

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**. This is calculated from the quarter where you paid the most in wages. Right now, this means your average wage must be equal to or less than \$27,745.88 per quarter.

Premiums for Paid Leave

Paid Leave is funded by premiums split by employers and employees. The reduced small employer premium rate is 0.66% of employee wages. Employers can collect up to 0.44% of the premium from employees.

Premium rate notices were sent to employers by mail. These notices specified whether you qualify as a small employer. 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.

Small Employer Assistance Grants

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

Grants offer up to \$3,000 per approved leave, with a maximum of \$6,000 per employer each calendar year. This is a reimbursement program. Grant funding is for costs already incurred. The program is funded at \$5,000,000 annually, and 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 do I need to do prepare for Paid Leave?

- **Set up your accounts:** Register for an Employer Account at uimn.org (if you don't already have one). Designate a Paid Leave Administrator in your Employer Account. Then, create a Paid Leave Administrator Account at paidleave.mn.gov.
- **Notify employees:** You must hang a poster and notify employees individually about Paid Leave.
- **Prepare your workforce:** Check out the [employer toolkit](#) 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.

Can my organization opt out of Paid Leave?

No, you cannot opt out of Paid Leave. There are some choices organizations can make about Paid Leave, including setting internal leave policies and exploring equivalent plans, which allow you to offer a same-or-better Paid Leave plan to your employees. Equivalent plans can be purchased from an insurance carrier or you can self-insure.

Minnesota Paid Leave is often the least expensive, easiest option for employers. For small employers, Paid Leave will make this benefit affordable when it might not otherwise be.

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

