

Minnesota Paid Family Medical Leave

Dakota County Board of Commissioners

Paid Family Medical Leave (Paid FML)

- Minnesota enacted a paid family and medical leave law in 2023, that will give covered employees the right to take paid family and medical leave beginning Jan. 1, 2026.
- PFML will apply to all employers—regardless of size.
- PFML will be funded by premiums paid by employers and employees.
- The program will operate similar to the unemployment insurance program.
- PFML is administered by the Minnesota Department of Employment and Economic Development (DEED).

Paid Family Medical Leave

- PFML is split into two major areas: medical leave or family leave
- Employees are entitled to receive:
 - Up to 12 weeks of leave for OWN serious health condition
 - Up to 12 weeks of leave for other types of leave (baby bonding, safety leave, family care, qualifying exigency).
- Employees can take BOTH types of leave in a single 12-month period, not to exceed 20 total weeks.

Covered leave

Medical Leave

1-12 Weeks



Medical

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

Family Leave

1-12 Weeks



Bonding

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



Active Duty

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



Caring

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



Safety

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



Maximum of 20 weeks combined in one year if someone qualifies for both medical and family leave.

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

*Information on this Slide from DEED Employer Engagement Session Spring 2025

JOB PROTECTION

- An individual's job is protected while on PFML if they have been employed in their current position of employment for at least 90 days.
- Upon return from PFML, employee is entitled to return to the same/equivalent position with same/equivalent benefits, pay, and other terms and conditions of employment.
- Benefits include all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions.

Employer's Role in Paid FML

- Reporting and Premiums
 - Payroll deductions and premium payments
 - Wage reporting
- Educate and Inform
 - Workforce posters
 - Individual notifications
- Leave Administration



MN Paid FML Payment

- Employee must have earned at least 5.3% (\$3,900 annually) of the statewide average annual wage in the last year to be eligible for PFML.
 - For weekly wages between \$0 and \$711.50 (half of the 2026 state average), employees receive 90%.
 - For weekly wages between \$711.50 and \$1,423 (the 2026 state average), employees receive 66%.
 - For weekly wages above \$1,423, employees receive 55%
- Benefit not to exceed \$1,423
- \$1,423 average weekly wage is equivalent of \$74,000 annually
- Dakota's estimated 2026 average weekly wage is \$1,554, which is equivalent to \$80,800 annually

MN Paid FML Payment - Example

For an employee making 80,800 per year in 2026, or \$1,554 per week

- A. For weekly wages between \$0 and \$711.50 , employees receive 90%, or **\$640.35**.
- B. For weekly wages between \$711.50 and \$1,423, employees receive 66%, or **\$469.59**.
- C. For weekly wages above \$1,423, employees receive 55%, or **\$71.97**.
- D.

A. \$640.35

B. \$469.59

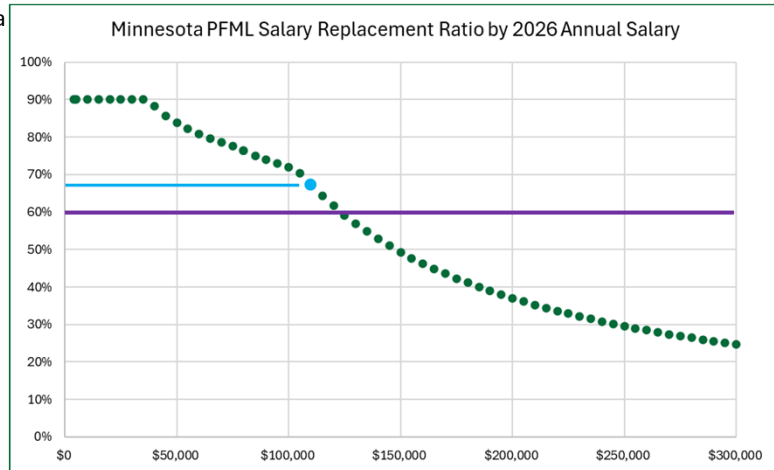
C. \$71.97

\$1,181.91* (76.1% reimbursement)

**The total weekly benefit cannot exceed \$1,423*

MN Paid FML - Weekly Benefits

- As salaries increase, the Minnesota PFML salary replacement ratio decreases.
- This compares to Dakota's average salary replacement ratio of **68.7%** (designated by the **blue** dot).
- The **purple** line reflects the current optional STD plan **60%** replacement ratio.



Equivalent Plan

- Employers can choose to use an equivalent plan that offers the same or better coverage than MN PFML
- Employer must submit and have their plan approved by the State
 - Equivalent plan cannot cost employees more than required under the state plan
 - Must provide job protection equal to the state plan

2 options of paid leave equivalent plans:

- 1) Insurance Carrier Plans
- 2) Self-Insured Plans

Equivalent Plan Conditions

- All employees who are covered under the state plan must be covered under the equivalent plan.
- Eligibility requirements cannot be stricter than those in the state plan.
- Weekly payments must be at least equal to those provided by the state plan and separate from other benefits.
- The total amount of leave available must be at least equal to the amount provided by the state plan.
- Job protections must be at least equal to those provided by the state plan.
- Costs to employees cannot be more than what their premiums would be under the state plan.

Equivalent Plan RFP

- Dakota County participated in RFP with other local Counties and Cities
- Five vendor responses were received
- Price quotes ranged from 0.79 to 1.86 percent
- All but one proposal, MetLife, were equal to or greater than the State's 0.88% premium rate.
- MetLife's proposal required the County to purchase one to two additional products, based on a one or two year rate guarantee.

Financial Comparison of Options

Benefit	Benefit Basis 2026						
	State Program	Private Plan					
		MetLife	Madison Natl	NYL	Hartford	Lincoln Fin	Self-Insured
Medical Leave	\$1,000,000						\$1,907,000
Family Leave	\$755,000						\$840,000
Integrity		\$1,575,000	\$1,755,000	\$2,471,000	\$2,990,000	\$3,707,000	
Total Cost	\$1,755,000	\$1,575,000	\$1,755,000	\$2,471,000	\$2,990,000	\$3,707,000	\$2,747,000
Dakota Share	\$877,500	\$787,500	\$877,500	\$1,450,500	\$1,969,500	\$2,686,500	\$1,726,500
Employee Share	\$877,500	\$787,500	\$877,500	\$1,020,500	\$1,020,500	\$1,020,500	\$1,020,500
Effective Cost Split	50% / 50%	50% / 50%	50% / 50%	59% / 41%	66% / 34%	72% / 28%	63% / 37%

Key Dates

2025

Nov. 10, 2025: Employers must submit their Private Insurance Carriers plans for review.

Dec. 1, 2025: Employee notifications must be provided

2026

Jan. 1, 2026:

- Paid Leave starts.
- Payroll deductions begin for employers and employees.

Apr. 30, 2026: First quarterly premium payments due.

What's next

- Staff recommends proceeding with the State Paid FML plan
 - Minimize administration and staff resources
 - Gain necessary data for decision making
 - Evaluate options and consider quarterly opt-out if data supports a change.
- Next steps:
 - Develop internal procedures
 - Update other benefits (i.e. STD) to ensure plan coordination
 - Update relevant policies
 - Provide employee notices