MINNESOTA PAID LEAVE

Paid Leave and small employers

Minnesota Paid Leave provides payments and job protections to Minnesotans who need time off during life's most important moments — like bonding with a new child, healing from a serious illness, or responding to domestic violence.

Are small employers covered by Paid Leave?

Yes, small employers are covered by Paid Leave. Most Minnesota employment is covered, including small and seasonal employers and part-time work. People who are self-employed or independent contractors are not automatically covered, but can opt in to Paid Leave.

Who counts as a small employer for Paid Leave?

Under Paid Leave, you are a small employer if:

- You have **30 or fewer employees** during each of the past four quarters.
- You pay an average wage of no more than **150% of the statewide average wage**, currently $27,745.88 per quarter. Paid Leave calculates your average wage by dividing wages from your highest-paid quarter by your highest employee count. These numbers may come from different quarters.

Learn more about who qualifies as a Paid Leave small employer on Small Employers web page.

Premiums for Paid Leave

Paid Leave is funded by premiums split by employers and employees. If you qualify as a small employer under Paid Leave, your reduced premium rate is 0.66% of employee wages. Employers can collect up to 0.44% of the premium from employees. This means small employers may pay as little as .22% of employee wages for their share of the premium.

If you qualify as a small employer under Paid Leave, you were notified by mail. You can also view your premium rate in your Employer Account at uimn.org.

How much will my organization owe?

There's a calculator on our website to estimate premiums, by employee count and wages.

What do I need to do to administer Paid Leave?

- You need two accounts: an Employer Account at ui.mn.gov and a Paid Leave Administrator Account at paidleave.mn.gov.
- Use these accounts to submit quarterly wage detail reports, pay Paid Leave premiums, review employee leave applications, and apply for Small Employer Assistance Grants.
- Notify employees about Paid Leave within 30 days of hire.

Paid Leave Small Employer Assistance Grants

If you qualify as a small employer under Paid Leave, you can apply for a grant to help cover costs after an employee has taken leave. These grants help manage the cost of hiring temporary workers, increasing hours or wages for existing employees, or training staff when an employee takes Paid Leave.

This is a reimbursement program. Employers must first pay costs and show proof of payment to receive grant funds. Grants offer up to **$3,000 per approved leave**, with a maximum of **$6,000 per employer** each calendar year.

Submitting a grant does not guarantee you will be paid. Each application is reviewed individually to ensure it meets grant requirements. The program is funded at $5,000,000 annually. Once those funds are fully used, we will not accept additional applications that calendar year. Expenses incurred before January 1, 2026, are not eligible. Learn more about Small Employer Assistance Grants on our website.

What employment protections does Paid Leave cover?

- **Job protections**: Generally, workers must be restored to their job or an equivalent position when returning from leave. Job protections take effect 90 days following the date of hire.
- **Health insurance continuation**: Employers must continue to fund their portion of healthcare insurance premiums.
- **No retaliation**: Employers can't retaliate against workers for applying or using Paid Leave.

What about seasonal hospitality workers?

Seasonal hospitality employers can request a special designation for certain seasonal hospitality employment. If you request this designation – and your request is approved – employees working in designated employment cannot take leave from your business, and premiums are not owed on their wages. To qualify for a seasonal hospitality employment designation, employers must apply, and:

1. Prove that their business is in the hospitality industry, as defined in state law.
2. Prove that their business is seasonal, as defined in state law.
3. The person in the designated position must be employed no more than 150 days in a year.

For more information, visit paidleave.mn.gov

If you have questions or need assistance, please contact the Paid Leave Contact Center at paidleave@state.mn.us or call us at 651-556-7777 or 844-556-0444 (toll-free). Information is available in alternative formats for people with disabilities or people needing language assistance by using the contact information listed above.