benefit judge are not precedential.35.15 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within  
35.16 30 calendar days after service of the benefit judge's decision, file a request for reconsideration  
35.17 asking the judge to reconsider that decision.35.18 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for  
35.19 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.35.20 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed  
35.21 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who  
35.22 are supervisors, or benefit judges.35.23 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may  
35.24 transfer to another benefit judge any proceedings pending before another benefit judge.35.25 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
35.26 2025.35.27 Sec. 17. **[268B.085] LEAVE.**35.28 Subdivision 1. **Right to leave.** (a) Ninety calendar days from the date of hire, an employee  
35.29 has a right to leave from employment for any day, or portion of a day, for which:35.30 (1) the employee meets the eligibility criteria under section 268B.06, subdivision 1,  
35.31 clause (2); or

36.1 (2) the employee has applied for benefits in good faith under this chapter. For the purposes  
36.2 of this subdivision, good faith is defined as anything that is not knowingly false or in reckless  
36.3 disregard of the truth.

36.4 (b) Notwithstanding paragraph (a), an employee no longer has a right to leave following  
36.5 a denial of benefits by a benefit judge. The employee's right to leave under this section is  
36.6 not to exceed the maximum length of benefits under section 268B.04, subdivision 5.

36.7 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must  
36.8 provide the employer at least 30 days' advance notice before leave under this chapter is to  
36.9 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately  
36.10 when leave will be required to begin, a change in circumstances, or a medical emergency,  
36.11 notice must be given as soon as practicable. Whether leave is to be continuous or is to be  
36.12 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but  
36.13 the employee must advise the employer as soon as practicable if dates of scheduled leave  
36.14 change or are extended, or were initially unknown. In those cases where the employee is  
36.15 required to provide at least 30 days' notice of foreseeable leave and does not do so, the  
36.16 employee must explain the reasons why notice was not practicable upon request from the  
36.17 employer.

36.18 (b) "As soon as practicable" means as soon as both possible and practical, taking into  
36.19 account all of the facts and circumstances in the individual case. When an employee becomes  
36.20 aware of a need for leave under this chapter less than 30 days in advance, it should be  
36.21 practicable for the employee to provide notice of the need for leave either the same day or  
36.22 the next day, unless the need for leave is based on a medical emergency. In all cases,  
36.23 however, the determination of when an employee could practicably provide notice must  
36.24 take into account the individual facts and circumstances.

36.25 (c) An employee shall provide at least oral, telephone, or text message notice sufficient  
36.26 to make the employer aware that the employee needs leave allowed under this chapter and  
36.27 the anticipated timing and duration of the leave.

36.28 (d) An employer may require an employee to comply with the employer's usual and  
36.29 customary notice and procedural requirements for requesting leave, absent unusual  
36.30 circumstances or other circumstances caused by the reason for the employee's need for  
36.31 leave. Leave under this chapter must not be delayed or denied where an employer's usual  
36.32 and customary notice or procedural requirements require notice to be given sooner than set  
36.33 forth in this subdivision.

37.1 (e) An employer may require that an employee taking leave under this chapter provide  
37.2 a copy of the certification under section 268B.06, subdivision 3. Upon a written request  
37.3 from the employer, the employee shall provide a copy of the certification as soon as  
37.4 practicable given all of the facts and circumstances in the individual situation. Providing  
37.5 certification at or around the time the employee provides a certification to the department  
37.6 is considered practicable. In addition to any prohibition imposed under section 268B.09,  
37.7 an employer must not discharge, discipline, penalize, interfere with, threaten, restrain,  
37.8 coerce, or otherwise retaliate or discriminate against an employee for providing this  
37.9 certification.

37.10 (f) If an employer has failed to provide notice to the employee as required under section  
37.11 268B.26, paragraph (a), (b), or (e), the employee is not required to comply with the notice  
37.12 requirements of this subdivision.

37.13 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested  
37.14 by the employee. Bonding leave must end within 12 months of the birth, adoption, or  
37.15 placement of a foster child, except that, in the case where the child must remain in the  
37.16 hospital longer than the mother, the leave must end within 12 months after the child leaves  
37.17 the hospital. Employees may also use bonding leave under this chapter before the actual  
37.18 placement or adoption of a child in situations that include but are not limited to an employee's  
37.19 requirement to: attend counseling sessions; appear in court; consult with any attorney or  
37.20 doctor representing the birth parent; submit to a physical examination; or travel to another  
37.21 country to complete an adoption.

37.22 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based  
37.23 on a serious health condition, may be taken intermittently or on a reduced-leave schedule  
37.24 if such leave is reasonable and appropriate to the needs of the individual with the serious  
37.25 health condition. For all other leaves under this chapter, leave may be taken intermittently  
37.26 or on a reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time  
37.27 due to a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule  
37.28 that reduces an employee's usual number of working hours per workweek or hours per  
37.29 workday.

37.30 (b) Leave taken intermittently or on a reduced-schedule basis counts toward the  
37.31 maximums described in section 268B.04, subdivision 5.

37.32 (c) For applicants who take leave on an intermittent or reduced leave schedule, the  
37.33 weekly benefit amount is prorated.

38.1 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
38.2 2025.

38.3 Sec. 18. **[268B.09] EMPLOYMENT PROTECTIONS.**

38.4 Subdivision 1. **Retaliation prohibited.** An employer must not discharge, discipline,  
38.5 penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate  
38.6 against an employee for requesting or obtaining benefits or leave, or for exercising any  
38.7 other right under this chapter. In addition to the remedies provided in subdivision 8, the  
38.8 commissioner of labor and industry may also issue a penalty to the employer of not less  
38.9 than \$1,000 and not more than \$10,000 per violation, payable to the employee aggrieved.  
38.10 In determining the amount of the penalty under this subdivision, the appropriateness of the  
38.11 penalty to the size of the employer's business and the gravity of the violation shall be  
38.12 considered.

38.13 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an  
38.14 application for leave or benefits or the exercise of any other right under this chapter. In  
38.15 addition to the remedies provided in subdivision 8, the commissioner of labor and industry  
38.16 may also issue a penalty to the employer of not less than \$1,000 and not more than \$10,000  
38.17 per violation, payable to the employee aggrieved. In determining the amount of the penalty  
38.18 under this subdivision, the appropriateness of the penalty to the size of the employer's  
38.19 business and the gravity of the violation shall be considered.

38.20 Subd. 3. **Waiver of rights void.** (a) Any agreement to waive, release, or commute rights  
38.21 to benefits or any other right under this chapter is void, except for a voluntary settlement  
38.22 agreement resolving disputed claims or a valid separation agreement releasing putative  
38.23 claims.

38.24 (b) Any provision, whether oral or written, of a lease, contract, or other agreement or  
38.25 instrument that purports to be a waiver by an individual of any right or remedy provided in  
38.26 this chapter is contrary to public policy and void if the waiver or release purports to waive  
38.27 claims arising out of acts or practices that occur after the execution of the waiver or release.

38.28 (c) A waiver or release of rights or remedies secured by this chapter that purports to  
38.29 apply to claims arising out of acts or practices prior to, or concurrent with, the execution of  
38.30 the waiver or release may be rescinded within 15 calendar days of its execution, except that  
38.31 a waiver or release given in settlement of a claim filed with the department or with another  
38.32 administrative agency or judicial body is valid and final upon execution. A waiving or  
38.33 releasing party must be informed in writing of the right to rescind the waiver or release. To  
38.34 be effective, the rescission must be in writing and delivered to the waived or released party

39.1 by hand, electronically with the receiving party's consent, or by mail within the 15-day  
39.2 period. If delivered by mail, the rescission must be:

39.3 (1) postmarked within the 15-day period;

39.4 (2) properly addressed to the waived or released party; and

39.5 (3) sent by certified mail, return receipt requested.

39.6 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits  
39.7 is void, except as provided under section 268B.10, subdivision 7. Benefits are exempt from  
39.8 levy, execution, attachment, or any other remedy provided for the collection of debt. Any  
39.9 waiver of this subdivision is void.

39.10 Subd. 5. **Continued insurance.** (a) During any leave for which an employee is entitled  
39.11 to benefits or leave under this chapter, the employer must maintain coverage under any  
39.12 group insurance policy, group subscriber contract, or health care plan for the employee and  
39.13 any dependents as if the employee was not on leave, provided, however, that the employee  
39.14 must continue to pay any employee share of the cost of such benefits.

39.15 (b) This subdivision may be waived for employees who are working in the construction  
39.16 industry under a bona fide collective bargaining agreement that requires employer  
39.17 contributions to a multiemployer health plan pursuant to United States Code, title 29, section  
39.18 186(c)(5), but only if the waiver is set forth in clear and unambiguous terms in the collective  
39.19 bargaining agreement and explicitly cites this subdivision.

39.20 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,  
39.21 an employee is entitled to be returned to the same position the employee held when leave  
39.22 commenced or to an equivalent position with equivalent benefits, pay, and other terms and  
39.23 conditions of employment. An employee is entitled to reinstatement even if the employee  
39.24 has been replaced or the employee's position has been restructured to accommodate the  
39.25 employee's absence.

39.26 (b)(1) An equivalent position is one that is virtually identical to the employee's former  
39.27 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,  
39.28 and status. It must involve the same or substantially similar duties and responsibilities,  
39.29 which must entail substantially equivalent skill, effort, responsibility, and authority.

39.30 (2) If an employee is no longer qualified for the position because of the employee's  
39.31 inability to attend a necessary course, renew a license, fly a minimum number of hours, or  
39.32 similar condition, as a result of the leave, the employee must be given a reasonable  
39.33 opportunity to fulfill those conditions upon return from leave.

40.1 (c)(1) An employee is entitled to any unconditional pay increases which may have  
40.2 occurred during the leave period, such as cost of living increases. Pay increases conditioned  
40.3 upon seniority, length of service, or work performed must be granted in accordance with  
40.4 the employer's policy or practice with respect to other employees on an equivalent leave  
40.5 status for a reason that does not qualify for leave under this chapter. An employee is entitled  
40.6 to be restored to a position with the same or equivalent pay premiums, such as a shift  
40.7 differential. If an employee departed from a position averaging ten hours of overtime, and  
40.8 corresponding overtime pay, each week an employee is ordinarily entitled to such a position  
40.9 on return from leave under this chapter.

40.10 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or  
40.11 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment  
40.12 is based on the achievement of a specified goal such as hours worked, products sold, or  
40.13 perfect attendance, and the employee has not met the goal due to leave under this chapter,  
40.14 the payment may be denied, unless otherwise paid to employees on an equivalent leave  
40.15 status for a reason that does not qualify for leave under this chapter.

40.16 (d) Benefits under this section include all benefits provided or made available to  
40.17 employees by an employer, including group life insurance, health insurance, disability  
40.18 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether  
40.19 benefits are provided by a practice or written policy of an employer through an employee  
40.20 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

40.21 (1) At the end of an employee's leave under this chapter, benefits must be resumed in  
40.22 the same manner and at the same levels as provided when the leave began, and subject to  
40.23 any changes in benefit levels that may have taken place during the period of leave affecting  
40.24 the entire workforce, unless otherwise elected by the employee. Upon return from a leave  
40.25 under this chapter, an employee must not be required to requalify for any benefits the  
40.26 employee enjoyed before leave began, including family or dependent coverages.

40.27 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority  
40.28 during a leave under this chapter. Benefits accrued at the time leave began must be available  
40.29 to an employee upon return from leave.

40.30 (3) With respect to pension and other retirement plans, leave under this chapter must  
40.31 not be treated as or counted toward a break in service for purposes of vesting and eligibility  
40.32 to participate. If the plan requires an employee to be employed on a specific date in order  
40.33 to be credited with a year of service for vesting, contributions, or participation purposes,  
40.34 an employee on leave under this chapter must be treated as employed on that date. Periods

41.1 of leave under this chapter need not be treated as credited service for purposes of benefit  
41.2 accrual, vesting, and eligibility to participate.

41.3 (4) Employees on leave under this chapter must be treated as if they continued to work  
41.4 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled  
41.5 to changes in benefit plans, except those which may be dependent upon seniority or accrual  
41.6 during the leave period, immediately upon return from leave or to the same extent they  
41.7 would have qualified if no leave had been taken.

41.8 (e) An equivalent position must have substantially similar duties, conditions,  
41.9 responsibilities, privileges, and status as the employee's original position.

41.10 (1) The employee must be reinstated to the same or a geographically proximate worksite  
41.11 from where the employee had previously been employed. If the employee's original worksite  
41.12 has been closed, the employee is entitled to the same rights as if the employee had not been  
41.13 on leave when the worksite closed.

41.14 (2) The employee is ordinarily entitled to return to the same shift or the same or an  
41.15 equivalent work schedule.

41.16 (3) The employee must have the same or an equivalent opportunity for bonuses,  
41.17 profit-sharing, and other similar discretionary and nondiscretionary payments.

41.18 (4) This chapter does not prohibit an employer from accommodating an employee's  
41.19 request to be restored to a different shift, schedule, or position which better suits the  
41.20 employee's personal needs on return from leave, or to offer a promotion to a better position.  
41.21 However, an employee must not be induced by the employer to accept a different position  
41.22 against the employee's wishes.

41.23 (f) The requirement that an employee be restored to the same or equivalent job with the  
41.24 same or equivalent pay, benefits, and terms and conditions of employment does not extend  
41.25 to de minimis, intangible, or unmeasurable aspects of the job.

41.26 (g) Nothing in this section shall be deemed to affect the Americans with Disabilities  
41.27 Act, United States Code, title 42, chapter 126.

41.28 (h) This subdivision and subdivision 7 may be waived for employees who are working  
41.29 in the construction industry under a bona fide collective bargaining agreement with a  
41.30 construction trade union that maintains a referral-to-work procedure for employees to obtain  
41.31 employment with multiple signatory employers, but only if the waiver is set forth in clear  
41.32 and unambiguous terms in the collective bargaining agreement and explicitly cites this  
41.33 subdivision and subdivision 7.

42.1 Subd. 7. Limitations on an employee's right to reinstatement. An employee has no  
42.2 greater right to reinstatement or to other benefits and conditions of employment than if the  
42.3 employee had been continuously employed during the period of leave under this chapter.  
42.4 An employer must be able to show that an employee would not otherwise have been  
42.5 employed at the time reinstatement is requested in order to deny restoration to employment.

42.6 (1) If an employee is laid off during the course of taking a leave under this chapter and  
42.7 employment is terminated, the employer's responsibility to continue the leave, maintain  
42.8 group health plan benefits, and restore the employee cease at the time the employee is laid  
42.9 off, provided the employer has no continuing obligations under a collective bargaining  
42.10 agreement or otherwise. An employer has the burden of proving that an employee would  
42.11 have been laid off during the period of leave under this chapter and, therefore, would not  
42.12 be entitled to restoration to a job slated for layoff when the employee's original position  
42.13 would not meet the requirements of an equivalent position.

42.14 (2) If a shift has been eliminated or overtime has been decreased, an employee would  
42.15 not be entitled to return to work that shift or the original overtime hours upon restoration.  
42.16 However, if a position on, for example, a night shift has been filled by another employee,  
42.17 the employee is entitled to return to the same shift on which employed before taking leave  
42.18 under this chapter.

42.19 (3) If an employee was hired for a specific term or only to perform work on a discrete  
42.20 project, the employer has no obligation to restore the employee if the employment term or  
42.21 project is over and the employer would not otherwise have continued to employ the employee.

42.22 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in  
42.23 law or equity, an employer who violates the provisions of this section is liable to any  
42.24 employee affected for:

42.25 (1) damages equal to the amount of:

42.26 (i) any and all damages recoverable by law;

42.27 (ii) reasonable interest on the amount of damages awarded; and

42.28 (iii) an additional amount as liquidated damages equal to the sum of the amount described  
42.29 in item (i) and the interest described in item (ii), except that if an employer who has violated  
42.30 the provisions of this section proves to the satisfaction of the court that the act or omission  
42.31 which violated the provisions of this section was in good faith and that the employer had  
42.32 reasonable grounds for believing that the act or omission was not a violation of the provisions

43.1 of this section, the court may, in the discretion of the court, reduce the amount of the liability  
43.2 to the amount and interest determined under items (i) and (ii), respectively; and

43.3 (2) such injunctive and other equitable relief as determined by a court or jury, including  
43.4 employment, reinstatement, and promotion.

43.5 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be  
43.6 maintained against any employer in any federal or state court of competent jurisdiction by  
43.7 any one or more employees for and on behalf of:

43.8 (1) the employees; or

43.9 (2) the employees and other employees similarly situated.

43.10 Rule 23 of the Rules of Civil Procedure applies to this section.

43.11 (c) The court in an action under this section must, in addition to any judgment awarded  
43.12 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,  
43.13 and other costs of the action to be paid by the defendant.

43.14 (d) Nothing in this section shall be construed to allow an employee to recover damages  
43.15 from an employer for the denial of benefits under this chapter by the department, unless the  
43.16 employer unlawfully interfered with the application for benefits under subdivision 2.

43.17 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
43.18 2025.

43.19 **Sec. 19. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

43.20 Subdivision 1. **Application for substitution.** Employers may apply to the commissioner  
43.21 for approval to meet their obligations under this chapter through the substitution of a private  
43.22 plan that provides paid family, paid medical, or paid family and medical benefits. In order  
43.23 to be approved as meeting an employer's obligations under this chapter, a private plan must  
43.24 confer all of the same rights, protections, and benefits provided to employees under this  
43.25 chapter, including but not limited to benefits under section 268B.04 and employment  
43.26 protections under section 268B.09. Employers may apply for approval of private plans that  
43.27 exceed the benefits provided to employees under this chapter. An employee covered by a  
43.28 private plan under this section retains all applicable rights and remedies under section  
43.29 268B.09.

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

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

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

44.5 (3) the weekly benefits payable under the private plan for any week are at least equal to  
44.6 the weekly benefit amount payable under this chapter, taking into consideration any coverage  
44.7 with respect to concurrent employment by another employer;

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

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

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

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

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

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

44.23 (10) coverage will continue under the private plan while an employee remains employed  
44.24 by the employer.

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

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

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

45.1 (3) the weekly benefits payable under the private plan for any week are at least equal to  
45.2 the weekly benefit amount payable under this chapter, taking into consideration any coverage  
45.3 with respect to concurrent employment by another employer;

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

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

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

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

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

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

45.20 (10) coverage will continue under the private plan while an employee remains employed  
45.21 by the employer.

45.22 Subd. 4. **Surety bond requirement.** If the private plan is in the form of self-insurance,  
45.23 the employer shall file with its application for private provision of the medical benefit or  
45.24 family benefit program a surety bond in an amount equal to the employer's annual premium  
45.25 that it would otherwise be required to pay to the family and medical benefit insurance  
45.26 account. The surety bond must be in a form approved by the commissioner and issued by  
45.27 a surety company authorized to transact business in Minnesota.

45.28 Subd. 5. **Private plan requirements; timing of payment; intermittent leave**  
45.29 **increments; and weekly benefit determination.** (a) Private plan benefits under this section  
45.30 may be paid to align with the employer's payroll cycle or according to the terms of the  
45.31 approved private plan.

46.1 (b) Intermittent leave under a private plan may be taken in the minimum increment the  
46.2 employer offers to employees for other types of leave, not to exceed the eight-hour minimum  
46.3 increment under section 268B.04, subdivision 6.

46.4 (c) For purposes of determining the family and medical benefit amount and duration  
46.5 under a private plan, the weekly benefit amount and duration must be based on the employee's  
46.6 typical workweek and wages earned with the employer at the time of an application for  
46.7 benefits or over the past 52-week calendar year, whichever calculation results in the highest  
46.8 benefit amount for the employee. If an employer does not have complete wage information  
46.9 for the full calendar year, the employer must accept an employee's certification of wage  
46.10 credits, based upon the employee's records.

46.11 Subd. 6. **Use of private insurance products.** Nothing in this section prohibits an  
46.12 employer from meeting the requirements of a private plan through a private insurance  
46.13 product. If the employer plan involves a private insurance product, that insurance product's  
46.14 policy form must be approved by the commissioner of commerce and issued by an insurance  
46.15 company authorized to transact insurance in this state.

46.16 Subd. 7. **Private plan approval and oversight fee.** An employer with an approved  
46.17 private plan is not required to pay premiums established under section 268B.14. An employer  
46.18 with an approved private plan is responsible for a private plan approval and oversight fee  
46.19 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to  
46.20 499 employees, and \$1,000 for employers with 500 or more employees. The employer must  
46.21 pay this fee (1) upon initial application for private plan approval, and (2) any time the  
46.22 employer applies to amend the private plan. The commissioner must review and report on  
46.23 the adequacy of this fee to cover private plan administrative costs annually beginning July  
46.24 1, 2025, as part of the annual report established in section 268B.24.

46.25 Subd. 8. **Plan duration.** A private plan under this section must be in effect for a period  
46.26 of at least one year and, thereafter, continuously unless the commissioner finds that the  
46.27 employer has given notice of withdrawal from the plan in a manner specified by the  
46.28 commissioner in this section or rule. The plan may be withdrawn by the employer within  
46.29 30 days of the effective date of any law increasing the benefit amounts or within 30 days  
46.30 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be  
46.31 administered to provide the increased benefit amount or change in the rate of the employee's  
46.32 premium on the date of the increase or change.

46.33 Subd. 9. **Employer reimbursement.** If an employer meeting the requirements of a  
46.34 private plan through an insurance product under subdivision 6 has made advance payments

47.1 of benefits due under this chapter or has made payments to an employee in like manner as  
47.2 wages during any period of family or medical leave for which the employee is entitled to  
47.3 the benefits provided by this chapter, the employer is entitled to be reimbursed by the carrier  
47.4 or third party administrator out of any benefits due or to become due for the family or  
47.5 medical leave, if the claim for reimbursement is filed with the carrier prior to payment of  
47.6 the benefits by the carrier.

47.7 Subd. 10. **Appeals.** (a) An employer may appeal any adverse action regarding that  
47.8 employer's application for private provision of the medical benefit or family benefit program,  
47.9 in a manner specified by the commissioner.

47.10 (b) An employee covered under a private plan has the same right to appeal to the state  
47.11 under section 268B.04, subdivision 7, as any other employee. An employee covered under  
47.12 a private plan has the right to request reconsideration of a decision under a private plan  
47.13 made by an insurer, private plan administrator, or employer prior to exercising appeal rights  
47.14 under section 268B.04.

47.15 Subd. 11. **Employees no longer covered.** (a) An employee is no longer covered by an  
47.16 approved private plan if a leave under this chapter occurs after the employment relationship  
47.17 with the private plan employer ends, or if the commissioner revokes the approval of the  
47.18 private plan.

47.19 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,  
47.20 immediately entitled to benefits under this chapter to the same extent as though there had  
47.21 been no approval of the private plan.

47.22 Subd. 12. **Posting of notice regarding private plan.** An employer with a private plan  
47.23 must provide a notice prepared by or approved by the commissioner regarding the private  
47.24 plan consistent with section 268B.26.

47.25 Subd. 13. **Amendment.** (a) The commissioner must approve any amendment to a private  
47.26 plan adjusting the provisions thereof, if the commissioner determines:

47.27 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

47.28 (2) that notice of the amendment has been delivered to all affected employees at least  
47.29 ten days before the submission of the amendment.

47.30 (b) Any amendments approved under this subdivision are effective on the date of the  
47.31 commissioner's approval, unless the commissioner and the employer agree on a later date.

47.32 Subd. 14. **Successor employer.** A private plan in effect at the time a successor acquires  
47.33 the employer organization, trade, or business, or substantially all the assets thereof, or a

48.1 distinct and severable portion of the organization, trade, or business, and continues its  
48.2 operation without substantial reduction of personnel resulting from the acquisition, must  
48.3 continue the approved private plan and must not withdraw the plan without a specific request  
48.4 for withdrawal in a manner and at a time specified by the commissioner. A successor may  
48.5 terminate a private plan with notice to the commissioner and within 90 days from the date  
48.6 of the acquisition.

48.7 Subd. 15. **Revocation of approval by commissioner.** (a) The commissioner may  
48.8 terminate any private plan if the commissioner determines the employer:

48.9 (1) failed to pay benefits;

48.10 (2) failed to pay benefits in a timely manner, consistent with the requirements of this  
48.11 chapter;

48.12 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;

48.13 or

48.14 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

48.15 (b) The commissioner must give notice of the intention to terminate a plan to the employer  
48.16 at least ten days before taking any final action. The notice must state the effective date and  
48.17 the reason for the termination.

48.18 (c) The employer may, within ten days from mailing or personal service of the notice,  
48.19 file an appeal to the commissioner in the time, manner, method, and procedure provided by  
48.20 the commissioner under subdivision 7.

48.21 (d) The payment of benefits must not be delayed during an employer's appeal of the  
48.22 revocation of approval of a private plan.

48.23 (e) If the commissioner revokes approval of an employer's private plan, that employer  
48.24 is ineligible to apply for approval of another private plan for a period of three years, beginning  
48.25 on the date of revocation.

48.26 Subd. 16. **Employer penalties.** (a) The commissioner may assess the following monetary  
48.27 penalties against an employer with an approved private plan found to have violated this  
48.28 chapter:

48.29 (1) \$1,000 for the first violation; and

48.30 (2) \$2,000 for the second, and each successive violation.

49.1 (b) The commissioner must waive collection of any penalty if the employer corrects the  
49.2 violation within 30 days of receiving a notice of the violation and the notice is for a first  
49.3 violation.

49.4 (c) The commissioner may waive collection of any penalty if the commissioner determines  
49.5 the violation to be an inadvertent error by the employer.

49.6 (d) Monetary penalties collected under this section shall be deposited in the family and  
49.7 medical benefit insurance account.

49.8 (e) Assessment of penalties under this subdivision may be appealed as provided by the  
49.9 commissioner under subdivision 7.

49.10 Subd. 17. **Reports, information, and records.** Employers with an approved private  
49.11 plan must maintain all reports, information, and records as relating to the private plan and  
49.12 claims for a period of six years from creation and provide to the commissioner upon request.

49.13 Subd. 18. **Audit and investigation.** The commissioner may investigate and audit plans  
49.14 approved under this section both before and after the plans are approved.

49.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.16 Sec. 20. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**  
49.17 **ELECTION OF COVERAGE.**

49.18 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent  
49.19 contractor may file with the commissioner by electronic transmission in a format prescribed  
49.20 by the commissioner an application to be entitled to benefits under this chapter for a period  
49.21 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent  
49.22 by United States mail or electronic transmission, the individual is entitled to benefits under  
49.23 this chapter beginning the calendar quarter after the date of approval or beginning in a later  
49.24 calendar quarter if requested by the self-employed individual or independent contractor.  
49.25 The individual ceases to be entitled to benefits as of the first day of January of any calendar  
49.26 year only if, at least 30 calendar days before the first day of January, the individual has filed  
49.27 with the commissioner by electronic transmission in a format prescribed by the commissioner  
49.28 a notice to that effect.

49.29 (b) The commissioner may terminate any application approved under this section with  
49.30 30 calendar days' notice sent by United States mail or electronic transmission if the  
49.31 self-employed individual is delinquent on any premiums due under this chapter. If an  
49.32 approved application is terminated in this manner during the first 104 consecutive calendar

50.1 weeks of election, the self-employed individual remains obligated to pay the premium under  
50.2 subdivision 3 for the remainder of that 104-week period.

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

50.10 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under  
50.11 this chapter must annually pay a premium equal to one-half the percentage in section  
50.12 268B.14, subdivision 6, clause (1), times the lesser of:

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

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

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

50.22 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
50.23 2025.

50.24 Sec. 21. **[268B.12] WAGE REPORTING.**

50.25 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer  
50.26 premium account described in section 268B.13, a quarterly wage detail report by electronic  
50.27 transmission, in a format prescribed by the commissioner. The report must include for each  
50.28 employee in covered employment during the calendar quarter, the employee's name, the  
50.29 total wages paid to the employee, and total number of paid hours worked. For employees  
50.30 exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the  
50.31 employer must report 40 hours worked for each week any duties were performed by a  
50.32 full-time employee and must report a reasonable estimate of the hours worked for each  
50.33 week duties were performed by a part-time employee. In addition, the wage detail report

51.1 must include the number of employees employed during the payroll period that includes  
51.2 the 12th day of each calendar month and, if required by the commissioner, the report must  
51.3 be broken down by business location and separate business unit. The report is due and must  
51.4 be received by the commissioner on or before the last day of the month following the end  
51.5 of the calendar quarter. The commissioner may delay the due date on a specific calendar  
51.6 quarter in the event the department is unable to accept wage detail reports electronically.

51.7 (b) The employer may report the wages paid to the next lower whole dollar amount.

51.8 (c) An employer need not include the name of the employee or other required information  
51.9 on the wage detail report if disclosure is specifically exempted from being reported by  
51.10 federal law.

51.11 (d) A wage detail report must be submitted for each calendar quarter even though no  
51.12 wages were paid, unless the business has been terminated.

51.13 Subd. 2. **Electronic transmission of report required.** Each employer must submit the  
51.14 quarterly wage detail report by electronic transmission in a format prescribed by the  
51.15 commissioner. The commissioner has the discretion to accept wage detail reports that are  
51.16 submitted by any other means or the commissioner may return the report submitted by other  
51.17 than electronic transmission to the employer, and reports returned are considered as not  
51.18 submitted and the late fees under subdivision 3 may be imposed.

51.19 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
51.20 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
51.21 based upon the highest of:

51.22 (1) the number of employees reported on the last wage detail report submitted;

51.23 (2) the number of employees reported in the corresponding quarter of the prior calendar  
51.24 year; or

51.25 (3) if no wage detail report has ever been submitted, the number of employees listed at  
51.26 the time of employer registration.

51.27 The late fee is canceled if the wage detail report is received within 30 calendar days after  
51.28 a demand for the report is sent to the employer by mail or electronic transmission. A late  
51.29 fee assessed an employer may not be canceled more than twice each 12 months. The amount  
51.30 of the late fee assessed may not be less than \$250.

51.31 (b) If the wage detail report is not received in a manner and format prescribed by the  
51.32 commissioner within 30 calendar days after demand is sent under paragraph (a), the late

52.1 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
52.2 increased late fee will be sent to the employer by mail or electronic transmission.

52.3 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
52.4 section 268B.16.

52.5 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage  
52.6 detail report, but fails to include all required employee information or enters erroneous  
52.7 information, may be subject to an administrative service fee of \$25 for each employee for  
52.8 whom the information is partially missing or erroneous.

52.9 (b) Any employer that submits the wage detail report, but fails to include an employee,  
52.10 may be subject to an administrative service fee equal to two percent of the total wages for  
52.11 each employee for whom the information is completely missing.

52.12 (c) An employer shall not be subject to any penalty under this section upon a reasonable  
52.13 showing that the employer's act or omission that violated this section was in good faith or  
52.14 that the employer had reasonable grounds for believing that the act was not a violation of  
52.15 this section.

52.16 Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest  
52.17 and other penalties imposed by this chapter and are collected in the same manner as  
52.18 delinquent taxes and credited to the family and medical benefit insurance account.

52.19 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
52.20 2025.

52.21 Sec. 22. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

52.22 The commissioner must maintain a premium account for each employer, except for an  
52.23 employer with an approved private plan under section 268B.10. The commissioner must  
52.24 assess the premium account for all the premiums due under section 268B.14, and credit the  
52.25 family and medical benefit insurance account with all premiums paid.

52.26 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
52.27 2025.

52.28 Sec. 23. **[268B.14] PREMIUMS.**

52.29 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become  
52.30 payable by each employer, except for an employer with an approved private plan under

53.1 section 268B.10, for each calendar year on the taxable wages that the employer paid to  
53.2 employees in covered employment.

53.3 Each employer must pay premiums quarterly, at the premium rate defined under this  
53.4 section, on the taxable wages paid to each employee. The commissioner must compute the  
53.5 premium due from the wage detail report required under section 268B.12 and notify the  
53.6 employer of the premium due. The premiums must be paid to the family and medical benefit  
53.7 insurance account and must be received by the department on or before the last day of the  
53.8 month following the end of the calendar quarter.

53.9 (b) If for any reason the wages on the wage detail report under section 268B.12 are  
53.10 adjusted for any quarter, the commissioner must recompute the premiums due for that quarter  
53.11 and assess the employer for any amount due or credit the employer as appropriate.

53.12 Subd. 2. **Payments by electronic payment required.** (a) Every employer must make  
53.13 any payments due under this chapter by electronic payment.

53.14 (b) All third-party processors, paying on behalf of a client company, must make any  
53.15 payments due under this chapter by electronic payment.

53.16 (c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept  
53.17 payment by other means.

53.18 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or  
53.19 181.06, subdivision 1, employers must pay a minimum of 50 percent of the annual premiums  
53.20 paid under this section. Employees, through a deduction in their wages to the employer,  
53.21 must pay the remaining portion, if any, of the premium not paid by the employer. Such  
53.22 deductions for any given employee must be in equal proportion to the premiums paid based  
53.23 on the wages of that employee, and all employees of an employer must be subject to the  
53.24 same percentage deduction. Deductions under this section must not cause an employee's  
53.25 wage, after the deduction, to fall below the rate required to be paid to the worker by law,  
53.26 including any applicable statute, regulation, rule, ordinance, government resolution or policy,  
53.27 contract, or other legal authority, whichever rate of pay is greater.

53.28 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to  
53.29 premium in a calendar year is equal to the maximum earnings in that year subject to the  
53.30 FICA Old-Age, Survivors, and Disability Insurance tax.

53.31 Subd. 5. **Small business wage exclusion.** (a) For employers with fewer than 30  
53.32 employees, the amount of wages on which the employer half of the quarterly premium is  
53.33 required is reduced by the lesser of:

54.1 (1) \$12,500 multiplied by the number of employees; or

54.2 (2) \$120,000.

54.3 (b) For each employee over 20 employees, the exclusion is reduced by \$12,000.

54.4 (c) The premium paid by the employer as a result of the reduction allowed under this  
54.5 subdivision must not be less than zero.

54.6 (d) The reduction in premiums paid by the employer is for the sole benefit of the employer  
54.7 and does not relieve the employer from deducting the employee portion of the premium.

54.8 Subd. 6. **Annual premium rates.** The premium rates beginning July 1, 2025, shall be  
54.9 as follows:

54.10 (1) for both family and medical benefit programs, 0.7 percent;

54.11 (2) for only the medical benefit program and with an approved private plan for the family  
54.12 benefit program, 0.57 percent; and

54.13 (3) for only the family benefit program and with an approved private plan for the medical  
54.14 benefit program, 0.13 percent.

54.15 Subd. 7. **Premium rate adjustments.** (a) Beginning July 1, 2026, and by July 31 of  
54.16 each year thereafter, the commissioner must adjust the annual premium rates using the  
54.17 formula in paragraph (b).

54.18 (b) To calculate the employer rates for a calendar year, the commissioner must:

54.19 (1) multiply 1.45 times the amount disbursed from the family and medical benefit  
54.20 insurance account for the 52-week period ending September 30 of the prior year;

54.21 (2) subtract the amount in the family and medical benefit insurance account on that  
54.22 September 30 from the resulting figure;

54.23 (3) divide the resulting figure by the total wages in covered employment of employees  
54.24 of employers without approved private plans under section 268B.10 for either the family  
54.25 or medical benefit program. For employers with an approved private plan for either the  
54.26 medical benefit program or the family benefit program, but not both, count only the  
54.27 proportion of wages in covered employment associated with the program for which the  
54.28 employer does not have an approved private plan; and

54.29 (4) round the resulting figure down to the nearest one-hundredth of one percent.

55.1 (c) The commissioner must apportion the premium rate between the family and medical  
55.2 benefit programs based on the relative proportion of expenditures for each program during  
55.3 the preceding year.

55.4 Subd. 8. **Deposit of premiums.** All premiums collected under this section must be  
55.5 deposited into the family and medical benefit insurance account.

55.6 Subd. 9. **Nonpayment of premiums by employer.** The failure of an employer to pay  
55.7 premiums does not impact the right of an employee to benefits, or any other right, under  
55.8 this chapter.

55.9 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
55.10 2025.

55.11 Sec. 24. **[268B.145] INCOME TAX WITHHOLDING.**

55.12 If the Internal Revenue Service determines that benefits are subject to federal income  
55.13 tax, and an applicant elects to have federal income tax deducted and withheld from the  
55.14 applicant's benefits, the commissioner must deduct and withhold the amount specified in  
55.15 the Internal Revenue Code in a manner consistent with state law.

55.16 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
55.17 2025.

55.18 Sec. 25. **[268B.15] COLLECTION OF PREMIUMS.**

55.19 Subdivision 1. **Amount computed presumed correct.** Any amount due from an  
55.20 employer, as computed by the commissioner, is presumed to be correctly determined and  
55.21 assessed, and the burden is upon the employer to show its incorrectness. A statement by the  
55.22 commissioner of the amount due is admissible in evidence in any court or administrative  
55.23 proceeding and is prima facie evidence of the facts in the statement.

55.24 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be  
55.25 applied in the following order:

55.26 (1) family and medical leave premiums under this chapter; then

55.27 (2) interest on past due premiums; then

55.28 (3) penalties, late fees, administrative service fees, and costs.

55.29 (b) Paragraph (a) is the priority used for all payments received from an employer,  
55.30 regardless of how the employer may designate the payment to be applied, except when:

56.1 (1) there is an outstanding lien and the employer designates that the payment made  
56.2 should be applied to satisfy the lien;

56.3 (2) the payment is specifically designated by the employer to be applied to an outstanding  
56.4 overpayment of benefits of an applicant;

56.5 (3) a court or administrative order directs that the payment be applied to a specific  
56.6 obligation;

56.7 (4) a preexisting payment plan provides for the application of payment; or

56.8 (5) the commissioner, under the compromise authority of section 268B.16, agrees to  
56.9 apply the payment to a different priority.

56.10 Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary  
56.11 records available for an audit under section 268B.21 and the commissioner has reason to  
56.12 believe the employer has not reported all the required wages on the quarterly wage detail  
56.13 reports, may the commissioner then estimate the amount of premium due and assess the  
56.14 employer the estimated amount due.

56.15 Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185,  
56.16 subdivision 2, that fails to pay any amount when due under this chapter is liable for any  
56.17 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private  
56.18 collection agency, or litigation costs, including attorney fees, incurred in the collection of  
56.19 the amounts due.

56.20 (b) If any tendered payment of any amount due is not honored when presented to a  
56.21 financial institution for payment, any costs assessed the department by the financial institution  
56.22 and a fee of \$25 must be assessed to the person.

56.23 (c) Costs and fees collected under this subdivision are credited to the enforcement account  
56.24 under section 268B.185, subdivision 3.

56.25 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
56.26 this chapter are not received on the date due, the commissioner must assess interest on any  
56.27 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any  
56.28 part of a month. Interest is not assessed on unpaid interest. Interest collected under this  
56.29 subdivision is credited to the account.

56.30 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered  
56.31 upon any past due amounts from an employer under this chapter, the unpaid judgment bears  
56.32 interest at the rate specified in subdivision 5 until the date of payment.

57.1 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a  
57.2 credit adjustment of any amount paid under this chapter within four years of the date that  
57.3 the payment was due, in a manner and format prescribed by the commissioner, and the  
57.4 commissioner determines that the payment or any portion thereof was erroneous, the  
57.5 commissioner must make an adjustment and issue a credit without interest. If a credit cannot  
57.6 be used, the commissioner must refund, without interest, the amount erroneously paid. The  
57.7 commissioner, on the commissioner's own motion, may make a credit adjustment or refund  
57.8 under this subdivision.

57.9 (b) Any refund returned to the commissioner is considered unclaimed property under  
57.10 chapter 345.

57.11 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial  
57.12 must be sent to the employer by mail or electronic transmission. The determination of denial  
57.13 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings  
57.14 on the appeal are conducted in accordance with section 268B.08.

57.15 (d) If an employer receives a credit adjustment or refund under this section, the employer  
57.16 must determine the amount of any overpayment attributable to a deduction from employee  
57.17 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted  
57.18 to each affected employee.

57.19 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any  
57.20 distribution of an employer's assets according to an order of any court, including any  
57.21 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar  
57.22 proceeding, premiums then or thereafter due must be paid in full before all other claims  
57.23 except claims for wages of not more than \$1,000 per former employee, earned within six  
57.24 months of the commencement of the proceedings. In the event of an employer's adjudication  
57.25 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority  
57.26 provided in that law for taxes due in any state.

57.27 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
57.28 2025.

57.29 Sec. 26. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

57.30 Subdivision 1. **Definitions.** As used in this section:

57.31 (1) "child support agency" means the public agency responsible for child support  
57.32 enforcement, including federally approved comprehensive Tribal IV-D programs; and

58.1 (2) "child support obligations" means obligations that are being enforced by a child  
58.2 support agency in accordance with a plan described in United States Code, title 42, sections  
58.3 454 and 455 of the Social Security Act that has been approved by the secretary of health  
58.4 and human services under part D of title IV of the Social Security Act. This does not include  
58.5 any type of spousal maintenance or foster care payments.

58.6 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,  
58.7 the applicant must disclose if child support obligations are owed and, if so, in what state  
58.8 and county. If child support obligations are owed, the commissioner must, if the applicant  
58.9 establishes a benefit account, notify the child support agency.

58.10 Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from  
58.11 any family or medical leave benefits payable to an applicant who owes child support  
58.12 obligations:

58.13 (1) the amount required under a proper order of a court or administrative agency; or

58.14 (2) if clause (1) is not applicable, the amount determined under an agreement under  
58.15 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

58.16 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

58.17 Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support  
58.18 agency, must for all purposes be treated as if it were paid to the applicant as family or  
58.19 medical leave benefits and paid by the applicant to the child support agency in satisfaction  
58.20 of the applicant's child support obligations.

58.21 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by  
58.22 the commissioner in the implementation and administration of this section and sections  
58.23 518A.50 and 518A.53.

58.24 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
58.25 2025.

58.26 Sec. 27. **[268B.16] COMPROMISE.**

58.27 (a) The commissioner may compromise in whole or in part any action, determination,  
58.28 or decision that affects only an employer and not an applicant. This paragraph applies if it  
58.29 is determined by a court of law, or a confession of judgment, that an applicant, while  
58.30 employed, wrongfully took from the employer \$500 or more in money or property.

58.31 (b) The commissioner may at any time compromise any premium or reimbursement due  
58.32 from an employer under this chapter.

59.1 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney  
59.2 licensed to practice law in Minnesota who is an employee of the department designated by  
59.3 the commissioner for that purpose.

59.4 (d) Any compromise must be in the best interest of the state of Minnesota.

59.5 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
59.6 2025.

59.7 Sec. 28. **[268B.17] ADMINISTRATIVE COSTS.**

59.8 From July 1, 2025, through December 31, 2025, the commissioner may spend up to  
59.9 seven percent of projected benefit payments during the period for the administration of this  
59.10 chapter. Beginning January 1, 2026, and each calendar year thereafter, the commissioner  
59.11 may spend up to seven percent of projected benefit payments for that calendar year for the  
59.12 administration of this chapter. The department may enter into interagency agreements with  
59.13 the Department of Labor and Industry, including agreements to transfer funds, subject to  
59.14 the limit in this section, for the Department of Labor and Industry to fulfill its enforcement  
59.15 authority of this chapter.

59.16 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
59.17 2025.

59.18 Sec. 29. **[268B.18] PUBLIC OUTREACH.**

59.19 Beginning in fiscal year 2025, the commissioner must use at least 0.5 percent of projected  
59.20 benefit payments under section 268B.17 for the purpose of outreach, education, and technical  
59.21 assistance for employees, employers, and self-employed individuals eligible to elect coverage  
59.22 under section 268B.11. The department may enter into interagency agreements with the  
59.23 Department of Labor and Industry, including agreements to transfer funds, subject to the  
59.24 limit in section 268B.17, to accomplish the requirements of this section. At least one-half  
59.25 of the amount spent under this section must be used for grants to community-based groups.

59.26 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
59.27 2025.

59.28 Sec. 30. **[268B.185] BENEFIT OVERPAYMENTS.**

59.29 Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a  
59.30 determination or amended determination issued under this chapter, or (2) because of a  
59.31 benefit law judge's decision under section 268B.08, has received any family or medical

60.1 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must  
60.2 promptly repay the benefits to the family and medical benefit insurance account.

60.3 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest  
60.4 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed  
60.5 under state and federal law.

60.6 Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed  
60.7 misrepresentation if the applicant is overpaid benefits by making an intentional false  
60.8 statement or representation in an effort to fraudulently collect benefits. Overpayment because  
60.9 of misrepresentation does not occur where there is unintentional mistake with a good faith  
60.10 belief as to the eligibility or correctness of the statement or representation.

60.11 (b) A determination of overpayment penalty must state the methods of collection the  
60.12 commissioner may use to recover the overpayment, penalty, and interest assessed. Money  
60.13 received in repayment of overpaid benefits, penalties, and interest is first applied to the  
60.14 benefits overpaid, second to the penalty amount due, and third to any interest due.

60.15 (c) The department is authorized to issue a determination of overpayment penalty under  
60.16 this subdivision within 12 months of the establishment of the benefit account upon which  
60.17 the benefits were obtained through misrepresentation.

60.18 Subd. 3. **Family and medical benefit insurance enforcement account created.** The  
60.19 family and medical benefit insurance enforcement account is created in the state treasury.  
60.20 Any penalties and interest collected under this section shall be deposited into the account  
60.21 under this subdivision and shall be used only for the purposes of administering and enforcing  
60.22 this chapter. Only the commissioner may authorize expenditures from the account under  
60.23 this subdivision.

60.24 Subd. 4. **Interest.** For any family and medical leave benefits obtained by  
60.25 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner  
60.26 must assess interest on any amount that remains unpaid beginning 30 calendar days after  
60.27 the date of a determination of overpayment penalty. Interest is assessed at the rate of six  
60.28 percent per year. A determination of overpayment penalty must state that interest will be  
60.29 assessed. Interest is not assessed on unpaid interest. Interest collected under this subdivision  
60.30 is credited to the family and medical benefit insurance enforcement account.

60.31 Subd. 5. **Offset of benefits.** An employee may offset from any future family and medical  
60.32 leave benefits otherwise payable the amount of an overpayment. No single offset may exceed  
60.33 20 percent of the amount of the payment from which the offset is made.

61.1 Subd. 6. Cancellation of overpayments. (a) If family and medical leave benefits  
61.2 overpayments are not repaid or offset from subsequent benefits within three years after the  
61.3 date of the determination or decision holding the applicant overpaid, the commissioner must  
61.4 cancel the overpayment balance, and no administrative or legal proceedings may be used  
61.5 to enforce collection of those amounts.

61.6 (b) The commissioner may cancel at any time any overpayment, including penalties and  
61.7 interest that the commissioner determines is uncollectible because of death or bankruptcy.

61.8 Subd. 7. Collection of overpayments. (a) The commissioner has discretion regarding  
61.9 the recovery of any overpayment for reasons other than misrepresentation. Regardless of  
61.10 any law to the contrary, the commissioner is not required to refer any overpayment for  
61.11 reasons other than misrepresentation to a public or private collection agency, including  
61.12 agencies of this state.

61.13 (b) Amounts overpaid for reasons other than misrepresentation are not considered a  
61.14 "debt" to the state of Minnesota for purposes of any reporting requirements to the  
61.15 commissioner of management and budget.

61.16 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,  
61.17 penalties, or collection of an overpayment.

61.18 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,  
61.19 penalty, or interest.

61.20 (e) In any case where the commissioner or the department has probable cause that any  
61.21 applicant, employer, or other person has fraudulently obtained benefits, the commissioner  
61.22 or the department must report the matter to the county attorney of jurisdiction for prosecution.

61.23 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
61.24 2025.

61.25 Sec. 31. [268B.19] EMPLOYER MISCONDUCT; PENALTY.

61.26 (a) The commissioner must penalize an employer if that employer or any employee,  
61.27 officer, or agent of that employer is in collusion with any applicant for the purpose of  
61.28 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount  
61.29 of benefits determined to be overpaid, whichever is greater.

61.30 (b) The commissioner must penalize an employer if that employer or any employee,  
61.31 officer, or agent of that employer:

61.32 (1) made a false statement or representation knowing it to be false;

62.1 (2) made a false statement or representation without a good-faith belief as to the  
62.2 correctness of the statement or representation; or

62.3 (3) knowingly failed to disclose a material fact.

62.4 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the  
62.5 employer's action:

62.6 (1) the amount of any overpaid benefits to an applicant;

62.7 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

62.8 or

62.9 (3) the amount of any payment required from the employer under this chapter that was  
62.10 not paid.

62.11 (d) Penalties must be paid within 30 calendar days of issuance of the determination of  
62.12 penalty and credited to the family and medical benefit insurance account.

62.13 (e) The determination of penalty is final unless the employer files an appeal within 30  
62.14 calendar days after the sending of the determination of penalty to the employer by United  
62.15 States mail or electronic transmission.

62.16 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
62.17 2025.

62.18 **Sec. 32. [268B.21] RECORDS; AUDITS.**

62.19 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate  
62.20 records on individuals performing services for the employer, containing the information  
62.21 the commissioner may require under this chapter. The records must be kept for a period of  
62.22 not less than four years in addition to the current calendar year.

62.23 (b) For the purpose of administering this chapter, the commissioner has the power to  
62.24 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,  
62.25 records, or memoranda that are the property of, or in the possession of, an employer or any  
62.26 other person at any reasonable time and as often as may be necessary. Subpoenas may be  
62.27 issued under section 268B.22 as necessary, for an audit.

62.28 (c) An employer or other person that refuses to allow an audit of its records by the  
62.29 department or that fails to make all necessary records available for audit in the state upon  
62.30 request of the commissioner may be assessed an administrative penalty of \$500. The penalty  
62.31 collected is credited to the family and medical benefit insurance account.

63.1 (d) An employer, or other person, that fails to provide a weekly breakdown of money  
63.2 earned by an applicant upon request of the commissioner, information necessary for the  
63.3 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be  
63.4 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown  
63.5 must clearly state that a \$100 penalty may be assessed for failure to provide the information.  
63.6 The penalty collected is credited to the family and medical benefit insurance account.

63.7 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,  
63.8 compilations, duplications, or reproductions of any records pertaining to this chapter that  
63.9 the commissioner considers advisable for the preservation of the information.

63.10 (b) Regardless of any law to the contrary, the commissioner may destroy any records  
63.11 that are no longer necessary for the administration of this chapter. In addition, the  
63.12 commissioner may destroy any record from which the information has been electronically  
63.13 captured and stored.

63.14 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
63.15 2025.

63.16 Sec. 33. **[268B.22] SUBPOENAS; OATHS.**

63.17 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,  
63.18 take depositions, certify to official acts, and issue subpoenas to compel the attendance of  
63.19 individuals and the production of documents and other personal property necessary in  
63.20 connection with the administration of this chapter.

63.21 (b) Individuals subpoenaed, other than applicants or officers and employees of an  
63.22 employer that is the subject of the inquiry, are paid witness fees the same as witness fees  
63.23 in civil actions in district court. The fees need not be paid in advance.

63.24 (c) The subpoena is enforceable through the district court in Ramsey County.

63.25 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
63.26 2025.

63.27 Sec. 34. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

63.28 Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an  
63.29 employer, becomes a lien upon all the property, within this state, both real and personal, of  
63.30 the person liable, from the date of assessment. For the purposes of this section, "date of  
63.31 assessment" means the date the obligation was due.

64.1 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a  
64.2 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,  
64.3 until a notice of lien has been filed with the county recorder of the county where the property  
64.4 is situated, or in the case of personal property belonging to a nonresident person in the Office  
64.5 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee  
64.6 for filing and indexing is as provided in sections 272.483 and 272.484.

64.7 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the  
64.8 commissioner, may be filed with the county recorder or the secretary of state by mail,  
64.9 personal delivery, or electronic transmission into the computerized filing system of the  
64.10 secretary of state. The secretary of state must, on any notice filed with that office, transmit  
64.11 the notice electronically to the appropriate county recorder. The filing officer, whether the  
64.12 county recorder or the secretary of state, must endorse and index a printout of the notice as  
64.13 if the notice had been mailed or delivered.

64.14 (d) County recorders and the secretary of state must enter information on lien notices,  
64.15 renewals, and releases into the central database of the secretary of state. For notices filed  
64.16 electronically with the county recorders, the date and time of receipt of the notice and county  
64.17 recorder's file number, and for notices filed electronically with the secretary of state, the  
64.18 secretary of state's recording information, must be entered into the central database before  
64.19 the close of the working day following the day of the original data entry by the commissioner.

64.20 (e) The lien imposed on personal property, even though properly filed, is not enforceable  
64.21 against a purchaser of tangible personal property purchased at retail or personal property  
64.22 listed as exempt in sections 550.37, 550.38, and 550.39.

64.23 (f) A notice of lien filed has priority over any security interest arising under chapter 336,  
64.24 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

64.25 (1) the perfected security interest secures property not in existence at the time the notice  
64.26 of lien is filed; and

64.27 (2) the property comes into existence after the 45th calendar day following the day the  
64.28 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien  
64.29 filing, whichever is earlier.

64.30 (g) The lien is enforceable from the time the lien arises and for ten years from the date  
64.31 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional  
64.32 ten years.

65.1 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure  
65.2 under chapter 550.

65.3 (i) The lien may be imposed upon property defined as homestead property in chapter  
65.4 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead  
65.5 property.

65.6 (j) The commissioner may sell and assign to a third party the commissioner's right of  
65.7 redemption in specific real property for liens filed under this subdivision. The assignee is  
65.8 limited to the same rights of redemption as the commissioner, except that in a bankruptcy  
65.9 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from  
65.10 the sale of the right of redemption are credited to the family and medical benefit insurance  
65.11 account.

65.12 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,  
65.13 is not paid when due, the amount may be collected by the commissioner by direct levy upon  
65.14 all property and rights of property of the person liable for the amount due except property  
65.15 exempt from execution under section 550.37. For the purposes of this section, "levy" includes  
65.16 the power of distraint and seizure by any means.

65.17 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of  
65.18 any county who must proceed within 60 calendar days to levy upon the property or rights  
65.19 to property of the delinquent person within the county, except property exempt under section  
65.20 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together  
65.21 with the commissioner's and sheriff's costs. The sales are governed by the law applicable  
65.22 to sales of like property on execution of a judgment.

65.23 (c) Notice and demand for payment of the total amount due must be mailed to the  
65.24 delinquent person at least ten calendar days before action being taken under paragraphs (a)  
65.25 and (b).

65.26 (d) If the commissioner has reason to believe that collection of the amount due is in  
65.27 jeopardy, notice and demand for immediate payment may be made. If the total amount due  
65.28 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without  
65.29 regard to the ten calendar day period.

65.30 (e) In executing the levy, the commissioner must have all of the powers provided in  
65.31 chapter 550 or any other law that provides for execution against property in this state. The  
65.32 sale of property levied upon and the time and manner of redemption is as provided in chapter  
65.33 550. The seal of the court is not required. The levy may be made whether or not the  
65.34 commissioner has commenced a legal action for collection.

66.1 (f) Where any assessment has been made by the commissioner, the property seized for  
66.2 collection of the total amount due must not be sold until any determination of liability has  
66.3 become final. No sale may be made unless a portion of the amount due remains unpaid for  
66.4 a period of more than 30 calendar days after the determination of liability becomes final.  
66.5 Seized property may be sold at any time if:

66.6 (1) the delinquent person consents in writing to the sale; or

66.7 (2) the commissioner determines that the property is perishable or may become greatly  
66.8 reduced in price or value by keeping, or that the property cannot be kept without great  
66.9 expense.

66.10 (g) Where a levy has been made to collect the amount due and the property seized is  
66.11 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505  
66.12 and maintained under full supervision of the court, the property may not be sold until the  
66.13 probate proceedings are completed or until the court orders.

66.14 (h) The property seized must be returned if the owner:

66.15 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,  
66.16 as determined by the commissioner; or

66.17 (2) deposits with the commissioner security in a form and amount the commissioner  
66.18 considers necessary to insure payment of the liability.

66.19 (i) If a levy or sale would irreparably injure rights in property that the court determines  
66.20 superior to rights of the state, the court may grant an injunction to prohibit the enforcement  
66.21 of the levy or to prohibit the sale.

66.22 (j) Any person who fails or refuses to surrender without reasonable cause any property  
66.23 or rights to property subject to levy is personally liable in an amount equal to the value of  
66.24 the property or rights not so surrendered, but not exceeding the amount due.

66.25 (k) If the commissioner has seized the property of any individual, that individual may,  
66.26 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable  
66.27 relief before the district court for the release of the property upon terms and conditions the  
66.28 court considers equitable.

66.29 (l) Any person in control or possession of property or rights to property upon which a  
66.30 levy has been made who surrenders the property or rights to property, or who pays the  
66.31 amount due is discharged from any obligation or liability to the person liable for the amount  
66.32 due with respect to the property or rights to property.

67.1 (m) The notice of any levy may be served personally or by mail.

67.2 (n) The commissioner may release the levy upon all or part of the property or rights to  
67.3 property levied upon if the commissioner determines that the release will facilitate the  
67.4 collection of the liability, but the release does not prevent any subsequent levy. If the  
67.5 commissioner determines that property has been wrongfully levied upon, the commissioner  
67.6 must return:

67.7 (1) the specific property levied upon, at any time; or

67.8 (2) an amount of money equal to the amount of money levied upon, at any time before  
67.9 the expiration of nine months from the date of levy.

67.10 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial  
67.11 institution located in this state, has priority over any unexercised right of setoff of the  
67.12 financial institution to apply the levied funds toward the balance of an outstanding loan or  
67.13 loans owed by the person to the financial institution. A claim by the financial institution  
67.14 that it exercised its right to setoff before the levy must be substantiated by evidence of the  
67.15 date of the setoff, and verified by an affidavit from a corporate officer of the financial  
67.16 institution. For purposes of determining the priority of any levy under this subdivision, the  
67.17 levy is treated as if it were an execution under chapter 550.

67.18 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner  
67.19 of management and budget, or to any state agency that disburses its own funds, that a person,  
67.20 applicant, or employer has a liability under this chapter, and that the state has purchased  
67.21 personal services, supplies, contract services, or property from that person, the commissioner  
67.22 of management and budget or the state agency must set off and pay to the commissioner an  
67.23 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the  
67.24 obligation of the state otherwise due the person. No amount may be set off from any funds  
67.25 exempt under section 550.37 or funds due an individual who receives assistance under  
67.26 chapter 256.

67.27 (b) All funds, whether general or dedicated, are subject to setoff.

67.28 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff  
67.29 from any funds otherwise due from the department to a delinquent person.

67.30 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an  
67.31 applicant or employer, may be collected by civil action in the name of the state of Minnesota.  
67.32 Civil actions brought under this subdivision must be heard as provided under section 16D.14.  
67.33 In any action, judgment must be entered in default for the relief demanded in the complaint

68.1 without proof, together with costs and disbursements, upon the filing of an affidavit of  
68.2 default.

68.3 (b) Any person that is not a resident of this state and any resident person removed from  
68.4 this state, is considered to appoint the secretary of state as its agent for the acceptance of  
68.5 process in any civil action. The commissioner must file process with the secretary of state,  
68.6 together with a payment of a fee of \$15 and that service is considered sufficient service and  
68.7 has the same force and validity as if served personally within this state. Notice of the service  
68.8 of process, together with a copy of the process, must be sent by certified mail to the person's  
68.9 last known address. An affidavit of compliance with this subdivision, and a copy of the  
68.10 notice of service must be appended to the original of the process and filed in the court.

68.11 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed  
68.12 against the state for actions under this subdivision.

68.13 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the  
68.14 determination, assessment, or collection of any amounts due under this chapter, from an  
68.15 applicant or employer, are allowed.

68.16 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
68.17 2025.

68.18 **Sec. 35. [268B.24] CONCILIATION SERVICES.**

68.19 The Department of Labor and Industry may offer conciliation services to employers and  
68.20 employees to resolve disputes concerning alleged violations of employment protections  
68.21 identified in section 268B.09.

68.22 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
68.23 2025.

68.24 **Sec. 36. [268B.25] ANNUAL REPORTS.**

68.25 (a) Beginning on or before July 1, 2026, the commissioner must annually report to the  
68.26 Department of Management and Budget and the house of representatives and senate  
68.27 committee chairs with jurisdiction over this chapter on program administrative expenditures  
68.28 and revenue collection for the prior fiscal year, including but not limited to:

68.29 (1) total revenue raised through premium collection;

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

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

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

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

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

69.7 (7) an accounting of required outreach expenditures;

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

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

69.11 (b) Beginning on or before July 1, 2026, the commissioner must annually publish a  
69.12 publicly available report providing the following information for the previous fiscal year:

69.13 (1) total eligible claims;

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

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

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

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

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

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

69.23 (8) average duration for cases completed; and

69.24 (9) the number of cases remaining open at the close of such year.

69.25 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
69.26 2025.

69.27 **Sec. 37. [268B.26] NOTICE REQUIREMENTS.**

69.28 (a) Each employer must post in a conspicuous place on each of its premises a workplace  
69.29 notice prepared by the commissioner providing notice of benefits available under this chapter.

70.1 The required workplace notice must be in English and each language other than English  
70.2 which is the primary language of five or more employees or independent contractors of that  
70.3 workplace, if such notice is available from the department.

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

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

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

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

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

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

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

70.15 (7) the mailing address, e-mail address, and telephone number of the department; and

70.16 (8) any other information required by the department.

70.17 Delivery is made when an employee provides written acknowledgment of receipt of the  
70.18 information, or signs a statement indicating the employee's refusal to sign such  
70.19 acknowledgment.

70.20 (c) Each employer shall provide to each independent contractor with whom it contracts,  
70.21 at the time such contract is made or, for existing contracts, within 30 days of the effective  
70.22 date of this section, the following written information provided by the department in the  
70.23 self-employed individual's primary language:

70.24 (1) the address and telephone number of the department;

70.25 (2) an explanation of the availability of family and medical leave benefits provided under  
70.26 this chapter for independent contractors; and

70.27 (3) any other information required by the department.

70.28 (d) An employer that fails to comply with this subdivision may be issued, for a first  
70.29 violation, a civil penalty of \$50 per employee and per independent contractor with whom  
70.30 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee

71.1 or self-employed individual with whom it has contracted. The employer shall have the  
71.2 burden of demonstrating compliance with this section.

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

71.7 (f) The department shall prepare a uniform employee notice form for employers to use  
71.8 that provides the notice information required under this section. The commissioner shall  
71.9 prepare the uniform employee notice in the five most common languages spoken in  
71.10 Minnesota. Upon the written request of an employer who is subject to this section, the  
71.11 commissioner shall provide a copy of the uniform employee notice in any primary language  
71.12 spoken by an employee in the employer's place of business. If the commissioner does not  
71.13 provide the copy of the uniform employee notice in response to a request under this  
71.14 paragraph, the employer who makes the request is not subject to a penalty for failing to  
71.15 provide the required notice under this section for violations that arise after the date of the  
71.16 request. The commissioner shall pay for any costs associated with preparing the uniform  
71.17 employee notice form or providing additional copies under this paragraph.

71.18 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
71.19 2025.

71.20 Sec. 38. **[268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

71.21 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this  
71.22 chapter to run concurrently with leave taken for the same purpose under section 181.941  
71.23 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,  
71.24 as amended.

71.25 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

71.26 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,  
71.27 or personal time before or while taking leave under this chapter;

71.28 (2) prohibit an employer from providing additional benefits, including but not limited  
71.29 to covering the portion of earnings not provided during periods of leave covered under this  
71.30 chapter including through a supplemental benefit payment, as defined under section 268B.01,  
71.31 subdivision 41;

71.32 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing  
71.33 with respect to leave benefits and related procedures and employee protections that meet

72.1 or exceed, and do not otherwise conflict with, the minimum standards and requirements in  
72.2 this chapter;

72.3 (4) alter or amend the duty of parties to a collective bargaining agreement to meet and  
72.4 negotiate or bargain collectively about the terms and conditions of employment, including  
72.5 the amount or percentage of an employee charge back, pursuant to chapter 179A, and United  
72.6 States Code, title 29, section 158(a)(5) and (b)(3). Nothing in this chapter requires parties  
72.7 to a collective bargaining agreement to:

72.8 (i) renegotiate an existing collective bargaining agreement;

72.9 (ii) delay collective bargaining or negotiation about the amount or percentage of an  
72.10 employee charge back until an existing collective bargaining agreement expires; or

72.11 (iii) bargain collectively or negotiate for a new employee charge back provision each  
72.12 time annual premium rates are changed under this chapter; or

72.13 (5) applied so as to create any power or duty in conflict with federal law.

72.14 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
72.15 2025.

72.16 Sec. 39. **[268B.28] SEVERABLE.**

72.17 If the United States Department of Labor or a court of competent jurisdiction determines  
72.18 that any provision of the family and medical benefit insurance program under this chapter  
72.19 is not in conformity with, or is inconsistent with, the requirements of federal law, the  
72.20 provision has no force or effect. If only a portion of the provision, or the application to any  
72.21 person or circumstances, is determined not in conformity, or determined inconsistent, the  
72.22 remainder of the provision and the application of the provision to other persons or  
72.23 circumstances are not affected.

72.24 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
72.25 2025.

72.26 Sec. 40. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

72.27 (a) Employers with 50 or fewer employees may apply to the department for grants under  
72.28 this section.

72.29 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a  
72.30 temporary worker to replace an employee on family or medical leave for a period of seven  
72.31 days or more.

73.1 (c) For an employee's family or medical leave, the commissioner may approve a grant  
73.2 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the  
73.3 employee's leave.

73.4 (d) To be eligible for consideration for a grant under this section, the employer must  
73.5 provide the department written documentation showing the temporary worker hired or  
73.6 significant wage-related costs incurred are due to an employee's use of leave under this  
73.7 chapter.

73.8 (e) The grants under this section may be funded from the family and medical benefit  
73.9 insurance account.

73.10 (f) For the purposes of this section, the commissioner shall average the number of  
73.11 employees reported by an employer over the last four completed calendar quarters to  
73.12 determine the size of the employer.

73.13 (g) An employer who has an approved private plan is not eligible to receive a grant under  
73.14 this section.

73.15 (h) The commissioner may award grants under this section only up to a maximum of  
73.16 \$5,000,000 per calendar year.

73.17 **EFFECTIVE DATE.** Except as provided in section 41, this section is effective July 1,  
73.18 2025.

73.19 Sec. 41. **APPLICATION.**

73.20 Family and medical benefits under Minnesota Statutes, chapter 268B, may be applied  
73.21 for and paid starting July 1, 2025.

## 73.22 **ARTICLE 2**

### 73.23 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

73.24 Section 1. Minnesota Statutes 2022, section 256J.561, is amended by adding a subdivision  
73.25 to read:

73.26 Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets  
73.27 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required  
73.28 to participate in employment services.

74.1 Sec. 2. Minnesota Statutes 2022, section 256J.95, subdivision 3, is amended to read:

74.2 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of  
74.3 family units listed in clauses (1) to ~~(8)~~ (9), all family units who apply for cash benefits and  
74.4 who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must  
74.5 participate in the diversionary work program. Family units or individuals that are not eligible  
74.6 for the diversionary work program include:

74.7 (1) child only cases;

74.8 (2) single-parent family units that include a child under 12 months of age. A parent is  
74.9 eligible for this exception once in a parent's lifetime;

74.10 (3) family units with a minor parent without a high school diploma or its equivalent;

74.11 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or  
74.12 its equivalent who chooses to have an employment plan with an education option;

74.13 (5) family units with a caregiver who received DWP benefits within the 12 months prior  
74.14 to the month the family applied for DWP, except as provided in paragraph (c);

74.15 (6) family units with a caregiver who received MFIP within the 12 months prior to the  
74.16 month the family applied for DWP;

74.17 (7) family units with a caregiver who received 60 or more months of TANF assistance;  
74.18 ~~and~~

74.19 (8) family units with a caregiver who is disqualified from the work participation cash  
74.20 benefit program, DWP, or MFIP due to fraud; and

74.21 (9) single-parent family units where a parent is receiving family and medical leave  
74.22 benefits under chapter 268B.

74.23 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria  
74.24 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a  
74.25 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

74.26 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant  
74.27 leaves the program for any reason and reapplies during the four-month period, the county  
74.28 must redetermine eligibility for DWP.

74.29 Sec. 3. Minnesota Statutes 2022, section 256J.95, subdivision 11, is amended to read:

74.30 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers  
74.31 who meet the criteria in paragraph (d), are required to participate in DWP employment

75.1 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,  
75.2 at a minimum, meet the requirements in section 256J.55, subdivision 1.

75.3 (b) A caregiver who is a member of a two-parent family that is required to participate  
75.4 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed  
75.5 to develop an employment plan under section 256J.521, subdivision 2, that may contain  
75.6 alternate activities and reduced hours.

75.7 (c) A participant who is a victim of family violence shall be allowed to develop an  
75.8 employment plan under section 256J.521, subdivision 3. A claim of family violence must  
75.9 be documented by the applicant or participant by providing a sworn statement which is  
75.10 supported by collateral documentation in section 256J.545, paragraph (b).

75.11 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~  
75.12 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~  
75.13 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~  
75.14 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~  
75.15 ~~(a), clause (5).~~ if that parent:

75.16 (1) receives family and medical leave benefits under chapter 268B; or

75.17 (2) has a natural born child under 12 months of age until the child reaches 12 months  
75.18 of age unless the family unit has already used the exclusion under section 256J.561,  
75.19 subdivision 3, or the previously allowed child under age one exemption under section  
75.20 256J.56, paragraph (a), clause (5).

75.21 (e) The provision in paragraph (d) ends the first full month after the child reaches 12  
75.22 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent  
75.23 household, only one parent shall be allowed to use this category.

75.24 (f) The participant and job counselor must meet in the month after the month the child  
75.25 reaches 12 months of age to revise the participant's employment plan. The employment plan  
75.26 for a family unit that has a child under 12 months of age that has already used the exclusion  
75.27 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

75.28 Sec. 4. Minnesota Statutes 2022, section 256P.01, subdivision 3, is amended to read:

75.29 Subd. 3. **Earned income.** "Earned income" means income earned through the receipt  
75.30 of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities,  
75.31 net profit from self-employment activities, payments made by an employer for regularly  
75.32 accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid  
75.33 under chapter 268B, royalties, honoraria, or other profit from activity that results from the

76.1 client's work, effort, or labor for purposes other than student financial assistance,  
76.2 rehabilitation programs, student training programs, or service programs such as AmeriCorps.  
76.3 The income must be in return for, or as a result of, legal activity.

76.4 Sec. 5. **EFFECTIVE DATES.**

76.5 Sections 1 to 4 are effective July 1, 2025.

76.6 **ARTICLE 3**

76.7 **FAMILY AND MEDICAL LEAVE ACTUARIAL STUDY**

76.8 Section 1. **ACTUARIAL STUDY REQUIREMENT.**

76.9 (a) The commissioner of employment and economic development must contract with a  
76.10 qualified independent actuarial consultant to conduct an actuarial study of the family and  
76.11 medical leave premium rate, premium structure, weekly benefit formula, duration of benefit  
76.12 weeks, fund reserve, and other components as necessary to determine the financial soundness  
76.13 of the family and medical benefit insurance program created in this act. A qualified  
76.14 independent actuarial consultant is one who is a Fellow of the Society of Actuaries, Member  
76.15 of the American Academy of Actuaries (FSA MAAA), and who has experience directly  
76.16 relevant to the analysis required under this paragraph. The commissioner must issue a request  
76.17 for proposal to satisfy the requirements of this section no later than 30 days following  
76.18 enactment.

76.19 (b) A copy of the actuarial study must be provided to the majority and minority leaders  
76.20 in the senate and house of representatives no later than October 31, 2023.

76.21 **ARTICLE 4**

76.22 **APPROPRIATIONS**

76.23 Section 1. **APPROPRIATIONS.**

76.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
76.25 and for the purposes specified in this article. The appropriations are from the family and  
76.26 medical benefit insurance account under Minnesota Statutes, section 268B.02, subdivision  
76.27 4, and are available for the fiscal years indicated for each purpose. The figures "2024" and  
76.28 "2025" used in this article mean that the appropriations listed under them are available for  
76.29 the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal  
76.30 year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and  
76.31 2025.

77.1		<b><u>APPROPRIATIONS</u></b>	
77.2		<b><u>Available for the Year</u></b>	
77.3		<b><u>Ending June 30</u></b>	
77.4		<b><u>2024</u></b>	<b><u>2025</u></b>
77.5	<b><u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u></b>		
77.6	<b><u>AND ECONOMIC DEVELOPMENT</u></b>	<b><u>\$ 50,938,000</u></b>	<b><u>\$ 71,357,000</u></b>
77.7	<u>This amount is for the purposes of Minnesota</u>		
77.8	<u>Statutes, chapter 268B, including start-up and</u>		
77.9	<u>information technology costs, administration,</u>		
77.10	<u>and outreach.</u>		
77.11	<u>The base from the family and medical benefit</u>		
77.12	<u>insurance account for fiscal year 2026 is</u>		
77.13	<u>\$76,088,000 and for fiscal year 2027 is</u>		
77.14	<u>\$73,641,000.</u>		
77.15	<b><u>Sec. 3. DEPARTMENT OF LABOR AND</u></b>		
77.16	<b><u>INDUSTRY</u></b>	<b><u>\$ 601,000</u></b>	<b><u>\$ 374,000</u></b>
77.17	<u>This amount is for the purposes of Minnesota</u>		
77.18	<u>Statutes, chapter 268B.</u>		
77.19	<u>The base from the family and medical benefit</u>		
77.20	<u>insurance account for fiscal year 2026 and</u>		
77.21	<u>beyond is \$731,000.</u>		
77.22	<b><u>Sec. 4. DEPARTMENT OF COMMERCE</u></b>	<b><u>\$ 376,000</u></b>	<b><u>\$ 316,000</u></b>
77.23	<u>This amount is for the purposes of Minnesota</u>		
77.24	<u>Statutes, chapter 268B.</u>		
77.25	<u>The base from the family and medical benefit</u>		
77.26	<u>insurance account for fiscal year 2026 and</u>		
77.27	<u>beyond is \$128,000.</u>		
77.28	<b><u>Sec. 5. MINNESOTA MANAGEMENT AND</u></b>		
77.29	<b><u>BUDGET</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 118,000</u></b>
77.30	<u>This amount is for the purposes of Minnesota</u>		
77.31	<u>Statutes, chapter 268B.</u>		
77.32	<u>The base from the family and medical benefit</u>		
77.33	<u>insurance account for fiscal year 2026 and</u>		
77.34	<u>beyond is \$79,000.</u>		

78.1 **Sec. 6. DEPARTMENT OF HUMAN**  
 78.2 **SERVICES** **\$ 2,649,000 \$ -0-**

78.3 This amount is for the purposes of Minnesota  
 78.4 Statutes, chapter 268B.

78.5 The base from the family and medical benefit  
 78.6 insurance account for fiscal year 2026 and  
 78.7 beyond is \$530,000.

78.8 **Sec. 7. SECRETARY OF STATE** **\$ 384,000 \$ 4,000**

78.9 This amount is for the purposes of Minnesota  
 78.10 Statutes, chapter 268B.

78.11 The base from the family and medical benefit  
 78.12 insurance account for fiscal year 2026 and  
 78.13 beyond is \$77,000.

78.14 **Sec. 8. SUPREME COURT; APPROPRIATIONS.**

78.15 \$15,000 in fiscal year 2024 and \$15,000 in fiscal year 2025 are appropriated from the  
 78.16 family and medical benefit insurance account to the supreme court for the purposes of  
 78.17 Minnesota Statutes, chapter 268B. This is a onetime appropriation.

78.18 **Sec. 9. LEGISLATURE; APPROPRIATION.**

78.19 \$18,000 in fiscal year 2024 is appropriated from the family and medical benefit insurance  
 78.20 account to the house of representatives for the purposes of Minnesota Statutes, chapter  
 78.21 268B. This is a onetime appropriation.

78.22 **Sec. 10. UNIVERSITY OF MINNESOTA; APPROPRIATION.**

78.23 \$1,372,000 in fiscal year 2025 is appropriated from the family and medical benefit  
 78.24 insurance account to the Board of Regents of the University of Minnesota for the purposes  
 78.25 of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

78.26 **Sec. 11. TRANSFER.**

78.27 The commissioner of management and budget shall transfer \$668,321,000 in fiscal year  
 78.28 2024 from the general fund to the family and medical benefit insurance account for the  
 78.29 purposes of Minnesota Statutes, chapter 268B.

79.1 Sec. 12. **ENTERPRISE COSTS BASE ESTABLISHMENT.**

79.2 A general fund base of \$3,049,000 in fiscal year 2026 and \$3,049,000 in fiscal year 2027  
79.3 are established to fund enterprise requirements under Minnesota Statutes, chapter 268B,  
79.4 employee notification, and the costs incurred by state agencies due to employer-paid  
79.5 premiums established under Minnesota Statutes, chapter 268B. The commissioner of  
79.6 management and budget shall allocate these amounts to agency base budgets based on the  
79.7 expected costs incurred by those agencies.