

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5430

(SENATE AUTHORS: MANN)

| DATE | D-PG | OFFICIAL STATUS |
|------------|--------|---|
| 04/15/2024 | 13896 | Introduction and first reading Referred to Jobs and Economic Development |
| 04/24/2024 | 14460a | Comm report: To pass as amended and re-refer to Commerce and Consumer Protection Joint rule 2.03, referred to Rules and Administration |
| 04/29/2024 | 15571 | Comm report: Adopt previous comm report Jt rule 2.03 suspended |
| 05/01/2024 | | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |

1.1 A bill for an act

1.2 relating to employees; modifying paid leave provisions; amending Minnesota

1.3 Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by

1.4 adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a

1.5 subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09,

1.6 subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding

1.7 subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15,

1.8 subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19;

1.9 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in

1.10 Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement,

1.11 sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14,

1.12 subdivision 5.

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

1.14 Section 1. 268B.001 CITATION.

1.15 This chapter may be cited as the "Minnesota Paid Leave Law."

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

1.17 Sec. 2. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 3, is amended

1.18 to read:

1.19 Subd. 3. **Applicant.** "Applicant" means an individual or the individual's authorized

1.20 representative applying for leave with benefits under this chapter.

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

2.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
2.2 subdivision to read:

2.3 Subd. 4a. **Authorized representative.** "Authorized representative" means an individual
2.4 designated by the person or the individual's legal representative to act on their behalf. This
2.5 individual may be a family member, guardian, or other individual designated by the person
2.6 or the individual's legal representative, if any, to assist in purchasing and arranging for
2.7 supports. For the purposes of this chapter, an authorized representative must be at least 18
2.8 years of age.

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

2.10 Sec. 4. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 5, is amended
2.11 to read:

2.12 Subd. 5. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
2.13 means the most recent four completed calendar quarters before the effective date of an
2.14 applicant's application for family or medical leave benefits if the application has an effective
2.15 date occurring after the month following the most recent completed calendar quarter. The
2.16 base period under this paragraph is as follows:

| | |
|---|-------------------------------|
| 2.17 If the application for family or medical leave | |
| 2.18 benefits is effective on or between these | |
| 2.19 dates: | The base period is the prior: |
| 2.20 February 1 to March 31 | January 1 to December 31 |
| 2.21 May 1 to June 30 | April 1 to March 31 |
| 2.22 August 1 to September 30 | July 1 to June 30 |
| 2.23 November 1 to December 31 | October 1 to September 30 |

2.24 (b) If an application for family or medical leave benefits has an effective date that is
2.25 during the month following the most recent completed calendar quarter, then the base period
2.26 is the first four of the most recent five completed calendar quarters before the effective date
2.27 of an applicant's application for family or medical leave benefits. The base period under
2.28 this paragraph is as follows:

| | |
|---|-------------------------------|
| 2.29 If the application for family or medical leave | |
| 2.30 benefits is effective on or between these | |
| 2.31 dates: | The base period is the prior: |
| 2.32 January 1 to January 31 | October 1 to September 30 |
| 2.33 April 1 to April 30 | January 1 to December 31 |
| 2.34 July 1 to July 31 | April 1 to March 31 |
| 2.35 October 1 to October 31 | July 1 to June 30 |

3.1 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
3.2 completed calendar quarters must be used if the applicant would have more wage credits
3.3 under that base period than under a base period of the four most recent completed calendar
3.4 quarters.

3.5 (d) If the applicant has insufficient wage credits to establish a benefit account under a
3.6 base period of the four most recent completed calendar quarters, or a base period of the first
3.7 four of the most recent five completed calendar quarters, but during either base period the
3.8 applicant received workers' compensation for temporary disability under chapter 176 or a
3.9 similar federal law or similar law of another state, or if the applicant whose own serious
3.10 illness caused a loss of work for which the applicant received compensation for loss of
3.11 wages from some other source, the applicant may request a base period as follows:

3.12 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a
3.13 base period referred to in paragraph (a) or (b), then the base period is the first four of the
3.14 most recent six completed calendar quarters before the effective date of the application for
3.15 family or medical leave benefits;

3.16 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base
3.17 period referred to in paragraph (a) or (b), then the base period is the first four of the most
3.18 recent seven completed calendar quarters before the effective date of the application for
3.19 family or medical leave benefits;

3.20 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base
3.21 period referred to in paragraph (a) or (b), then the base period is the first four of the most
3.22 recent eight completed calendar quarters before the effective date of the application for
3.23 family or medical leave benefits; and

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

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

4.1 (f) The base period is calculated once during the benefit year.

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

4.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 8, is amended
4.4 to read:

4.5 Subd. 8. **Benefit year.** (a) Except as provided in ~~paragraph~~ paragraphs (b) to (d), "benefit
4.6 year" means the period of 52 calendar weeks beginning the ~~date a benefit account~~ effective
4.7 date of leave under section 268B.04 is effective. For ~~a benefit account established~~ an effective
4.8 date of leave that is any January 1, April 1, July 1, or October 1, the benefit year will be a
4.9 period of 53 calendar weeks.

4.10 (b) For an individual with multiple employers participating in the state plan, "benefit
4.11 year" means the period of 52 calendar weeks beginning the date an effective date of leave
4.12 under section 268B.04 is effective for any of the multiple employers.

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

4.14 (1) a calendar year;

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

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

4.18 or

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

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

4.23 (d) For individuals with multiple employers with at least one employer participating in
4.24 the state plan and at least one employer participating in a private plan:

4.25 (1) for the employer or employers participating in the state plan, "benefit year" means
4.26 the period of 52 calendar weeks beginning the effective date of leave is effective for any
4.27 employer; and

4.28 (2) the employer or employers participating in a private plan may define their benefit
4.29 year according to paragraph (b).

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

5.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 15, is amended
5.2 to read:

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

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

5.9 (1) 50 percent or more of the employment during the calendar ~~year~~ quarter is performed
5.10 in Minnesota; or

5.11 (2) 50 percent or more of the employment during the calendar ~~year~~ quarter is not
5.12 performed in Minnesota or any other single state within the United States, or ~~Canada~~ United
5.13 States territory or foreign nation, but some of the employment is performed in Minnesota
5.14 and the employee's residence is in Minnesota during 50 percent or more of the calendar
5.15 ~~year~~ quarter; ~~or.~~

5.16 ~~(3) 50 percent or more of the employment during the calendar year is not performed in~~
5.17 ~~Minnesota or any other state, or Canada, but the place from where the employee's~~
5.18 ~~employment is controlled and directed is based in Minnesota.~~

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

5.20 (1) a self-employed individual;

5.21 (2) an independent contractor; or

5.22 (3) employment by a seasonal employee, as defined in subdivision 35.

5.23 (d) Entities that are excluded under this section may opt in to coverage following a
5.24 procedure determined by the commissioner. In such cases, services provided by employees
5.25 are considered covered employment under subdivision 15.

5.26 (e) The commissioner may adopt rules in accordance with chapter 14 to:

5.27 (1) further define the application of this subdivision; and

5.28 (2) establish the criteria for covered employment for individuals that do not meet the
5.29 criteria in paragraphs (a) and (b), but that perform services as an employee to a Minnesota
5.30 employer.

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

6.1 Sec. 7. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
6.2 subdivision to read:

6.3 Subd. 15a. **Covered individual.** "Covered individual" means either:

6.4 (1) an applicant who meets the financial eligibility requirements of section 268B.04,
6.5 subdivision 2, if services provided are covered employment under subdivision 15; or

6.6 (2) a self-employed individual or independent contractor who has elected coverage under
6.7 section 268B.11 and who meets the financial eligibility requirements under section 268B.11.

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

6.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
6.10 subdivision to read:

6.11 Subd. 15b. **Effective date of application.** "Effective date of application" means the date
6.12 on which an application is submitted to the department.

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

6.14 Sec. 9. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
6.15 subdivision to read:

6.16 Subd. 15c. **Effective date of leave.** "Effective date of leave" means the date of first
6.17 absence associated with a leave under section 268B.09.

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

6.19 Sec. 10. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 23, is amended
6.20 to read:

6.21 Subd. 23. **Family member.** (a) "Family member" means, with respect to an applicant:

6.22 (1) a spouse or domestic partner;

6.23 (2) a child, including a biological child, adopted child, ~~or~~ foster child, a stepchild, child
6.24 of a domestic partner, or a child to whom the applicant stands in loco parentis, is a legal
6.25 guardian, or is a de facto ~~parent~~ custodian;

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

6.27 (4) a sibling;

6.28 (5) a grandchild;

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

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

7.2 (8) an individual who has a personal relationship with the applicant that creates an
7.3 expectation and reliance that the applicant care for the individual without compensation,
7.4 whether or not the applicant and the individual reside together.

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

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

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

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

7.13 Sec. 11. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
7.14 subdivision to read:

7.15 Subd. 23a. **Financially eligible.** "Financially eligible" means an applicant meets the
7.16 requirements established under section 268B.04, subdivision 2.

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

7.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
7.19 subdivision to read:

7.20 Subd. 27a. **Initial paid week.** "Initial paid week," except as provided in section 268B.04,
7.21 subdivision 6, means the first seven days of a leave, which must be paid and is a payable
7.22 period for leave types including family care, medical care related to pregnancy, serious
7.23 health condition, qualifying exigency, or safety leave. For intermittent leave, initial paid
7.24 week means seven consecutive or nonconsecutive, or a combination of consecutive and
7.25 nonconsecutive, calendar days from the effective date of leave, of which only days when
7.26 leave is taken are payable.

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

7.28 Sec. 13. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 44, is amended
7.29 to read:

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

8.1 ~~(1) for an hourly employee, the average number of hours worked per week by an~~
 8.2 ~~employee within the high quarter during the base year; or last two quarters prior to the~~
 8.3 ~~effective date of application.~~

8.4 ~~(2) 40 hours for a salaried employee, regardless of the number of hours the salaried~~
 8.5 ~~employee typically works.~~

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

8.7 Sec. 14. Minnesota Statutes 2023 Supplement, section 268B.04, is amended to read:

8.8 **268B.04 BENEFIT ACCOUNT FINANCIAL ELIGIBILITY; BENEFITS.**

8.9 Subdivision 1. **Application for benefits; determination of benefit account financial**
 8.10 **eligibility.** (a) An application for benefits may be filed up to 60 days before leave taken
 8.11 under chapter 268B in person, by mail, or by electronic transmission as the commissioner
 8.12 may require. The applicant must include certification supporting a request for leave under
 8.13 this chapter. The applicant must meet eligibility requirements and must provide all requested
 8.14 information in the manner required. If the applicant fails to provide all requested information;
 8.15 ~~the communication is not an application for family and medical leave benefits~~ within a time
 8.16 period to be specified by the commissioner, the application is considered closed and the
 8.17 division must not further act on it.

8.18 (b) The commissioner must examine each application for benefits to determine the base
 8.19 period and the benefit year, and based upon all the covered employment in the base period
 8.20 the commissioner must determine the financial eligibility of the applicant, which includes
 8.21 the weekly benefit amount available, if any, and the maximum amount of benefits available,
 8.22 if any. The determination, which is a document separate and distinct from a document titled
 8.23 a determination of eligibility or determination of ineligibility, must be titled determination
 8.24 of benefit account. A determination of benefit account must be sent to the applicant and all
 8.25 base period employers, by mail or electronic transmission.

8.26 (c) If a base period employer did not provide wage detail information for the applicant
 8.27 as required under section 268B.12, the commissioner may accept an applicant certification
 8.28 of wage credits, based upon the applicant's records, and ~~issue a determination of benefit~~
 8.29 ~~account~~ determine the financial eligibility of the applicant.

8.30 (d) The commissioner may, at any time within 12 months from the establishment of a
 8.31 ~~benefit account~~ leave, reconsider any determination of benefit account and make an amended
 8.32 determination if the commissioner finds that the wage credits listed in the determination
 8.33 were incorrect for any reason. An amended determination of benefit account must be

9.1 promptly sent to the applicant and ~~all~~ any impacted base period employers, by mail or
 9.2 electronic transmission. This paragraph does not apply to ~~documents-titled~~ determinations
 9.3 of eligibility or determinations of ineligibility issued.

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

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

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

9.18 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
 9.19 plus

9.20 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
 9.21 not 100 percent; plus

9.22 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

9.23 (b) For applicants that have changed employers within the base period, the weekly benefit
 9.24 amount is calculated based on the highest quarter of wages in the base period.

9.25 ~~(b)~~ (c) The state's average weekly wage is the average wage as calculated under section
 9.26 268.035, subdivision 23, at the time a benefit amount is first determined.

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

9.29 ~~(d)~~ (e) The state's maximum weekly benefit amount, computed in accordance with section
 9.30 268.035, subdivision 23, applies to a benefit account leaves established effective on or after
 9.31 the last Sunday in October. Once established, an applicant's weekly benefit amount is not
 9.32 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

10.1 ~~(e)~~ (f) For an ~~employee~~ covered individual receiving family or medical leave, a weekly
10.2 benefit amount is prorated when:

10.3 (1) the ~~employee~~ covered individual works hours for wages;

10.4 (2) the ~~employee~~ covered individual uses paid sick leave, paid vacation leave, or other
10.5 paid time off that is not considered a supplemental benefit payment as defined in section
10.6 268B.01, subdivision 41; or

10.7 (3) leave is taken intermittently.

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

10.10 Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant
10.11 may take benefits in a single benefit year for a serious health condition is the lesser of 12
10.12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the
10.13 applicant received benefits for bonding, safety leave, family care, ~~or~~ and qualifying exigency
10.14 plus eight weeks.

10.15 (b) The total number of weeks that an applicant may take benefits in a single benefit
10.16 year for bonding, safety leave, family care, ~~or~~ and qualifying exigency is the lesser of 12
10.17 weeks, or 12 weeks minus the number of weeks within the same benefit year that the
10.18 applicant received benefits for a serious health condition plus eight weeks.

10.19 Subd. 6. **Minimum period for which benefits payable.** (a) Except for a claim for
10.20 benefits for bonding leave, any claim for benefits must be based on a single qualifying event
10.21 of at least seven calendar days. ~~The minimum duration to receive benefits under this chapter~~
10.22 ~~is one work day in a work week.~~

10.23 (b) The initial paid week is only payable if the applicant submits documentation to the
10.24 commissioner's satisfaction demonstrating that the applicant does not have at least 80 hours
10.25 of paid vacation leave, paid sick leave, or other paid time off available to them from the
10.26 employer from whom they are taking leave at the earlier of the effective date of application
10.27 or the effective date of leave. For an applicant having an available leave balance of 80 hours
10.28 or less, the program pays the first week in its entirety.

10.29 (c) The initial paid week is partially payable if the applicant submits documentation to
10.30 the commissioner's satisfaction demonstrating that the applicant has more than 80 hours
10.31 and less than 120 hours of paid vacation leave, paid sick leave, or other paid time off available
10.32 to them from the employer from whom they are taking leave at the earlier of the effective
10.33 date of application or the effective date of leave. The department shall prorate the initial

11.1 paid week based on the applicant's leave balance, so as not to go below 80 available leave
 11.2 hours remaining at the end of the initial paid week.

11.3 (d) The requirements in paragraphs (b) and (c) do not apply to bonding leave.

11.4 Subd. 6a. **Minimum increment of leave.** Intermittent leave must be taken in increments
 11.5 consistent with the established policy of the employer to account for use of other forms of
 11.6 leave, so long as such employer's policy permits a minimum increment of at most one
 11.7 calendar day of intermittent leave. An applicant is not permitted to apply for payment for
 11.8 benefits associated with intermittent leave until the applicant has eight hours of accumulated
 11.9 leave time, unless more than 30 calendar days have lapsed since the initial taking of the
 11.10 leave.

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

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

11.17 **Subd. 8. Limitations on applications and benefit accounts leaves.** (a) An application
 11.18 for family or medical leave benefits is effective the Sunday of the calendar week that the
 11.19 application was filed. An application for benefits may be backdated one calendar week
 11.20 before the Sunday of the week the application was actually filed if the applicant requests
 11.21 the backdating within seven calendar days of the ~~date the application is filed~~ effective date
 11.22 of application. An application may be backdated only if the applicant was eligible for the
 11.23 benefit during the period of the backdating. If an individual attempted to file an application
 11.24 for benefits, but was prevented from filing an application by the department, the application
 11.25 is effective the Sunday of the calendar week the individual first attempted to file an
 11.26 application.

11.27 (b) If the applicant was unable to apply in a timely manner due to incapacitation or due
 11.28 to no fault of their own, the commissioner may backdate the claim beyond one calendar
 11.29 week to the effective date of leave. The commissioner may require the employee to prove
 11.30 the circumstances that prevented timely filing.

11.31 **EFFECTIVE DATE.** This section is effective November 1, 2025.

12.1 Sec. 15. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 2, is amended
12.2 to read:

12.3 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
12.4 benefits must be or have been based on a single event of at least seven calendar days' duration
12.5 related to medical care related to pregnancy, family care, a qualifying exigency, safety leave,
12.6 or the applicant's serious health condition. The days must be consecutive, unless the leave
12.7 is intermittent. Subject to the requirements in section 268B.04, subdivision 6, the seven-day
12.8 qualifying event under this paragraph is a payable period, not an unpaid waiting period.

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

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

12.13 **EFFECTIVE DATE.** This section is effective November 1, 2025.

12.14 Sec. 16. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 3, is amended
12.15 to read:

12.16 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
12.17 applicant's serious health condition shall be sufficient if the certification states the date on
12.18 which the serious health condition began, the probable duration of the condition, and the
12.19 appropriate medical facts within the knowledge of the health care provider as required by
12.20 the commissioner. If the applicant requests intermittent leave, the certification must include
12.21 the health care provider's reasonable estimate of the frequency and duration and estimated
12.22 treatment schedule, if applicable.

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

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

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

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

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

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

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

13.17 (3) other documentation permitted by the commissioner.

13.18 (g) Certification for an applicant taking safety leave is sufficient if the certification
13.19 includes a court record or documentation signed by ~~an employee of a victim's services~~
13.20 ~~organization, an attorney, a police officer, or an antiviolence counselor~~ a provider acting in
13.21 the provider's professional capacity to declare a need for safety leave. The commissioner
13.22 must not require disclosure of details relating to an applicant's or applicant's family member's
13.23 domestic abuse, sexual assault, or stalking. The commissioner may adopt rules regarding
13.24 an individual's capacity to declare a need for safety leave.

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

13.27 (i) For a leave taken on an intermittent basis, based on a serious health condition of an
13.28 applicant or applicant's family member, the certification under this subdivision must include
13.29 an explanation of how such leave would be medically beneficial to the individual with the
13.30 serious health condition.

13.31 **EFFECTIVE DATE.** This section is effective November 1, 2025.

14.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 4, is amended
14.2 to read:

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

14.5 (1) that occurs before the effective date of ~~a benefit account~~ leave;

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

14.8 (3) for which the applicant worked for pay;

14.9 (4) for which the applicant is incarcerated; or

14.10 (5) for which the applicant is receiving or has received unemployment insurance benefits.

14.11 **EFFECTIVE DATE.** This section is effective November 1, 2025.

14.12 Sec. 18. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 5, is amended
14.13 to read:

14.14 Subd. 5. **Vacation, sick leave, and paid time off, ~~and disability insurance~~**
14.15 **payments.** (a) An employee may use vacation pay, sick pay, or paid time off pay, ~~or disability~~
14.16 ~~insurance payments~~, in lieu of family or medical leave program benefits under this chapter,
14.17 provided the employee is concurrently eligible and subject to the total amount of leave
14.18 available under section 268B.04, subdivision 5. Subject to the limitations of section 268B.09,
14.19 ~~subdivision 1~~ subdivisions 6 and 7, an employee is entitled to the employment protections
14.20 under section 268B.09 for those workdays during which this option is exercised. This
14.21 subdivision applies to private plans under section 268B.10.

14.22 (b) An employer may offer supplemental benefit payments, as defined in section 268B.01,
14.23 subdivision 41, to an employee taking leave under this chapter. The choice to receive
14.24 supplemental benefits lies with the employee. Nothing in this section shall be construed as
14.25 requiring an employee to receive or an employer to provide supplemental benefits payments.
14.26 The total amount of paid benefits under this chapter and the supplemental benefits paid
14.27 must not exceed the employee's usual salary.

14.28 (c) An employer may provide an employee with wage replacement during an absence.
14.29 If the total amount of paid benefits under this chapter and the supplemental benefits paid
14.30 exceed the employee's usual salary, the employee must refund the excess to either the
14.31 employer or the paid leave division.

15.1 (d) If an employer provides wage replacement to an employee for weeks that should be
 15.2 paid by the division, the department may reimburse the employer directly for those weeks.

15.3 **EFFECTIVE DATE.** This section is effective November 1, 2025.

15.4 Sec. 19. Minnesota Statutes 2023 Supplement, section 268B.06, is amended by adding a
 15.5 subdivision to read:

15.6 Subd. 7a. **Disability insurance offset.** An employee may receive disability insurance
 15.7 payments in addition to family and medical leave benefits provided the employee is
 15.8 concurrently eligible for both benefits. Disability insurance benefits may be offset by family
 15.9 and medical leave benefits paid to the employee pursuant to the terms of a disability insurance
 15.10 policy.

15.11 **EFFECTIVE DATE.** This section is effective November 1, 2025.

15.12 Sec. 20. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 1, is amended
 15.13 to read:

15.14 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is
 15.15 entitled to benefits, the commissioner must promptly send a notification to ~~each current~~
 15.16 ~~employer~~ the employer or employers of the applicant from which the applicant is taking
 15.17 leave, if any, in accordance with paragraph (b).

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

- 15.19 (1) the name of the applicant;
- 15.20 (2) that the applicant has applied for and received benefits;
- 15.21 (3) the week the benefits commence;
- 15.22 (4) the weekly benefit amount payable; and
- 15.23 (5) the maximum duration of benefits.

15.24 **EFFECTIVE DATE.** This section is effective November 1, 2025.

15.25 Sec. 21. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 2, is amended
 15.26 to read:

15.27 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
 15.28 raised by information required from an applicant and send to the applicant and any current
 15.29 base period employer from which the applicant applied to take leave, by mail or electronic
 15.30 transmission, ~~a document titled~~ a determination of eligibility or a determination of

16.1 ineligibility, as is appropriate, within two weeks, unless the application is incomplete due
 16.2 to outstanding requests for information including clerical or other errors. Nothing prohibits
 16.3 the commissioner from requesting additional information or the applicant from supplementing
 16.4 their initial application before a determination of eligibility. The commissioner may extend
 16.5 the deadline for a determination under this subdivision due to extenuating circumstances.

16.6 (b) The commissioner shall set requirements for an applicant to respond to a request for
 16.7 information. If the required information is not provided in the timeline provided in paragraph
 16.8 (a), the application is denied.

16.9 (c) The commissioner shall prescribe requirements for when an incomplete application
 16.10 is closed. Applicants shall have the ability to reopen closed claims in a manner and form
 16.11 prescribed by the commissioner.

16.12 ~~(b)~~ (d) If an applicant obtained benefits through misrepresentation, the department is
 16.13 authorized to issue a determination of ineligibility within 12 months of the ~~establishment~~
 16.14 ~~of the benefit account~~ effective date of leave.

16.15 ~~(e)~~ (e) If the department has filed an intervention in a ~~worker's~~ workers' compensation
 16.16 matter under section 176.361, the department is authorized to issue a determination of
 16.17 ineligibility within 48 months of the ~~establishment of the benefit account~~ effective date of
 16.18 leave.

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

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

16.25 **EFFECTIVE DATE.** This section is effective November 1, 2025.

16.26 Sec. 22. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 3, is amended
 16.27 to read:

16.28 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,
 16.29 on the commissioner's own motion, may reconsider a determination of eligibility or
 16.30 determination of ineligibility that has not become final and issue an amended determination.
 16.31 Any amended determination must be sent to the applicant and any employer in the current
 16.32 base period from which the applicant applied for leave by mail or electronic transmission.

17.1 ~~Any amended determination is final unless an appeal is filed by the applicant within 60~~
17.2 ~~calendar days after sending.~~

17.3 EFFECTIVE DATE. This section is effective November 1, 2025.

17.4 Sec. 23. [268B.081] APPEALS.

17.5 Subdivision 1. Appeal filing. (a) The commissioner may allow an appeal to be filed by
17.6 electronic transmission. The commissioner may restrict the manner and format under which
17.7 an appeal by electronic transmission may be filed. The notification of the determination or
17.8 decision that is subject to appeal must clearly state the manner in which the determination
17.9 or decision may be appealed. Subject to paragraph (b), this paragraph applies to requests
17.10 for reconsideration under subdivision 6.

17.11 (b) Except as provided in paragraph (c), the commissioner must allow an applicant to
17.12 file an appeal by mail even if an appeal by electronic transmission is allowed. To be
17.13 considered an appeal, a written statement delivered or mailed to the department must identify:

17.14 (1) the determination or decision that the applicant disagrees with; and

17.15 (2) the reason the applicant disagrees with the determination or decision.

17.16 (c) If an agent files an appeal on behalf of an employer, the commissioner may require
17.17 the appeal to be filed online. If the commissioner requires the appeal to be filed online, the
17.18 appeal must be filed through the electronic address provided on the determination being
17.19 appealed and use of another method of filing does not constitute an appeal. This paragraph
17.20 does not apply to:

17.21 (1) an employee filing an appeal on behalf of an employer; or

17.22 (2) an attorney licensed to practice law who is directly representing the employer on
17.23 appeal.

17.24 (d) All information requested by the department when the appeal is filed must be supplied
17.25 or the communication does not constitute an appeal.

17.26 (e) If no appeal is filed by the deadlines listed in subdivision 2, the determination or
17.27 decision is conclusive and final, unless the appealing party can demonstrate good cause for
17.28 failing to file in a timely manner. For purposes of this paragraph, "good cause" is a reason
17.29 that would have prevented a reasonable person acting with due diligence from filing in a
17.30 timely manner. Unless otherwise specified, deadlines in this section may be extended up to
17.31 60 days for good cause.

18.1 Subd. 2. Appealable issues and deadlines. (a) An applicant may appeal to the
18.2 department:

18.3 (1) within 30 calendar days after a financial eligibility determination or amended financial
18.4 eligibility determination sent by mail or electronic transmission by the department under
18.5 section 268B.04 regarding:

18.6 (i) whether services performed constitute employment;

18.7 (ii) whether the employment is covered employment;

18.8 (iii) whether money paid constitutes wages; or

18.9 (iv) a denial resulting from the applicant's missing or incomplete documentation;

18.10 (2) within 30 calendar days after an eligibility determination sent by the department
18.11 related to seasonal employment status under section 268B.06, subdivision 9;

18.12 (3) within 30 calendar days after an eligibility determination sent by the department
18.13 under section 268B.07 regarding:

18.14 (i) financial eligibility, calculations of benefit amount, work schedule, and leave balance
18.15 available; or

18.16 (ii) a denial resulting from missing or incomplete documentation;

18.17 (4) within 30 calendar days after the denial of a good cause demonstration under
18.18 subdivision 1, paragraph (e). The deadline for appeals of denials of good cause demonstration
18.19 may not be extended;

18.20 (5) within 30 calendar days after an applicant receives a decision from an insurer,
18.21 approved private plan administrator, or employer under section 268B.10, subdivision 6,
18.22 regarding the results of the administrative review under section 268B.10, subdivision 6,
18.23 paragraph (b); and

18.24 (6) within 30 calendar days after a determination of overpayment penalty sent by the
18.25 department under section 268B.185.

18.26 (b) A base period employer may appeal to the department:

18.27 (1) within 30 calendar days after a denial of an application for seasonal worker status
18.28 under section 268B.01, subdivision 35;

18.29 (2) within 30 calendar days after a financial eligibility determination or amended financial
18.30 eligibility determination sent by mail or electronic transmission by the department under
18.31 section 268B.04 regarding:

- 19.1 (i) whether services performed constitute employment;
- 19.2 (ii) whether the employment is covered employment; or
- 19.3 (iii) whether money paid constitutes wages;
- 19.4 (3) within 30 calendar days after a denial of an application for substitution of a private
- 19.5 plan is sent under section 268B.10;
- 19.6 (4) within 30 calendar days after a notice of termination of a private plan is sent by the
- 19.7 department under section 268B.10, subdivision 16;
- 19.8 (5) within 30 calendar days after a notice of penalties is sent by the department under
- 19.9 section 268B.10, subdivision 17;
- 19.10 (6) within 30 calendar days after the notice of the determination of the calculation of
- 19.11 premiums has been sent by the department under section 268B.14, subdivision 1;
- 19.12 (7) within 30 calendar days after a determination of denial is sent by the department
- 19.13 under section 268B.15, subdivision 7; and
- 19.14 (8) within 30 calendar days after a determination of penalty is sent by the department
- 19.15 under section 268B.19.
- 19.16 (c) Notwithstanding any provision of this chapter, the commissioner or a hearing officer
- 19.17 may, before a determination is made under this chapter, refer any issue of ineligibility, or
- 19.18 any other issue under this chapter, directly for hearing in accordance with this section. The
- 19.19 status of the issue is the same as if a determination had been made and an appeal filed.
- 19.20 (d) The computation of time provisions of sections 645.15 and 645.151 apply to this
- 19.21 section.
- 19.22 **Subd. 3. Notice of hearing.** The notice of hearing must include materials that provide:
- 19.23 (1) a statement that the purpose of the hearing is to take sworn testimony and other
- 19.24 evidence on the issues involved, that the hearing is the only procedure available under the
- 19.25 law at which a party may present evidence, and that further appeals consist of a review of
- 19.26 the evidence submitted at the hearing;
- 19.27 (2) a statement of the parties' right to represent themselves or to be represented by an
- 19.28 attorney or other authorized representative;
- 19.29 (3) a brief description of the procedure to be followed to request a continuance of the
- 19.30 hearing;

20.1 (4) a brief description of the procedure to be followed at the hearing, including the role
20.2 of the hearing officer;

20.3 (5) a statement that the parties should arrange in advance for the participation of witnesses
20.4 the parties need to support their position;

20.5 (6) a statement that a party may find out the name of the other party's attorney or other
20.6 authorized representative, names of the witnesses that the other party intends to have testify
20.7 at the hearing, and an explanation of the process for making the request;

20.8 (7) a statement that subpoenas may be available to compel the participation of witnesses
20.9 or the production of documents and an explanation of the process for requesting a subpoena;

20.10 (8) a statement that documents contained in the department's records and documents
20.11 submitted by the parties that will be introduced at the hearing as possible exhibits will be
20.12 sent to the parties in advance of the hearing;

20.13 (9) a statement that even if the applicant already received benefits, the applicant should
20.14 participate in the hearing, because if the applicant is held ineligible, the applicant is not
20.15 eligible to receive further benefits and will have to pay back the benefits already received;

20.16 (10) a statement that the hearing officer will determine the facts based upon a
20.17 preponderance of the evidence along with the statutory definition of "preponderance of the
20.18 evidence"; and

20.19 (11) a statement that a party who fails to participate in the hearing will not be allowed
20.20 a rehearing unless the party can show good cause for failing to participate, along with the
20.21 statutory definition of "good cause."

20.22 Subd. 4. **Hearing.** (a) Upon a timely appeal to a determination having been filed or upon
20.23 a referral for direct hearing, the department must set a time and date for a de novo due
20.24 process hearing and send notice to an applicant and an employer, by mail or electronic
20.25 transmission, not less than ten calendar days before the date of the hearing.

20.26 (b) The commissioner may adopt rules on procedures for hearings. The rules need not
20.27 conform to common law or statutory rules of evidence and other technical rules of procedure.

20.28 (c) The department has discretion regarding the method by which the hearing is
20.29 conducted.

20.30 (d) The department may conduct a joint hearing with the unemployment insurance
20.31 division if the substance of the appeal pertains to both programs.

21.1 (e) The department must assign a hearing officer to conduct a hearing and may transfer
21.2 to another hearing officer any proceedings pending before another hearing officer.

21.3 (f) The department has discretion regarding the method by which the hearing is conducted.
21.4 The hearing must be conducted by a hearing officer as an evidence-gathering inquiry, without
21.5 regard to a burden of proof. The order of presentation of evidence is determined by the
21.6 hearing officer.

21.7 (g) Each party may present and examine witnesses and offer their own documents or
21.8 other exhibits. Parties have the right to examine witnesses, object to exhibits and testimony,
21.9 and cross-examine the other party's witnesses. The hearing officer must assist all parties in
21.10 the presentation of evidence. The hearing officer must rule upon evidentiary objections on
21.11 the record. The hearing officer must permit rebuttal testimony. Parties have the right to
21.12 make closing statements. Closing statements may include comments based upon the evidence
21.13 and arguments of law. The hearing officer may limit repetitious testimony and arguments.

21.14 (h) The hearing officer must exercise control over the hearing procedure in a manner
21.15 that protects the parties' rights to a fair hearing, including the sequestration of witnesses to
21.16 avoid prejudice or collusion. The hearing officer must ensure that all relevant facts are
21.17 clearly and fully developed. The hearing officer may obtain testimony and other evidence
21.18 from department employees and any other person the hearing officer believes will assist in
21.19 reaching a proper result.

21.20 (i) Before taking testimony, the hearing officer must inform the parties:

21.21 (1) that the purpose of the hearing is to take testimony and other evidence on the issues;

21.22 (2) that the hearing is the only opportunity available to the parties to present testimony
21.23 and other evidence on the issues involved;

21.24 (3) of an explanation of how the hearing will be conducted, including the role and
21.25 obligations of the hearing officer;

21.26 (4) that the parties have the right to request that the hearing be continued so that additional
21.27 witnesses and documents can be presented, by subpoena if necessary;

21.28 (5) that the facts will be determined upon a preponderance of the evidence, along with
21.29 the statutory definition of "preponderance of the evidence";

21.30 (6) of the statutory provision on burden of proof;

22.1 (7) that certain government agencies may have access to the information provided at the
22.2 hearing if allowed by statute and that the information provided may be disclosed under a
22.3 district court order; and

22.4 (8) that after the hearing is over, the hearing officer will issue a written decision, which
22.5 will be sent to the parties by mail or electronic transmission.

22.6 Subd. 5. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
22.7 the hearing officer must serve by mail or electronic transmission to all parties the decision,
22.8 reasons for the decision, and written findings of fact. The hearing officer's decision is final
22.9 unless a request for reconsideration is filed under subdivision 6.

22.10 (b) If the appellant fails to participate in the hearing, the hearing officer has the discretion
22.11 to dismiss the appeal by summary decision. By failing to participate, the appellant is
22.12 considered to have failed to exhaust available administrative remedies unless the appellant
22.13 files a request for reconsideration under subdivision 6 and establishes good cause for failing
22.14 to participate in the hearing. Submission of a written statement does not constitute
22.15 participation. The appellant must participate personally or through an authorized
22.16 representative.

22.17 (c) The hearing officer must issue a decision dismissing the appeal as untimely if the
22.18 judge decides the appeal was not filed in accordance with the deadlines under subdivision
22.19 2 after sending the determination. The hearing officer may dismiss the appeal by summary
22.20 decision or may conduct a hearing to obtain evidence on the timeliness of the appeal.

22.21 (d) Decisions of a hearing officer are not precedential.

22.22 Subd. 6. **Request for reconsideration.** Any party, or the commissioner, may, within
22.23 30 calendar days after service of the hearing officer's decision, file a request for
22.24 reconsideration asking the hearing officer to reconsider that decision. Upon the filing of a
22.25 request for reconsideration, the division must send a notice by mail or electronic transmission
22.26 to the appellant that a request for reconsideration has been filed. The notice must inform
22.27 the appellant:

22.28 (1) that reconsideration is the procedure for the hearing officer to correct any factual or
22.29 legal mistake in the decision or to order an additional hearing when appropriate;

22.30 (2) of the opportunity to provide comment on the request for reconsideration and the
22.31 right to obtain a copy of any recorded testimony and exhibits offered or received into
22.32 evidence at the hearing;

23.1 (3) that providing specific comments as to a perceived factual or legal mistake in the
23.2 decision, or a perceived mistake in procedure during the hearing, will assist the hearing
23.3 officer in deciding the request for reconsideration;

23.4 (4) of the right to obtain any comments and submissions provided by any other party
23.5 regarding the request for reconsideration; and

23.6 (5) of the provisions of paragraph (c) regarding additional evidence.

23.7 This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not
23.8 mean the hearing officer has decided the request for reconsideration was timely filed.

23.9 (c) In deciding a request for reconsideration, the hearing officer must not consider
23.10 evidence that was not submitted at the hearing, except for purposes of determining whether
23.11 to order an additional hearing. The hearing officer must order an additional hearing if a
23.12 party shows that evidence which was not submitted at the hearing:

23.13 (1) would likely change the outcome of the decision and there was good cause for not
23.14 having previously submitted that evidence; or

23.15 (2) would show that the evidence that was submitted at the hearing was likely false and
23.16 that the likely false evidence had an effect on the outcome of the decision.

23.17 For purposes of this paragraph, "good cause" is a reason that would have prevented a
23.18 reasonable person acting with due diligence from submitting the evidence.

23.19 (d) If the appellant failed to participate in the hearing, the hearing officer must issue an
23.20 order setting aside the decision and ordering an additional hearing if the party who failed
23.21 to participate had good cause for failing to do so. The appellant who failed to participate in
23.22 the hearing must be informed of the requirement to show good cause for failing to participate.
23.23 If the hearing officer determines that good cause for failure to participate has not been
23.24 shown, the judge must state that determination in the decision issued under paragraph (f).
23.25 Submission of a written statement at the hearing does not constitute participation for purposes
23.26 of this paragraph. "Good cause" for purposes of this paragraph is a reason that would have
23.27 prevented a reasonable person acting with due diligence from participating in the hearing.

23.28 (e) A request for reconsideration must be decided by the hearing officer who issued the
23.29 decision under subdivision 5 unless that hearing officer:

23.30 (1) is no longer employed by the department as a hearing officer;

23.31 (2) is on an extended or indefinite leave; or

23.32 (3) has been removed from the proceedings by the department.

24.1 (f) If a request for reconsideration is timely filed, the hearing officer must issue:

24.2 (1) a decision affirming the findings of fact, reasons for the decision, and a decision
24.3 issued under subdivision 5;

24.4 (2) a decision modifying the findings of fact, reasons for the decision, and a decision
24.5 issued under subdivision 5; or

24.6 (3) an order setting aside the findings of fact, reasons for the decision, and a decision
24.7 issued under subdivision 5 and ordering an additional hearing.

24.8 (g) The hearing officer must issue a decision dismissing the request for reconsideration
24.9 as untimely if the judge decides the request for reconsideration was not filed within 30
24.10 calendar days after sending the decision under subdivision 5.

24.11 (h) The hearing officer must send to all parties by mail or electronic transmission the
24.12 decision or order issued under this subdivision. A decision affirming or modifying the
24.13 previously issued findings of fact, reasons for the decision, and a decision issued under
24.14 subdivision 5, or a decision dismissing the request for reconsideration as untimely, is the
24.15 final decision on the matter and is binding on the parties unless judicial review is sought
24.16 under subdivision 9.

24.17 Subd. 7. **Withdrawal of an appeal.** (a) An appeal that is pending before a hearing officer
24.18 may be withdrawn by the appealing party, or an authorized representative of that party, by
24.19 filing a notice of withdrawal. A notice of withdrawal may be filed by mail or by electronic
24.20 transmission.

24.21 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless a
24.22 hearing officer directs that further proceedings are required. An order of dismissal issued
24.23 because of a notice of withdrawal is not subject to reconsideration or appeal.

24.24 (c) A party may file a new appeal after the order of dismissal, but the original deadline
24.25 period for appeal begins from the date of issuance of the determination, and that period is
24.26 not suspended or restarted by the notice of withdrawal and order of dismissal. The new
24.27 appeal may only be filed by mail or facsimile transmission.

24.28 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
24.29 filed under subdivision 6.

24.30 Subd. 8. **Effect of decisions.** (a) If a hearing officer's decision allows benefits to an
24.31 applicant, the benefits must be paid regardless of any request for reconsideration or petition
24.32 to the Minnesota Court of Appeals.

25.1 (b) If a hearing officer's decision modifies or reverses a determination that allowed
25.2 benefits to be paid, or on reconsideration the decision modifies or reverses a prior decision
25.3 that allowed benefits to be paid, any benefits paid are an overpayment of those benefits. A
25.4 decision that results in an overpayment of benefits must set out the amount of the
25.5 overpayment and the requirement under section 268B.185, subdivision 1, that the benefits
25.6 must be repaid.

25.7 (c) If a hearing officer, on reconsideration under subdivision 6, orders the taking of
25.8 additional evidence, the hearing officer's prior decision must continue to be enforced until
25.9 new findings of fact and decision are made by the hearing officer.

25.10 Subd. 9. **Use of evidence; data privacy.** (a) All testimony at a hearing must be recorded.
25.11 A copy of recorded testimony and exhibits offered or received into evidence at the hearing
25.12 must, upon request, be furnished to a party at no cost:

25.13 (1) during the time period for filing a request for reconsideration;

25.14 (2) while a request for reconsideration is pending;

25.15 (3) during the time for filing a petition under subdivision 12; or

25.16 (4) while a petition is pending.

25.17 Regardless of any law to the contrary, recorded testimony and other evidence may later be
25.18 made available only under a district court order. A subpoena is not considered a district
25.19 court order.

25.20 (b) Testimony obtained at a hearing must not be used or considered for any purpose,
25.21 including impeachment, in any civil, administrative, or contractual proceeding, except by
25.22 a local, state, or federal human rights agency with enforcement powers, unless the proceeding
25.23 is initiated by the department. This paragraph does not apply to criminal proceedings.

25.24 Subd. 10. **No collateral estoppel.** No findings of fact, decision, or order issued by a
25.25 hearing officer may be held conclusive or binding or used as evidence in any separate or
25.26 subsequent action in any other forum, be it contractual, administrative, or judicial, except
25.27 proceedings provided for under this chapter, regardless of whether the action involves the
25.28 same or related parties or involves the same facts.

25.29 Subd. 11. **Representation; fees.** (a) In any proceeding under subdivision 4 or 6, an
25.30 applicant or employer may be self-represented or represented by an attorney or an authorized
25.31 representative. Except for services provided by a licensed attorney, no person may charge
25.32 an applicant a fee of any kind for advising, assisting, or representing an applicant in a
25.33 hearing, on reconsideration, or in a proceeding under subdivision 12.

26.1 (b) A hearing officer may refuse to allow a person to represent others in a hearing if that
26.2 person acts in an unethical manner or repeatedly fails to follow the instructions of the hearing
26.3 officer.

26.4 (c) An applicant may not be charged fees, costs, or disbursements of any kind in a
26.5 proceeding before a hearing officer, the Minnesota Court of Appeals, or the Supreme Court
26.6 of Minnesota.

26.7 (d) No attorney fees may be awarded, or costs or disbursements assessed, against the
26.8 department as a result of any proceedings under this section.

26.9 Subd. 12. **Appeal to court of appeals.** (a) Any final determination on a request for
26.10 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.
26.11 The Minnesota Court of Appeals must, by writ of certiorari to the department, review the
26.12 hearing officer's decision on reconsideration, provided a petition for the writ is filed with
26.13 the court and a copy is served upon the hearing officer or the commissioner and any other
26.14 party within 30 calendar days of the sending of the hearing officer's decision on
26.15 reconsideration under subdivision 6. Three days are added to the 30-calendar-day period if
26.16 the decision on reconsideration was mailed to the parties.

26.17 (b) Any employer petitioning for a writ of certiorari must pay to the court the required
26.18 filing fee in accordance with the Rules of Civil Appellate Procedure. If the employer requests
26.19 a written transcript of the testimony received at the hearing conducted under this section,
26.20 the employer must pay to the department the cost of preparing the transcript. That money
26.21 is credited to the administration account.

26.22 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a result
26.23 of an applicant's petition, the department must furnish to the applicant at no cost a written
26.24 transcript of any testimony received at the hearing conducted under this section and, if
26.25 requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is required
26.26 of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

26.27 (d) The Minnesota Court of Appeals may affirm the decision of the hearing officer or
26.28 remand the case for further proceedings, or it may reverse or modify the decision if the
26.29 substantial rights of the petitioner may have been prejudiced because the findings, inferences,
26.30 conclusion, or decision are:

26.31 (1) in violation of constitutional provisions;

26.32 (2) in excess of the statutory authority or jurisdiction of the department;

26.33 (3) made upon unlawful procedure;

27.1 (4) affected by other error of law;

27.2 (5) unsupported by substantial evidence in view of the hearing record as submitted; or

27.3 (6) arbitrary or capricious.

27.4 (e) The department is the primary responding party to any judicial action involving a
27.5 hearing officer's decision. The department may be represented by an attorney licensed to
27.6 practice law in Minnesota.

27.7 Subd. 13. Rescheduling and continuances. (a) Requests to reschedule a hearing must
27.8 be addressed in a manner and form prescribed by the commissioner in advance of the
27.9 regularly scheduled hearing date. A hearing must be rescheduled based on a party's good
27.10 cause need for additional time to obtain necessary evidence or to obtain representation or
27.11 adequately prepare, inability to participate due to illness, or other compelling reasons beyond
27.12 the control of the party that prevent participation at the originally scheduled time. A hearing
27.13 may be rescheduled only once by each party except in the case of an emergency. If requested,
27.14 a written statement by mail or electronic transmission confirming the reasons for requesting
27.15 that the case be rescheduled must be provided to the department.

27.16 (b) The ten-calendar-day notice requirement for hearings does not apply to rescheduled
27.17 hearings.

27.18 (c) If a request for rescheduling is made because of the unavailability of a witness or
27.19 the need to obtain documents, the hearing officer may direct that the hearing take place as
27.20 scheduled. After obtaining the testimony and other evidence then available, the hearing
27.21 officer must determine whether the hearing should be continued to obtain the testimony of
27.22 the unavailable witness or the unavailable documents. The ten-calendar-day notice
27.23 requirement for hearings does not apply to continued hearings. The hearing officer has the
27.24 discretion to continue a hearing if the hearing officer determines that additional evidence
27.25 is necessary for a proper result.

27.26 Subd. 14. Consolidation of parties, issues, and new issues. Upon the request of a party
27.27 or on the hearing officer's motion, the hearing officer may consolidate for hearing issues
27.28 involving one or more of the same parties. The hearing officer may take testimony and
27.29 render a decision on issues not listed on the notice of hearing if each party is notified on
27.30 the record, is advised of the right to object, and does not object. If a party objects, the hearing
27.31 officer must:

27.32 (1) continue the hearing to allow the party to prepare for consideration of the issue; or

28.1 (2) direct the department to address the issue and send to the parties a determination by
28.2 mail or electronic transmission.

28.3 Subd. 15. **Interpreters.** (a) The department must provide an interpreter, when necessary,
28.4 upon the request of a party. The requesting party must notify the department at least five
28.5 calendar days before the date of the hearing that an interpreter is required. The hearing
28.6 officer must continue any hearing where a witness or party needs an interpreter to be
28.7 understood or to understand the proceedings.

28.8 (b) A written statement in the five most common languages spoken in Minnesota must
28.9 accompany all notices and written materials sent to the parties stating that the accompanying
28.10 documents are important and that if the reader does not understand the documents the reader
28.11 should seek immediate assistance.

28.12 Subd. 16. **Exhibits in hearings.** (a) Upon receipt of the notice of hearing, and no later
28.13 than five calendar days before the scheduled date of hearing, parties may submit to the
28.14 department, by electronic transmission or mail, any documents a party would like to offer
28.15 as exhibits at the hearing. Copies of the documents submitted by the parties, as well as all
28.16 documents that are contained in the department's records that will be introduced as exhibits,
28.17 must be mailed, or sent by electronic transmission, to all parties or the parties' authorized
28.18 representatives by the department in advance of the hearing.

28.19 (b) If a party requests to introduce additional documents during the hearing, and the
28.20 hearing officer rules that the documents should be considered, the requesting party must
28.21 provide copies of the documents to the hearing officer and the other party. The record must
28.22 be left open for sufficient time for the submission of a written response to the documents.
28.23 The response may be sent by mail or electronic transmission. The hearing officer may, when
28.24 appropriate, reconvene the hearing to obtain a response or permit cross-examination regarding
28.25 the late filed exhibits.

28.26 Subd. 17. **Access to data.** The parties to a hearing must be allowed reasonable access
28.27 to department data necessary to represent themselves in the hearing. Access to data must
28.28 be consistent with all laws relating to data practices. The data must be provided by the
28.29 department at no cost and mailed or sent by electronic transmission to the party or the party's
28.30 authorized representative.

28.31 Subd. 18. **Subpoenas and discovery.** (a) The hearing officer may issue subpoenas to
28.32 compel the attendance of witnesses, the production of documents, or other exhibits upon a
28.33 showing of necessity by the requesting party. Requests for issuance of subpoenas must be
28.34 made to the department, by electronic transmission or mail, sufficiently in advance of the

29.1 scheduled hearing to allow for the service of the subpoenas. The requesting party must
29.2 identify the person or documents to be subpoenaed and the subject matter and necessity of
29.3 the evidence requested. A request for a subpoena may be denied if the testimony or
29.4 documents sought would be irrelevant, immaterial, or unduly cumulative or repetitious.

29.5 (b) If a request for a subpoena has been denied, the hearing officer must reconsider the
29.6 request during the hearing and determine whether the request was properly denied. If the
29.7 hearing officer determines that the request for a subpoena was not properly denied, the
29.8 hearing officer must continue the hearing to allow for service of and compliance with the
29.9 subpoena. The hearing officer may issue a subpoena even if a party has not requested one.

29.10 (c) Within five calendar days following request by another party, each party must disclose
29.11 the name of the party's attorney or other authorized representative and the names of all
29.12 witnesses the party intends to have testify at the hearing. The request and the response may
29.13 be made by mail or by electronic transmission. Any witnesses unknown at the time of the
29.14 request must be disclosed as soon as they become known. If a party fails to comply with
29.15 the disclosure requirements, the hearing officer may, upon notice to the parties, continue
29.16 the hearing.

29.17 Subd. 19. **Disqualification of hearing officer.** (a) A hearing officer must request to be
29.18 removed from any case by the department where the hearing officer believes that presiding
29.19 over the case would create the appearance of impropriety. The department must remove a
29.20 hearing officer from any case if the hearing officer has a financial or personal interest in
29.21 the outcome.

29.22 (b) Any party may request the removal of a hearing officer by submitting to the
29.23 department, by mail or electronic transmission, a written statement of the basis for removal.
29.24 The department must decide the fitness of the hearing officer to hear the particular case.

29.25 Subd. 20. **Public access to hearings and recording of hearings.** (a) Hearings are not
29.26 public. Only parties, the parties' authorized representatives and witnesses, and authorized
29.27 department personnel are permitted to participate in or listen to hearings. If any other person
29.28 wishes to listen to or sit in on a hearing, the parties must provide their consent as required
29.29 by section 13.05, subdivision 4.

29.30 (b) The hearing officer must make a recording of all testimony that is the official record.
29.31 No other voice recordings or pictures may be made of any party, representative, or witness
29.32 during the hearing.

30.1 Subd. 21. **Administration of oath or affirmation.** A hearing officer has authority to
30.2 administer oaths and affirmations. Before testifying, every witness is required to declare to
30.3 testify truthfully, by oath or affirmation under sections 358.07 and 358.08.

30.4 Subd. 22. **Receipt of evidence.** Only evidence received into the record of any hearing
30.5 may be considered by the hearing officer. The parties may stipulate to the existence of any
30.6 fact or the authenticity of any exhibit. All competent, relevant, and material evidence,
30.7 including records and documents in the possession of the parties that are offered into
30.8 evidence, are part of the hearing record. A hearing officer may receive any evidence that
30.9 possesses probative value, including hearsay, if it is the type of evidence on which reasonable,
30.10 prudent persons are accustomed to rely in the conduct of their serious affairs. A hearing
30.11 officer may exclude any evidence that is irrelevant, immaterial, unreliable, or unduly
30.12 repetitious. A hearing officer is not bound by statutory and common law rules of evidence.
30.13 The rules of evidence may be used as a guide in determining the quality of evidence offered.
30.14 A hearing officer may draw adverse inferences from the refusal of a party or witness to
30.15 testify on the basis of any privilege. A hearing officer may only use reliable, probative, and
30.16 substantial evidence as a basis for decision.

30.17 Subd. 23. **Official notice.** A hearing officer may take official notice of matters of common
30.18 knowledge and may take notice of facts within the hearing officer's specialized knowledge
30.19 in the field of paid leave. The hearing officer must state on the record any fact that is
30.20 judicially noticed. The hearing officer must give the parties an opportunity to contest the
30.21 noticed facts.

30.22 **EFFECTIVE DATE.** This section is effective November 1, 2025.

30.23 Sec. 24. Minnesota Statutes 2023 Supplement, section 268B.085, subdivision 3, is amended
30.24 to read:

30.25 Subd. 3. **Intermittent schedule.** (a) Leave under this chapter, based on a serious health
30.26 condition, may be taken intermittently if such leave is reasonable and appropriate to the
30.27 needs of the individual with the serious health condition. For all other leaves under this
30.28 chapter, leave may be taken intermittently. Intermittent leave is leave taken in separate
30.29 blocks of time due to a single, seven-day qualifying event.

30.30 (b) For an applicant who takes leave on an intermittent schedule, the weekly benefit
30.31 amount shall be prorated.

30.32 (c) An employee requesting leave taken intermittently shall provide the employer with
30.33 a schedule of needed workdays off as soon as practicable and must make a reasonable effort

31.1 to schedule the intermittent leave so as not to disrupt unduly the operations of the employer.
 31.2 If this cannot be done to the satisfaction of both employer and employee, the employer
 31.3 cannot require the employee to change their leave schedule in order to accommodate the
 31.4 employer.

31.5 (d) Notwithstanding the allowance for intermittent leave under this subdivision, an
 31.6 employer shall not be required under this chapter to provide, but may elect to provide, more
 31.7 than 480 hours of intermittent leave in any 12-month period. If an employer limits hours of
 31.8 intermittent leave pursuant to this paragraph, an employee is entitled to take their remaining
 31.9 leave continuously, subject to the total amount of leave available under section 268B.04,
 31.10 subdivision 5. An employer may run intermittent leave available under the Family and
 31.11 Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended,
 31.12 concurrent with an employee's entitlement to intermittent leave under this chapter.

31.13 Sec. 25. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 1, is amended
 31.14 to read:

31.15 Subdivision 1. **Retaliation prohibited.** (a) An employer must not discharge, discipline,
 31.16 penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate
 31.17 against an employee for requesting or obtaining benefits or leave, or for exercising any
 31.18 other right under this chapter.

31.19 (b) For the purposes of this section, the term "leave" includes but is not limited to:

31.20 (1) leave taken for any day for which the commissioner has determined that the employee
 31.21 ~~has been deemed~~ is eligible for benefits or leave under this chapter; or

31.22 (2) any day for which the employee meets the eligibility criteria under section 268B.06,
 31.23 subdivision 1, ~~clause paragraph (a), clauses (2) or (3), and or~~ the employee has applied
 31.24 for benefits in good faith under this chapter. For the purposes of this subdivision, "good
 31.25 faith" is defined as anything that is not knowingly false or in reckless disregard of the truth.

31.26 (c) In addition to the remedies provided in subdivision 8, the commissioner of labor and
 31.27 industry may also issue a penalty to the employer of not less than \$1,000 and not more than
 31.28 \$10,000 per violation, payable to the employee aggrieved. In determining the amount of
 31.29 the penalty under this subdivision, the appropriateness of the penalty to the size of the
 31.30 employer's business and the gravity of the violation shall be considered.

31.31 **EFFECTIVE DATE.** This section is effective November 1, 2025.

32.1 Sec. 26. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 6, is amended
32.2 to read:

32.3 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
32.4 an employee is entitled to be returned to the same position the employee held when leave
32.5 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
32.6 conditions of employment. Except as provided under subdivision 7, an employee is entitled
32.7 to reinstatement even if the employee has been replaced or the employee's position has been
32.8 restructured to accommodate the employee's absence.

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

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

32.17 (c)(1) An employee is entitled to any unconditional pay increases which may have
32.18 occurred during the leave period, such as cost of living increases. Pay increases conditioned
32.19 upon seniority, length of service, or work performed must be granted in accordance with
32.20 the employer's policy ~~or~~ practice, or contract with respect to other employees on an
32.21 equivalent leave status for a reason that does not qualify for leave under this chapter. An
32.22 employee is entitled to be restored to a position with the same or equivalent pay premiums,
32.23 such as a shift differential. If an employee departed from a position ~~averaging ten hours of~~
32.24 ~~overtime, and corresponding overtime pay, each week an~~ for which they receive overtime
32.25 pay, the employee is ordinarily entitled to such a position with overtime pay and overtime
32.26 hours on return from leave under this chapter. If a pay premium, such as a shift differential,
32.27 or overtime has been decreased or eliminated for other similarly classified employees, an
32.28 employee is not entitled to restoration of the pay premium or overtime.

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

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

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

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

33.15 (3) With respect to pension and other retirement plans, leave under this chapter must
33.16 not be treated as or counted toward a break in service for purposes of vesting and eligibility
33.17 to participate. If the plan requires an employee to be employed on a specific date in order
33.18 to be credited with a year of service for vesting, contributions, or participation purposes,
33.19 an employee on leave under this chapter must be treated as employed on that date. Periods
33.20 of leave under this chapter need not be treated as credited service for purposes of benefit
33.21 accrual, vesting, and eligibility to participate.

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

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

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

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

34.1 (3) The employee must have the same or an equivalent opportunity for bonuses,
 34.2 profit-sharing, and other similar discretionary and nondiscretionary payments, excluding
 34.3 any bonus paid to another employee or employees for covering the work of the employee
 34.4 while the employee was on leave.

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

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

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

34.15 (h) Ninety calendar days from the date of hire, an employee has a right and is entitled
 34.16 to reinstatement as provided under this subdivision for any day for which:

34.17 (1) the employee has been deemed eligible for benefits under this chapter; or

34.18 (2) the employee meets the eligibility criteria under section 268B.06, subdivision 1,
 34.19 ~~clause paragraph (a), clauses (2) or and (3), and or~~ the employee has applied for benefits in
 34.20 good faith under this chapter. For the purposes of this paragraph, good faith is defined as
 34.21 anything that is not knowingly false or in reckless disregard of the truth.

34.22 (i) This subdivision and subdivision 7 may be waived for employees who are working
 34.23 in the construction industry under a bona fide collective bargaining agreement with a
 34.24 construction trade union that maintains a referral-to-work procedure for employees to obtain
 34.25 employment with multiple signatory employers, but only if the waiver is set forth in clear
 34.26 and unambiguous terms in the collective bargaining agreement and explicitly cites this
 34.27 subdivision and subdivision 7.

34.28 **EFFECTIVE DATE.** This section is effective January 1, 2026.

34.29 Sec. 27. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 7, is amended
 34.30 to read:

34.31 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
 34.32 greater right to reinstatement or to other benefits and conditions of employment than if the

35.1 employee had been continuously employed during the period of leave under this chapter.

35.2 An employer must be able to show that an employee would not otherwise have been

35.3 employed at the time reinstatement is requested in order to deny restoration to employment.

35.4 (1) If an employee is laid off during the course of taking a leave under this chapter and

35.5 employment is terminated, the employer's responsibility to continue the leave, maintain

35.6 group health plan benefits, and restore the employee cease at the time the employee is laid

35.7 off, provided the employer has no continuing obligations under a collective bargaining

35.8 agreement or otherwise. An employer has the burden of proving that an employee would

35.9 have been laid off during the period of leave under this chapter and, therefore, would not

35.10 be entitled to restoration to a job slated for layoff when the employee's original position

35.11 would not meet the requirements of an equivalent position.

35.12 (2) If a shift has been eliminated or overtime has been decreased, an employee would

35.13 not be entitled to return to work that shift or the original overtime hours upon restoration.

35.14 However, if a position on, for example, a night shift has been filled by another employee,

35.15 the employee is entitled to return to the same shift on which employed before taking leave

35.16 under this chapter.

35.17 (3) If an employee was hired for a specific term or only to perform work on a discrete

35.18 project, the employer has no obligation to maintain group health plan benefits and restore

35.19 the employee if the employment term or project is over and the employer would not otherwise

35.20 have continued to employ the employee.

35.21 **EFFECTIVE DATE.** This section is effective January 1, 2026.

35.22 Sec. 28. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 1, is amended

35.23 to read:

35.24 Subdivision 1. **Application for substitution.** (a) Employers may apply to the

35.25 commissioner for approval to meet their obligations under this chapter through the

35.26 substitution of a private plan that provides paid family, paid medical, or paid family and

35.27 medical benefits. In order to be approved as meeting an employer's obligations under this

35.28 chapter, a private plan must confer all of the same rights, protections, and benefits provided

35.29 to employees under this chapter, including but not limited to benefits under section 268B.04

35.30 and employment protections under section 268B.09. Employers may apply for approval of

35.31 private plans that exceed the benefits provided to employees under this chapter. An employee

35.32 covered by a private plan under this section retains all applicable rights and remedies under

35.33 section 268B.09.

36.1 (b) An insurer must file every form, application, rider, endorsement, and rate used in
36.2 connection with an insurance product that provides coverage for paid family and medical
36.3 leave benefits as described in this section with the commissioner at least 60 days prior to
36.4 the form or rate's effective date. The commissioner may extend this filing review period for
36.5 an additional period not to exceed 60 days. If any form, rate, or amendment is not disapproved
36.6 by the commissioner within the filing review period, the insurer may implement it. If the
36.7 commissioner notifies an insurer that has filed any form or rate that the form or rate does
36.8 not comply with this section, section 62A.02, or chapter 72A, it is unlawful for the insurer
36.9 to issue or use the form or rate. In the notice, the commissioner shall specify the reasons
36.10 for disapproval.

36.11 (c) Any insurer authorized to write accident and sickness insurance in Minnesota has
36.12 the power to issue an insurance product that provides coverage for paid family and medical
36.13 leave benefits as described in this section.

36.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

36.15 Sec. 29. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 2, is amended
36.16 to read:

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

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

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

36.24 (3) the weekly benefits payable under the private plan for any week are at least equal to
36.25 the weekly benefit amount payable under this chapter;

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

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

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

37.1 (7) the private plan will provide benefits and leave for any serious health condition or
37.2 medical care related to pregnancy for which benefits are payable, and leave provided, under
37.3 this chapter;

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

37.7 (9) the private plan will allow any employee covered under the private plan who is
37.8 eligible to receive medical benefits under this chapter to receive medical benefits under the
37.9 employer plan; ~~and~~

37.10 (10) coverage will continue under the private plan while an employee remains employed
37.11 by the employer. For former employees, coverage for the purposes of benefits applies until
37.12 the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

37.13 (11) if an application for leave is filed by a former employee to a private plan, the plan
37.14 pays benefits for the totality of the leave. Private plans may not cut off eligibility for a
37.15 former employee during the course of an approved leave.

37.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

37.17 Sec. 30. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 3, is amended
37.18 to read:

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

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

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

37.26 (3) the weekly benefits payable under the private plan for any week are at least equal to
37.27 the weekly benefit amount payable under this chapter;

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

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

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

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

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

38.9 (9) the private plan will allow any employee covered under the private plan who is
38.10 eligible to receive family benefits under this chapter to receive family benefits under the
38.11 employer plan; ~~and~~

38.12 (10) coverage will continue under the private plan while an employee remains employed
38.13 by the employer. For former employees, coverage for the purposes of benefits applies until
38.14 the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

38.15 (11) if an application for leave is filed by a former employee to a private plan, the private
38.16 plan is required to pay benefits for the totality of the leave. Private plans must not discontinue
38.17 eligibility for a former employee during the course of an approved leave.

38.18 **EFFECTIVE DATE.** This section is effective July 1, 2025.

38.19 Sec. 31. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 6, is amended
38.20 to read:

38.21 Subd. 6. **Private plan requirements; weekly benefit determination.** (a) For purposes
38.22 of determining the family and medical benefit amount and duration under a private plan,
38.23 the weekly benefit amount and duration shall be based on the employee's typical work week
38.24 and wages earned with the employer at the time of an application for benefits. If an employer
38.25 does not have complete base period wage detail information, the employer may accept an
38.26 employee's certification of wage credits, based on the employee's records.

38.27 (b) In the event that an employee's request for benefits is denied, in whole or in part, or
38.28 the amount of the benefits is contested, the employee has the right to request administrative
38.29 review of a decision by the private plan within 30 calendar days. If the private plan maintains
38.30 the denial, the employee may appeal to the department as permitted in section 268B.08.

38.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

39.1 Sec. 32. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
39.2 subdivision to read:

39.3 Subd. 9a. **Plan changes during approved leave.** If an employee is using approved leave
39.4 under this chapter when their employer changes from the state plan to a private plan, from
39.5 a private plan to the state plan, or from one private plan to another private plan, the plan
39.6 under which the employee was covered when their benefits were approved is required to
39.7 continue paying benefits for continuous, intermittent, and reduced schedule leave through
39.8 the duration previously approved. If the employee requests an extension of their original
39.9 leave, or recertification is required, the employee may reapply for benefits with their new
39.10 plan.

39.11 **EFFECTIVE DATE.** This section is effective July 1, 2025.

39.12 Sec. 33. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 12, is amended
39.13 to read:

39.14 Subd. 12. **Employees no longer covered.** (a) An employee is no longer covered by an
39.15 approved private plan ~~if a leave under this chapter occurs after the employment relationship~~
39.16 ~~with the private plan employer ends, or if the commissioner revokes the approval of the~~
39.17 private plan.

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

39.21 **EFFECTIVE DATE.** This section is effective July 1, 2025.

39.22 Sec. 34. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
39.23 subdivision to read:

39.24 Subd. 12a. **Former employees and benefit applications.** Covered individuals that have
39.25 been separated from an employer with a private plan for less than 26 weeks shall file
39.26 applications for benefits as follows:

39.27 (1) if the former employee remains unemployed on the date that an application for
39.28 benefits is filed, the former employee shall submit an application for benefits with the private
39.29 plan of their former employer; and

39.30 (2) if the former employee has become employed by a different employer at the time
39.31 that an application for benefits is filed, the former employee shall submit an application for
39.32 benefits based on the new employer's coverage. If the new employer is covered under the

40.1 state plan, the former employee shall submit the application to the state. If the new employer
 40.2 has an approved private plan, the covered individual shall submit the application for benefits
 40.3 to the private plan in accordance with the requirements established by their employer.

40.4 **EFFECTIVE DATE.** This section is effective July 1, 2025.

40.5 Sec. 35. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 16, is amended
 40.6 to read:

40.7 Subd. 16. **Revocation of approval by commissioner.** (a) The commissioner may
 40.8 terminate any private plan if the commissioner determines the employer or agents of the
 40.9 employer:

40.10 (1) failed to pay benefits;

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

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

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

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

40.19 ~~(c) The employer may, within ten days from mailing or personal service of the notice,~~
 40.20 ~~file an appeal to the commissioner in the time, manner, method, and procedure provided by~~
 40.21 ~~the commissioner under subdivision 11.~~

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

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

40.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

41.1 Sec. 36. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 17, is amended
41.2 to read:

41.3 Subd. 17. **Employer penalties.** (a) The commissioner may assess the following monetary
41.4 penalties against an employer with an approved private plan found to have violated this
41.5 chapter:

41.6 (1) \$1,000 for the first violation; and

41.7 (2) \$2,000 for the second, and each successive violation.

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

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

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

41.15 ~~(e) Assessment of penalties under this subdivision may be appealed as provided by the~~
41.16 ~~commissioner under subdivision 11.~~

41.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

41.18 Sec. 37. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
41.19 subdivision to read:

41.20 Subd. 21a. **Filing obligation.** Employers covered under a private plan are subject to the
41.21 quarterly wage reporting requirements under section 268B.12.

41.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

41.23 Sec. 38. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 3, is amended
41.24 to read:

41.25 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
41.26 181.06, subdivision 1, and subject to subdivision 6, employers must pay a minimum of 50
41.27 percent of the annual premiums paid under this section. Employees, through a deduction in
41.28 their wages to the employer, must pay the remaining portion, if any, of the premium not
41.29 paid by the employer. Such deductions for any given employee must be in equal proportion
41.30 to the premiums paid based on the wages of that employee. Deductions under this section
41.31 must not cause an employee's wage, after the deduction, to fall below the rate required to

42.1 be paid to the ~~worker~~ employee by ~~law, including~~ any applicable statute, regulation, rule,
42.2 ordinance, or government resolution or policy, ~~or other legal authority~~, whichever rate of
42.3 pay is greater.

42.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

42.5 Sec. 39. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
42.6 subdivision to read:

42.7 Subd. 5a. **Small employer premium rate.** (a) Small employers are eligible for the
42.8 premium rates provided by this subdivision if the employer:

42.9 (1) has 30 or fewer employees pursuant to subdivision 5b; and

42.10 (2) the average wage for that employer as calculated in subdivision 5c is less than or
42.11 equal to 150 percent of the state's average wage in covered employment for the basis period.

42.12 (b) The premium rate for small employers eligible under this subdivision is 75 percent
42.13 of the annual premium rate calculated in subdivisions 6 and 7, as follows:

42.14 (1) employers must pay a minimum of 25 percent of the rate calculated in subdivisions
42.15 6 and 7. Employers shall not deduct from any employees' pay to fund the employer portion
42.16 of the premium; and

42.17 (2) employees must pay the remaining portion due under this subdivision, if any, of the
42.18 premium not paid by the employer. The employer must make wage deductions as necessary
42.19 under this subdivision to fund the employee portion of the premium.

42.20 Sec. 40. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
42.21 subdivision to read:

42.22 Subd. 5b. **Employee count.** (a) The basis period for determining premiums under:

42.23 (1) subdivision 5a;

42.24 (2) average employer wages under subdivision 5c; and

42.25 (3) eligibility for small employer assistance grants under section 268B.29

42.26 for any tax year shall be the four-quarter period ending September 30 of the prior year.

42.27 (b) For each employer that has been covered for the entirety of the basis period, the
42.28 maximum number of quarterly wage records reported by the employer during the basis
42.29 period shall be used to determine premiums under subdivision 5a and eligibility for small
42.30 employer assistance grants under section 268B.29.

43.1 (c) For any employer not covered for the entirety of the basis period, the number of
 43.2 employees used to determine premiums under subdivision 5a and eligibility for small
 43.3 employer assistance grants under section 268B.29 shall be based on the number of employees
 43.4 working in Minnesota the employer estimates they will employ in the following calendar
 43.5 year.

43.6 (d) If upon a review of the actual number of wage records reported, it is found that a
 43.7 new employer's estimate at time of registration was ten percent or more less than the actual
 43.8 number of records reported, the employer's premiums under subdivision 5a and eligibility
 43.9 for small employer assistance grants under section 268B.29 shall be recalculated based on
 43.10 the wage records reported.

43.11 Sec. 41. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
 43.12 subdivision to read:

43.13 Subd. 5c. **Average wage for employer.** (a) For each employer that has been covered
 43.14 for the entirety of the basis period, the employer's average wage shall be calculated by
 43.15 dividing the maximum amount of covered wages reported by the employer in a single
 43.16 quarterly wage record during the basis period by the maximum number of quarterly wage
 43.17 records reported by the employer during the basis period.

43.18 (b) For any employer not covered for the entirety of the basis period, the employer's
 43.19 average wage shall be calculated by dividing the employer's estimated amount of covered
 43.20 wages in the following tax year by the employer's estimated number of employees working
 43.21 in Minnesota the employer will employ in the following calendar year.

43.22 (c) If upon a review of the actual amount of covered wages reported it is found that a
 43.23 new employer's estimate at time of registration was ten percent or more less than the actual
 43.24 amount of covered wages, the employer's premiums under subdivision 5a and eligibility
 43.25 for small employer assistance grants under section 268B.29 shall be recalculated based on
 43.26 the wage records reported.

43.27 Sec. 42. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 7, is amended
 43.28 to read:

43.29 Subd. 7. **Premium rate adjustments.** (a) Beginning ~~January 1~~ November 15, 2027,
 43.30 ~~2024~~, and by ~~July 31~~ November 15 of each year thereafter, the commissioner must adjust
 43.31 the annual premium rates ~~using the formula in paragraph (b)~~ for the following calendar year
 43.32 based on program historical experience and sound actuarial principles and so that the
 43.33 projected fund balance as a percentage of total program expenditure does not fall below 25

44.1 percent. The commissioner shall contract with a qualified independent actuarial consultant
 44.2 to conduct an actuarial study for this purpose no less than every year. A copy of the actuarial
 44.3 study must be provided promptly to the chairs and ranking minority members of the
 44.4 legislative committees with jurisdiction over this chapter. The actuarial study must also be
 44.5 filed with the Legislative Reference Library in compliance with section 3.195. A qualified
 44.6 independent actuarial consultant is one who is a Fellow of the Society of Actuaries (FSA)
 44.7 and a Member of the American Academy of Actuaries (MAAA) and who has experience
 44.8 directly relevant to the analysis required. In no year shall the annual premium rate exceed
 44.9 1.2 percent of taxable wages paid to each employee.

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

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

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

44.15 ~~(3) divide the resulting figure by the total wages in covered employment of employees~~
 44.16 ~~of employers without approved private plans under section 268B.10 for either the family~~
 44.17 ~~or medical benefit program. For employers with an approved private plan for either the~~
 44.18 ~~medical benefit program or the family benefit program, but not both, count only the~~
 44.19 ~~proportion of wages in covered employment associated with the program for which the~~
 44.20 ~~employer does not have an approved private plan; and~~

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

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

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

44.26 Sec. 43. Minnesota Statutes 2023 Supplement, section 268B.15, subdivision 7, is amended
 44.27 to read:

44.28 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a
 44.29 credit adjustment of any amount paid under this chapter within four years of the date that
 44.30 the payment was due, in a manner and format prescribed by the commissioner, and the
 44.31 commissioner determines that the payment or any portion thereof was erroneous, the
 44.32 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
 44.33 be used, the commissioner must refund, without interest, the amount erroneously paid. The

45.1 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
45.2 under this subdivision.

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

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

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

45.13 **EFFECTIVE DATE.** This section is effective January 1, 2026.

45.14 Sec. 44. Minnesota Statutes 2023 Supplement, section 268B.155, subdivision 2, is amended
45.15 to read:

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

45.20 **EFFECTIVE DATE.** This section is effective January 1, 2026.

45.21 Sec. 45. Minnesota Statutes 2023 Supplement, section 268B.185, subdivision 2, is amended
45.22 to read:

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

45.28 (b) After the discovery of facts indicating misrepresentation, the commissioner must
45.29 issue a determination of overpayment penalty assessing a penalty equal to 15 percent of the
45.30 amount overpaid.

46.1 ~~(e) Unless the applicant files an appeal within 30 calendar days after the sending of a~~
 46.2 ~~determination of overpayment penalty to the applicant by mail or electronic transmission,~~
 46.3 ~~the determination is final. Proceedings on the appeal are conducted in accordance with~~
 46.4 ~~section 268B.08.~~

46.5 ~~(d)~~ (c) A determination of overpayment penalty must state the methods of collection the
 46.6 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
 46.7 received in repayment of overpaid benefits, penalties, and interest is first applied to the
 46.8 benefits overpaid, second to the penalty amount due, and third to any interest due.

46.9 ~~(e)~~ (d) The department is authorized to issue a determination of overpayment penalty
 46.10 under this subdivision within 24 months of the establishment of the ~~benefit account~~ leave
 46.11 upon which the benefits were obtained through misrepresentation.

46.12 **EFFECTIVE DATE.** This section is effective January 1, 2026.

46.13 Sec. 46. Minnesota Statutes 2023 Supplement, section 268B.19, is amended to read:

46.14 **268B.19 EMPLOYER MISCONDUCT; PENALTY.**

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

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

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

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

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

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

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

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

46.29 or

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

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

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

47.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

47.7 Sec. 47. Minnesota Statutes 2023 Supplement, section 268B.26, is amended to read:

47.8 **268B.26 NOTICE REQUIREMENTS.**

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

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

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

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

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

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

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

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

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

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

47.27 Delivery is made when an employee provides written or electronic acknowledgment of
 47.28 receipt of the information, ~~or signs a statement indicating the employee's refusal to sign~~
 47.29 ~~such acknowledgment.~~ In cases where an employee refuses to acknowledge receipt, an
 47.30 employer must be able to demonstrate the way the employee had been notified.

48.1 (c) An employer that fails to comply with this section may be issued, for a first violation,
 48.2 a civil penalty of \$50 per employee, and for each subsequent violation, a civil penalty of
 48.3 \$300 per employee. The employer shall have the burden of demonstrating compliance with
 48.4 this section.

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

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

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

48.21 **EFFECTIVE DATE.** This section is effective November 1, 2025.

48.22 Sec. 48. Minnesota Statutes 2023 Supplement, section 268B.27, subdivision 2, is amended
 48.23 to read:

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

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

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

48.31 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
 48.32 with respect to leave benefits and related ~~procedures~~ policies and employee protections that

49.1 meet or exceed, and do not otherwise conflict with, the minimum standards and requirements
49.2 in this chapter; or

49.3 (4) be applied so as to create any power or duty in conflict with federal law.

49.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

49.5 Sec. 49. Minnesota Statutes 2023 Supplement, section 268B.29, is amended to read:

49.6 **268B.29 SMALL BUSINESS EMPLOYER ASSISTANCE GRANTS.**

49.7 (a) Employers with 30 or fewer employees ~~and less than \$3,000,000 in gross annual~~
49.8 ~~revenues~~ as calculated under section 268B.14, subdivision 5b, and an average wage for that
49.9 employer under section 268B.14, subdivision 5c, less than or equal to 150 percent of the
49.10 state's average wage in covered employment for the prior year may apply to the department
49.11 for grants under this section.

49.12 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
49.13 temporary worker, or increases another existing worker's wages, to substitute for an employee
49.14 on family or medical leave for a period of seven days or more.

49.15 (c) The maximum total grant per eligible employer in a calendar year is \$6,000.

49.16 (d) Grants must be used to hire temporary workers or to increase wages for current
49.17 employees. To be eligible for consideration for a grant under this section, the employer
49.18 must documentation attest, in a manner and format prescribed by the commissioner, that:

49.19 (1) the temporary worker hired or wage-related costs incurred are due to an employee's
49.20 use of leave under this chapter;

49.21 (2) the amount of the grant requested is less than or equal to the additional costs incurred
49.22 by the employer; and

49.23 (3) the employer meets the revenue requirements in paragraph (a).

49.24 (e) Applications shall be submitted and processed ~~on a first-received, first-processed~~
49.25 ~~basis~~ in a form and manner determined by the commissioner within each calendar year until
49.26 funding is exhausted. Applications received after funding has been exhausted in a calendar
49.27 year are not eligible for reimbursement.

49.28 ~~(f) For the purposes of this section, the commissioner shall average the number of~~
49.29 ~~employees reported by an employer over the last four completed calendar quarters as~~
49.30 ~~submitted in the wage detail records required in section 268B.12 to determine the size of~~
49.31 ~~the employer.~~

50.1 ~~(g)~~ (f) An employer who has an approved private plan is not eligible to receive a grant
50.2 under this section.

50.3 ~~(h)~~ (g) Unless additional funds are appropriated, the commissioner may award grants
50.4 under this section up to a maximum of \$5,000,000 per calendar year from the family and
50.5 medical benefit insurance account.

50.6 **EFFECTIVE DATE.** This section is effective January 1, 2026.

50.7 Sec. 50. **[268B.30] DATA PRIVACY.**

50.8 (a) Except as provided by this section, data gathered from any person under this chapter
50.9 are private data on individuals or nonpublic data not on individuals as defined in section
50.10 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district court
50.11 order or section 13.05. A subpoena is not considered a district court order. These data may
50.12 be disseminated to and used by the following without the consent of the subject of the data:

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

50.15 (2) the unemployment insurance division, to the extent necessary to administer the
50.16 programs established under this chapter and chapter 268;

50.17 (3) employers, to the extent necessary to support adjudication of application requests
50.18 and to support the employer's administration of a leave of absence;

50.19 (4) health care providers, to the extent necessary to support verification of health care
50.20 conditions and qualifying events;.

50.21 (5) the public authority responsible for child support in Minnesota or any other state in
50.22 accordance with section 256.978;

50.23 (6) human rights agencies within Minnesota that have enforcement powers;

50.24 (7) the Department of Revenue, to the extent necessary for its duties under Minnesota
50.25 laws;

50.26 (8) public and private agencies responsible for administering publicly financed assistance
50.27 programs for the purpose of monitoring the eligibility of the program's recipients;

50.28 (9) the Department of Labor and Industry and the Commerce Fraud Bureau in the
50.29 Department of Commerce for uses consistent with the administration of their duties under
50.30 Minnesota law;

51.1 (10) the Department of Human Services and the Office of Inspector General and its
 51.2 agents within the Department of Human Services, including county fraud investigators, for
 51.3 investigations related to recipient or provider fraud and employees of providers when the
 51.4 provider is suspected of committing public assistance fraud;

51.5 (11) the Department of Public Safety for support in identify verification;

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

51.9 (13) the Department of Health for the purposes of epidemiologic investigations;

51.10 (14) the Department of Corrections for the purposes of tracking incarceration of
 51.11 applicants; and

51.12 (15) contracted third parties, to the extent necessary to aid in identity verification,
 51.13 adjudication, administration, and evaluation of the program.

51.14 (b) Data on individuals and employers that are collected, maintained, or used by the
 51.15 department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are
 51.16 confidential as to data on individuals and protected nonpublic data not on individuals as
 51.17 defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under
 51.18 statute or district court order or to a party named in a criminal proceeding, administrative
 51.19 or judicial, for preparation of a defense.

51.20 (c) Data gathered by the department in the administration of this chapter must not be
 51.21 made the subject or the basis for any suit in any civil proceedings, administrative or judicial,
 51.22 unless the action is initiated by the department.

51.23 **Sec. 51. REPEALER.**

51.24 (a) Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 7, is repealed
 51.25 effective the day following final enactment.

51.26 (b) Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 11, is repealed
 51.27 effective July 1, 2025.

51.28 (c) Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 5, is repealed
 51.29 effective January 1, 2026.

51.30 (d) Minnesota Statutes 2023 Supplement, section 268B.08, is repealed effective November
 51.31 1, 2025.

268B.06 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.

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

(1) considered wages under section 268B.01, subdivision 47; or

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

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

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

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

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

268B.08 APPEAL PROCESS.

Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief hearing officer.

(b) Upon a timely appeal to a determination having been filed or upon a referral for direct hearing, the chief hearing officer must set a time and date for a de novo due-process hearing and send notice to an applicant and an employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(c) The commissioner may adopt rules on procedures for hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure.

(d) The chief hearing officer has discretion regarding the method by which the hearing is conducted.

(e) The chief hearing officer must assign a hearing officer to conduct a hearing and may transfer to another hearing officer any proceedings pending before another hearing officer.

Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the hearing officer must serve by mail or electronic transmission to all parties the decision, reasons for the decision, and written findings of fact.

(b) Decisions of a hearing officer are not precedential.

Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within 30 calendar days after service of the hearing officer's decision, file a request for reconsideration asking the hearing officer to reconsider that decision.

Subd. 4. **Appeal to court of appeals.** Any final determination on a request for reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

268B.10 SUBSTITUTION OF A PRIVATE PLAN.

Subd. 11. **Appeals.** (a) An employer may appeal any adverse action regarding that employer's application for private provision of the medical benefit or family benefit program, in a manner specified by the commissioner.

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

268B.14 PREMIUMS.

Subd. 5. **Small business wage exclusion.** (a) For employers with fewer than 30 employees, the amount of wages upon which quarterly employer premium is required is reduced by the premium rate to be paid by the employer multiplied by the lesser of:

- (1) \$12,500 multiplied by the number of employees; or
- (2) \$120,000.

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

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

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