

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2

(SENATE AUTHORS: MANN, Dziejcz, Port, Boldon and Mohamed)

DATE	D-PG	OFFICIAL STATUS
01/04/2023	70	Introduction and first reading Referred to Jobs and Economic Development
01/19/2023	237a	Comm report: To pass as amended and re-refer to Labor
01/23/2023	322a	Comm report: To pass as amended and re-refer to Health and Human Services
	323	Rule 12.10: report of votes in committee
01/25/2023	357	Comm report: To pass and re-referred to State and Local Government and Veterans
	357	Rule 12.10: report of votes in committee
01/30/2023	522a	Comm report: To pass as amended and re-refer to Commerce and Consumer Protection
02/02/2023	582a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety
02/08/2023	694a	Comm report: To pass as amended and re-refer to Human Services
02/21/2023	998a	Comm report: To pass as amended and re-refer to Jobs and Economic Development
03/27/2023	2644a	Comm report: To pass as amended and re-refer to Finance
	2654	Rule 12.10: report of votes in committee
04/28/2023		Comm report: To pass as amended Rule 12.10: report of votes in committee Second reading

1.1 A bill for an act

1.2 relating to employment; providing for paid family, bonding, and applicant's serious

1.3 medical condition benefits; regulating and requiring certain employment leaves;

1.4 classifying certain data; authorizing rulemaking; requiring an actuarial report;

1.5 appropriating money; amending Minnesota Statutes 2022, sections 13.719, by

1.6 adding a subdivision; 177.27, subdivision 4; 181.032; 256B.057, subdivision 9;

1.7 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01,

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

1.9 Statutes, chapter 268B.

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

1.11 style="text-align:center">**ARTICLE 1**

1.12 style="text-align:center">**FAMILY AND MEDICAL BENEFITS**

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

1.14 to read:

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

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

1.17 (b) Data on applicants, family members, incapacitated persons, or employers under

1.18 chapter 268B are private or nonpublic data, provided that the department may share data

1.19 collected from applicants with employers or health care providers to the extent necessary

1.20 to meet the requirements of chapter 268B or other applicable law.

1.21 (c) The data classified under paragraph (b) may be exchanged between the department

1.22 and the Department of Labor and Industry and the Department of Commerce to the extent

1.23 necessary to meet the requirements of chapter 268B or the Department of Labor and

1.24 Industry's enforcement authority over chapter 268B, as provided in section 177.27, or to

2.1 the extent necessary for the Department of Commerce to review or verify compliance for
 2.2 a private plan under section 268A.10.

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

2.4 Sec. 2. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

2.5 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
 2.6 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
 2.7 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
 2.8 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 8, and
 2.9 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The
 2.10 commissioner shall issue an order requiring an employer to comply with sections 177.41
 2.11 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
 2.12 repeated if at any time during the two years that preceded the date of violation, the
 2.13 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
 2.14 and the order is final or the commissioner and the employer have entered into a settlement
 2.15 agreement that required the employer to pay back wages that were required by sections
 2.16 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
 2.17 authorized representative in person or by certified mail at the employer's place of business.
 2.18 An employer who wishes to contest the order must file written notice of objection to the
 2.19 order with the commissioner within 15 calendar days after being served with the order. A
 2.20 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
 2.21 If, within 15 calendar days after being served with the order, the employer fails to file a
 2.22 written notice of objection with the commissioner, the order becomes a final order of the
 2.23 commissioner.

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

2.25 Sec. 3. Minnesota Statutes 2022, section 181.032, is amended to read:

2.26 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
 2.27 **TO EMPLOYEE.**

2.28 (a) At the end of each pay period, the employer shall provide each employee an earnings
 2.29 statement, either in writing or by electronic means, covering that pay period. An employer
 2.30 who chooses to provide an earnings statement by electronic means must provide employee
 2.31 access to an employer-owned computer during an employee's regular working hours to
 2.32 review and print earnings statements, and must make statements available for review or
 2.33 printing for a period of three years.

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

3.3 (1) the name of the employee;

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

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

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

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

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

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

3.13 ~~(7)~~ (8) the net amount of pay after all deductions are made;

3.14 ~~(8)~~ (9) the date on which the pay period ends;

3.15 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if
3.16 different from the legal name;

3.17 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,
3.18 and a mailing address if different; and

3.19 ~~(11)~~ (12) the telephone number of the employer.

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

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

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

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

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

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

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

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

4.7 (7) the legal name of the employer and the operating name of the employer if different
4.8 from the legal name;

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

4.11 (9) the telephone number of the employer.

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

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

4.22 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
4.23 2025.

4.24 Sec. 4. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

5.21 (10) local and state welfare agencies for monitoring the eligibility of the data subject
5.22 for assistance programs, or for any employment or training program administered by those
5.23 agencies, whether alone, in combination with another welfare agency, or in conjunction
5.24 with the department or to monitor and evaluate the statewide Minnesota family investment
5.25 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,
5.26 and the Supplemental Nutrition Assistance Program Employment and Training program by
5.27 providing data on recipients and former recipients of Supplemental Nutrition Assistance
5.28 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
5.29 care assistance under chapter 119B, or medical programs under chapter 256B or 256L or
5.30 formerly codified under chapter 256D;

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

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

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

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

6.8 (15) the Department of Corrections for the purposes of case planning and internal research
6.9 for preprobation, probation, and postprobation employment tracking of offenders sentenced
6.10 to probation and preconfinement and postconfinement employment tracking of committed
6.11 offenders;

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

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

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

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

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

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

6.28 Sec. 5. **[268B.01] DEFINITIONS.**

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

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

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

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

7.8 <u>If the application for family or medical leave</u>	
7.9 <u>benefits is effective on or between these</u>	
7.10 <u>dates:</u>	<u>The base period is the prior:</u>
7.11 <u>February 1 to March 31</u>	<u>January 1 to December 31</u>
7.12 <u>May 1 to June 30</u>	<u>April 1 to March 31</u>
7.13 <u>August 1 to September 30</u>	<u>July 1 to June 30</u>
7.14 <u>November 1 to December 31</u>	<u>October 1 to September 30</u>

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

7.20 <u>If the application for family or medical leave</u>	
7.21 <u>benefits is effective on or between these</u>	
7.22 <u>dates:</u>	<u>The base period is the prior:</u>
7.23 <u>January 1 to January 31</u>	<u>October 1 to September 30</u>
7.24 <u>April 1 to April 30</u>	<u>January 1 to December 31</u>
7.25 <u>July 1 to July 31</u>	<u>April 1 to March 31</u>
7.26 <u>October 1 to October 31</u>	<u>July 1 to June 30</u>

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

7.31 (d) If the applicant has insufficient wage credits to establish a benefit account under a
 7.32 base period of the four most recent completed calendar quarters, or a base period of the first
 7.33 four of the most recent five completed calendar quarters, but during either base period the
 7.34 applicant received workers' compensation for temporary disability under chapter 176 or a
 7.35 similar federal law or similar law of another state, or if the applicant whose own serious

8.1 illness caused a loss of work for which the applicant received compensation for loss of
8.2 wages from some other source, the applicant may request a base period as follows:

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

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

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

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

8.19 (e) For an applicant under a private plan as provided in section 268B.10, the base period
8.20 shall be those most recent four quarters or fewer, as applicable, in which wage credits were
8.21 earned with the current employer as provided by the current employer. If an employer does
8.22 not have complete base period wage detail information, the employer may accept an
8.23 employee's certification of wage credits, based on the employee's records.

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

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

8.29 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning
8.30 the date a benefit account under section 268B.04 is effective. For a benefit account established
8.31 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of
8.32 53 calendar weeks.

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

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

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

9.8 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under
 9.9 subdivision 48.

9.10 Subd. 12. **Construction industry.** "Construction industry" means any construction,
 9.11 reconstruction, building erection, alteration, remodeling, repairing, renovation, rehabilitation,
 9.12 excavation, or demolition of any building, structure, facility utility, power plant, sewer,
 9.13 dam, highway, road, street, airport, bridge, or other improvement.

9.14 Subd. 13. **Commissioner.** "Commissioner" means the commissioner of employment
 9.15 and economic development, unless otherwise indicated by context.

9.16 Subd. 14. **Covered employment.** (a) "Covered employment" means performing services
 9.17 of whatever nature, unlimited by the relationship of master and servant as known to the
 9.18 common law, or any other legal relationship performed for wages or under any contract
 9.19 calling for the performance of services, written or oral, express or implied.

9.20 (b) "Covered employment" includes an employee's entire employment during the calendar
 9.21 quarter if:

9.22 (1) 50 percent or more of the employment during the quarter is performed in Minnesota;
 9.23 or

9.24 (2) 50 percent or more of the employment during the quarter is not performed in
 9.25 Minnesota or any other state, or Canada, but some of the employment is performed in
 9.26 Minnesota and the employee's residence is in Minnesota during 50 percent or more of the
 9.27 calendar quarter.

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

9.29 (1) a self-employed individual;

9.30 (2) an independent contractor; or

9.31 (3) employment covered under the federal Railroad Unemployment Insurance Act.

10.1 Subd. 15. **Department.** "Department" means the Department of Employment and
 10.2 Economic Development, unless otherwise indicated by context.

10.3 Subd. 16. **Employee.** (a) "Employee" means an individual who performs services of
 10.4 whatever nature for an employer.

10.5 (b) Employee does not include employees of the United States of America, self-employed
 10.6 individuals, or independent contractors.

10.7 (c) Employee does not include seasonal employees who are employed for no more than
 10.8 150 days during any consecutive 52-week period. A seasonal employee whose employment
 10.9 extends beyond 150 days during any consecutive 52-week period shall be considered an
 10.10 employee for the purposes of this chapter retroactively to the first day of employment. For
 10.11 purposes of this chapter, an employee who is working in the construction industry under a
 10.12 bona fide collective agreement that requires employer contribution to a multiemployer health
 10.13 plan pursuant to United States Code, title 29, section 186(c)(5), but only if the waiver is set
 10.14 forth in clear and unambiguous terms in such collective bargaining agreement, is not
 10.15 considered a seasonal employee.

10.16 Subd. 17. **Employer.** (a) "Employer" means:

10.17 (1) any person, type of organization, or entity, including any partnership, association,
 10.18 trust, estate, joint stock company, insurance company, limited liability company, or
 10.19 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or
 10.20 the legal representative of a deceased person, having any individual in covered employment;

10.21 (2) the state, state agencies, Minnesota State Colleges and Universities, University of
 10.22 Minnesota, and other statewide public systems;

10.23 (3) any municipality or local government entity, including but not limited to a county,
 10.24 city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing
 10.25 and redevelopment authority, port authority, economic development authority, sports facilities
 10.26 authority, board or commission, joint powers board or organization created under section
 10.27 471.59, destination medical center corporation, municipal corporation, quasimunicipal
 10.28 corporation, or other political subdivision. An employer also includes charter schools; and

10.29 (4) the taxpaying employer as described in section 268.046, subdivision 1.

10.30 (b) Employer does not include:

10.31 (1) the United States of America; or

11.1 (2) a self-employed individual who has elected and been approved for coverage under
11.2 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

11.3 Subd. 18. **Estimated self-employment income.** "Estimated self-employment income"
11.4 means a self-employed individual's net earnings from self-employment in the most recent
11.5 taxable year.

11.6 Subd. 19. **Family and medical benefit insurance account.** "Family and medical benefit
11.7 insurance account" means the family and medical benefit insurance account in the special
11.8 revenue fund in the state treasury under section 268B.02.

11.9 Subd. 20. **Family benefit program.** "Family benefit program" means the program
11.10 administered under this chapter for the collection of premiums and payment of benefits
11.11 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

11.12 Subd. 21. **Family care.** "Family care" means an applicant caring for a family member
11.13 with a serious health condition, caring for a family member who is a covered service member,
11.14 or caring for a family member who is taking safety leave.

11.15 Subd. 22. **Family member.** (a) "Family member" means, with respect to an applicant:

11.16 (1) a spouse, including a domestic partner in a civil union or other registered domestic
11.17 partnership recognized by the state, and a spouse's parent;

11.18 (2) a child and a child's spouse;

11.19 (3) a parent and a parent's spouse;

11.20 (4) a sibling and a sibling's spouse;

11.21 (5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and

11.22 (6) an individual selected by the incapacitated person.

11.23 (b) For the purposes of this chapter, a child includes a stepchild; biological, adopted, or
11.24 foster child of the applicant; or a child for whom the applicant is standing or stood in loco
11.25 parentis.

11.26 (c) For the purposes of this chapter, a grandchild includes a stepgrandchild or biological,
11.27 adopted, or foster grandchild of the applicant.

11.28 (d) For purposes of this chapter, a parent includes a stepparent; biological, adoptive, or
11.29 foster parent of the applicant; a legal guardian; or an individual who stood in loco parentis
11.30 to the applicant.

12.1 (e) For purposes of this chapter, a grandparent includes a stepgrandparent or biological,
12.2 adoptive, or foster grandparent of the applicant.

12.3 Subd. 23. **Health care provider.** "Health care provider" means:

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

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

12.12 Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's
12.13 base period with the highest amount of wage credits.

12.14 Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend
12.15 school, or perform regular daily activities due to a serious health condition, treatment
12.16 therefore, or recovery therefrom.

12.17 Subd. 26. **Incapacitated person.** "Incapacitated person" means the individual who needs
12.18 leave or is the reason for another individual to need leave due to their incapacity, domestic
12.19 abuse, sexual assault, stalking, or qualifying exigency.

12.20 Subd. 27. **Independent contractor.** If there is an existing specific test or definition for
12.21 independent contractor in Minnesota statute or rule applicable to an occupation or sector
12.22 as of the date of enactment of this chapter, that test or definition shall apply to that occupation
12.23 or sector for purposes of this chapter. If there is not an existing test or definition as described,
12.24 the definition for independent contractor shall be as provided in Minnesota Rules, part
12.25 5200.0221.

12.26 Subd. 28. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
12.27 or residential medical care facility, including any period of incapacity, or any subsequent
12.28 treatment in connection with such inpatient care.

12.29 Subd. 29. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
12.30 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

12.31 Subd. 30. **Medical benefit program.** "Medical benefit program" means the program
12.32 administered under this chapter for the collection of premiums and payment of benefits
12.33 related to an applicant's serious health condition.

13.1 Subd. 31. **Net earnings from self-employment.** "Net earnings from self-employment"
 13.2 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
 13.3 290.01, subdivision 31.

13.4 Subd. 32. **Pregnancy.** "Pregnancy" includes prenatal care or incapacity due to pregnancy
 13.5 or recovery from childbirth, still birth, miscarriage, or related health conditions.

13.6 Subd. 33. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
 13.7 a military member's active duty service or notice of an impending call or order to active
 13.8 duty in the United States armed forces, including providing for the care or other needs of
 13.9 the family member's child or other dependent, making financial or legal arrangements for
 13.10 the family member, attending counseling, attending military events or ceremonies, spending
 13.11 time with the family member during a rest and recuperation leave or following return from
 13.12 deployment, or making arrangements following the death of the military member.

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

13.17 Subd. 34. **Safety leave.** "Safety leave" means leave from work because of domestic
 13.18 abuse, sexual assault, or stalking of the applicant or applicant's family member, provided
 13.19 the leave is to:

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

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

13.23 (3) obtain psychological or other counseling;

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

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

13.28 Subd. 35. **Self-employed individual.** "Self-employed individual" means a resident of
 13.29 the state who, in one taxable year preceding the current calendar year, derived at least 5.3
 13.30 percent of the state's average annual wage in net earnings from self-employment.

13.31 Subd. 36. **Self-employment premium base.** "Self-employment premium base" means
 13.32 the lesser of:

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

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

14.5 **Subd. 37. Self-employment wages.** "Self-employment wages" means the amount of
 14.6 wages that a self-employed individual earned in the calendar year from an entity from which
 14.7 the individual also received net earnings from self-employment.

14.8 **Subd. 38. Serious health condition.** (a) "Serious health condition" means a physical or
 14.9 mental illness, injury, impairment, condition, or substance use disorder that involves:

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

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

14.14 (i) a period of incapacity of seven or more days, and any subsequent treatment or period
 14.15 of incapacity relating to the same condition, that also involves:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15.16 Subd. 39. **State's average weekly wage.** "State's average weekly wage" means the
15.17 weekly wage calculated under section 268.035, subdivision 23.

15.18 Subd. 40. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

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

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

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

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

15.29 (d) At no time shall a supplemental benefit payment combined with any leave benefit
15.30 received under this chapter exceed the regular wage or salary of the applicant.

15.31 Subd. 41. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
15.32 subdivision 9.

16.1 Subd. 42. **Taxable wages.** "Taxable wages" means those wages paid to an employee in
16.2 covered employment each calendar year up to an amount equal to the maximum wages
16.3 subject to premium in a calendar year, which is equal to the maximum earnings in that year
16.4 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest
16.5 \$1,000.

16.6 Subd. 43. **Typical workweek.** "Typical workweek" means:

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

16.9 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried
16.10 employee typically works.

16.11 Subd. 44. **Wage credits.** "Wage credits" means the amount of wages paid within an
16.12 applicant's base period for covered employment, as defined in subdivision 14.

16.13 Subd. 45. **Wage detail report.** "Wage detail report" means the report on each employee
16.14 and all seasonal employees in covered employment required from an employer on a calendar
16.15 quarter basis under section 268B.12.

16.16 Subd. 46. **Wages.** "Wages" has the meaning given in section 268.035, subdivision 29.

16.17 Subd. 47. **Wages paid.** (a) "Wages paid" means the amount of wages:

16.18 (1) that have been actually paid; or

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

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

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

16.27 Subd. 48. **Week.** "Week" means calendar week ending at midnight Saturday.

16.28 Subd. 49. **Weekly benefit amount.** "Weekly benefit amount" means the amount of
16.29 family and medical leave benefits computed under section 268B.04.

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

17.1 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
17.2 **CREATION.**

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

17.5 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
17.6 created within the department under the authority of the commissioner. The commissioner
17.7 shall appoint a director of the division. Employees of the division shall serve in the classified
17.8 civil service of the state. The division shall administer and operate the benefit program
17.9 under this chapter.

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

17.13 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
17.14 account is created in the special revenue fund in the state treasury. Unless otherwise
17.15 appropriated, money in this account is appropriated to the commissioner to pay benefits
17.16 under and to administer this chapter, including outreach required under section 268B.18.
17.17 Appropriations and transfers to the account are credited to the account. Earnings, such as
17.18 interest, dividends, and any other earnings arising from assets of the account, are credited
17.19 to the account. Money remaining in the account at the end of a fiscal year is not canceled
17.20 to the general fund but remains in the account until expended.

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

17.23 Subd. 6. **Procurement.** For purposes of administering this chapter, until July 1, 2025,
17.24 the department is exempt from the requirements of sections 16A.15, subdivision 3; 16B.97;
17.25 and 16B.98, subdivisions 5, 7, and 8; chapter 16C; and any other state procurement laws
17.26 and procedures.

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

17.28 Sec. 7. **[268B.03] PAYMENT OF BENEFITS.**

17.29 The commissioner must pay benefits from the family and medical benefit insurance
17.30 account as provided under this chapter to an applicant who has met each of the following
17.31 requirements:

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

18.3 (2) the applicant has met all of the ongoing eligibility requirements under section
 18.4 268B.06;

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

18.7 (4) the applicant has not been held ineligible for benefits under section 268B.07,
 18.8 subdivision 2; and

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

18.12 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 18.13 2025.

18.14 **Sec. 8. [268B.04] BENEFIT ACCOUNT; BENEFITS.**

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

18.22 (b) The commissioner must examine each application for benefits to determine the base
 18.23 period and the benefit year, and based upon all the covered employment in the base period
 18.24 the commissioner must determine the weekly benefit amount available, if any, and the
 18.25 maximum amount of benefits available, if any. The determination, which is a document
 18.26 separate and distinct from a document titled a determination of eligibility or determination
 18.27 of ineligibility, must be titled determination of benefit account. A determination of benefit
 18.28 account must be sent to the applicant and all base period employers, by mail or electronic
 18.29 transmission.

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

19.1 (d) The commissioner may, at any time within 12 months from the establishment of a
 19.2 benefit account, reconsider any determination of benefit account and make an amended
 19.3 determination if the commissioner finds that the wage credits listed in the determination
 19.4 were incorrect for any reason. An amended determination of benefit account must be
 19.5 promptly sent to the applicant and all base period employers, by mail or electronic
 19.6 transmission. This paragraph does not apply to documents titled determinations of eligibility
 19.7 or determinations of ineligibility issued.

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

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

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

19.22 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
 19.23 plus

19.24 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
 19.25 not 100 percent; plus

19.26 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

19.27 (b) The state's average weekly wage is the average wage as calculated under section
 19.28 268.035, subdivision 23, at the time a benefit amount is first determined.

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

19.31 (d) The state's maximum weekly benefit amount, computed in accordance with section
 19.32 268.035, subdivision 23, applies to a benefit account established effective on or after the

20.1 last Sunday in October. Once established, an applicant's weekly benefit amount is not
20.2 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

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

20.5 (1) the employee works hours for wages;

20.6 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is
20.7 not considered a supplemental benefit payment as defined in section 268B.01, subdivision
20.8 40; or

20.9 (3) leave is taken intermittently.

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

20.12 Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant
20.13 may take benefits in a single benefit year for a serious health condition is the lesser of 12
20.14 weeks, or 12 weeks minus the number of weeks within the same benefit year that the
20.15 applicant received benefits for bonding, safety leave, or family care plus eight weeks.

20.16 (b) The total number of weeks that an applicant may take benefits in a single benefit
20.17 year for bonding, safety leave, or family care is the lesser of 12 weeks, or 12 weeks minus
20.18 the number of weeks within the same benefit year that the applicant received benefits for a
20.19 serious health condition plus eight weeks.

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

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

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

20.30 Subd. 8. **Limitations on applications and benefit accounts.** An application for family
20.31 or medical leave benefits is effective the Sunday of the calendar week that the application
20.32 was filed. An application for benefits may be backdated one calendar week before the

21.1 Sunday of the week the application was actually filed if the applicant requests the backdating
 21.2 within seven calendar days of the date the application is filed. An application may be
 21.3 backdated only if the applicant was eligible for the benefit during the period of the
 21.4 backdating. If an individual attempted to file an application for benefits, but was prevented
 21.5 from filing an application by the department, the application is effective the Sunday of the
 21.6 calendar week the individual first attempted to file an application.

21.7 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 21.8 2025.

21.9 Sec. 9. **[268B.05] NOTIFICATION OF CHANGED CIRCUMSTANCES.**

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

21.12 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 21.13 2025.

21.14 Sec. 10. **[268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**
 21.15 **BENEFITS.**

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

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

21.19 (2) the applicant was unable to perform regular work due to a serious health condition,
 21.20 a qualifying exigency, safety leave, family care, or bonding. For bonding leave, eligibility
 21.21 ends 12 months after birth or placement;

21.22 (3) the applicant has sufficient wage credits from an employer or employers as defined
 21.23 in section 268B.01, subdivision 42, to establish a benefit account under section 268B.04;
 21.24 and

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

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

21.30 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
 21.31 benefits must be or have been based on a single event of at least seven calendar days' duration

22.1 related to family care, a qualifying exigency, safety leave, or the applicant's serious health
22.2 condition. The days need to be consecutive unless the leave is intermittent.

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

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

22.7 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
22.8 applicant's serious health condition shall be sufficient if the certification states the date on
22.9 which the serious health condition began, the probable duration of the condition, and the
22.10 appropriate medical facts within the knowledge of the health care provider as required by
22.11 the commissioner. The health care provider must also certify that the applicant is
22.12 incapacitated as defined in section 268B.01, subdivision 25, due to their serious health
22.13 condition. If the applicant requests intermittent leave, the certification must include the
22.14 health care provider's reasonable estimate of the frequency and duration and estimated
22.15 treatment schedule, if applicable.

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

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

22.26 (d) Certification for an applicant taking bonding leave because of the placement of a
22.27 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
22.28 a document issued by the health care provider of the child, an adoption or foster care agency
22.29 involved in the placement, or by other individuals as determined by the commissioner that
22.30 confirms the placement and the date of placement. To the extent that the status of an applicant
22.31 as an adoptive or foster parent changes while an application for benefits is pending, or while
22.32 the covered individual is receiving benefits, the applicant must notify the department of
22.33 such change in status in writing.

23.1 (e) Certification for an applicant taking leave because of a qualifying exigency shall be
23.2 sufficient if the certification includes:

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

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

23.5 (3) other documentation permitted by the commissioner.

23.6 (f) Certification for an applicant taking safety leave is sufficient if the certification
23.7 includes a court record or documentation signed by an employee of a victim's services
23.8 organization, an attorney, a police officer, or an antiviolence counselor. The commissioner
23.9 must not require disclosure of details relating to an applicant's or applicant's family member's
23.10 domestic abuse, sexual assault, or stalking.

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

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

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

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

23.20 (3) for which the applicant worked for pay.

23.21 Subd. 5. **Vacation, sick leave, and disability insurance benefits.** An employee may
23.22 use vacation pay, sick pay, paid time off pay, or disability insurance payments, in lieu of
23.23 family or medical leave program benefits under this chapter, provided the employee is
23.24 concurrently eligible. Subject to the limitations of section 268B.09, subdivision 1, an
23.25 employee is entitled to the employment protections under section 268B.09 for those workdays
23.26 during which this option is exercised. This subdivision applies to private plans under section
23.27 268B.10.

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

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

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

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

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

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

24.14 (1) considered wages under section 268B.01, subdivision 46; or

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

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

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

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

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

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

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

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

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

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

25.12 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 25.13 2025.

25.14 **Sec. 11. [268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

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

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

25.19 (1) the name of the applicant;

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

25.21 (3) the week the benefits commence;

25.22 (4) the weekly benefit amount payable; and

25.23 (5) the maximum duration of benefits.

25.24 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
 25.25 raised by information required from an applicant and send to the applicant and any current
 25.26 base period employer, by mail or electronic transmission, a document titled a determination
 25.27 of eligibility or a determination of ineligibility, as is appropriate, within two weeks, unless
 25.28 the application is incomplete due to outstanding requests for information including clerical
 25.29 or other errors. Nothing shall prohibit the commissioner from requesting additional
 25.30 information or the applicant from supplementing their initial application before a

26.1 determination of eligibility. The commissioner may extend the deadline for a determination
26.2 under this subdivision due to extenuating circumstances.

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

26.6 (c) If the department has filed an intervention in a worker's compensation matter under
26.7 section 176.361, the department is authorized to issue a determination of ineligibility within
26.8 48 months of the establishment of the benefit account.

26.9 (d) The commissioner must provide an opportunity for the employer to submit relevant
26.10 information.

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

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

26.17 (g) The commissioner must ensure a limit of one family member taking leave under this
26.18 chapter for an incapacitated person at a time, except when family care is taken by parents
26.19 for an incapacitated person under the age of 18.

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

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

26.29 Subd. 5. **Overpayment.** A determination or amended determination that holds an
26.30 applicant ineligible for benefits for periods an applicant has been paid benefits is an
26.31 overpayment of those family or medical leave benefits. A determination or amended
26.32 determination issued under this section that results in an overpayment of benefits must set

27.1 out the amount of the overpayment and the requirement that the overpaid benefits must be
 27.2 repaid according to section 268B.185.

27.3 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 27.4 2025.

27.5 Sec. 12. **[268B.08] APPEAL PROCESS.**

27.6 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

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

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

27.13 (d) The chief benefit judge has discretion regarding the method by which the hearing is
 27.14 conducted.

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

27.18 (b) Decisions of a benefit judge are not precedential.

27.19 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
 27.20 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
 27.21 asking the judge to reconsider that decision.

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

27.24 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
 27.25 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
 27.26 are supervisors, or benefit judges.

27.27 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
 27.28 transfer to another benefit judge any proceedings pending before another benefit judge.

27.29 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 27.30 2025.

28.1 Sec. 13. [268B.085] NOTICE TO EMPLOYER; SCHEDULES.

28.2 Subdivision 1. Notice to employer. (a) If the need for leave is foreseeable, an employee
28.3 must provide the employer at least 30 days' advance notice before leave under this chapter
28.4 is to begin. If 30 days' notice is not practicable because of a lack of knowledge of
28.5 approximately when leave will be required to begin, a change in circumstances, or a medical
28.6 emergency, notice must be given as soon as practicable. Whether leave is to be continuous
28.7 or is to be taken intermittently, notice need only be given one time, but the employee must
28.8 advise the employer as soon as practicable if dates of scheduled leave change or are extended,
28.9 or were initially unknown. In those cases where the employee is required to provide at least
28.10 30 days' notice of foreseeable leave and does not do so, the employee must explain the
28.11 reasons why notice was not practicable upon request from the employer.

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

28.19 (c) An employer may require that an employee taking leave under this chapter provide
28.20 a copy of the certification under section 268B.06, subdivision 3. Upon written request from
28.21 the employer, the employee shall provide a copy of the certification as soon as practicable
28.22 and possible given all of the facts and circumstances in the individual case. Providing
28.23 certification at or around the time the employee provides a certification to the department
28.24 shall be considered practicable.

28.25 (d) In addition to any other prohibition imposed under this chapter, an employer must
28.26 not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise
28.27 retaliate or discriminate against an employee for providing this certification.

28.28 (e) An employer may require an employee to comply with the employer's usual and
28.29 customary notice and procedural requirements for requesting leave, absent unusual
28.30 circumstances or other circumstances caused by the reason for the employee's need for
28.31 leave. Leave under this chapter must not be delayed or denied where an employer's usual
28.32 and customary notice or procedural requirements require notice to be given sooner than set
28.33 forth in this subdivision.

29.1 (f) If an employer has failed to provide notice to the employee as required under section
 29.2 268B.26, paragraph (a), (b), or (e), the employee is not required to comply with the notice
 29.3 requirements of this subdivision.

29.4 Subd. 2. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
 29.5 by the employee. Bonding leave must end within 12 months of the birth, adoption, or
 29.6 placement of a foster child, except that, in the case where the child must remain in the
 29.7 hospital longer than the mother, the leave must end within 12 months after the child leaves
 29.8 the hospital. Employees may also use bonding leave before the actual placement or adoption
 29.9 of a child in situations that include but are not limited to where the employee may be required
 29.10 to:

29.11 (1) attend counseling sessions;

29.12 (2) appear in court;

29.13 (3) consult with the attorney or doctors representing the birth parent;

29.14 (4) submit to a physical examination; or

29.15 (5) travel to another country to complete an adoption.

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

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

29.23 (c) An employee requesting leave taken intermittently shall provide the employer with
 29.24 a schedule of needed workdays off as soon as practicable.

29.25 (d) Leave taken intermittently counts toward the maximums described in section 268B.04,
 29.26 subdivision 5.

29.27 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 29.28 2025.

29.29 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

29.30 Subdivision 1. **Retaliation prohibited.** An employer must not discharge, discipline,
 29.31 penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate

30.1 against an employee for requesting or obtaining benefits or leave, or for exercising any
30.2 other right under this chapter. In addition to the remedies provided in subdivision 8, the
30.3 commissioner of labor and industry may also issue a penalty to the employer of not less
30.4 than \$1,000 nor more than \$10,000 per violation, payable to the employee aggrieved. In
30.5 determining the amount of the penalty under this subdivision, the appropriateness of such
30.6 penalty to the size of the employer's business and the gravity of the violation shall be
30.7 considered.

30.8 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
30.9 application for leave or benefits or the exercise of any other right under this chapter. In
30.10 addition to the remedies provided in subdivision 8, the commissioner of labor and industry
30.11 may also issue a penalty to the employer of not less than \$1,000 nor more than \$10,000 per
30.12 violation, payable to the employee aggrieved. In determining the amount of a civil penalty
30.13 under this subdivision, the appropriateness of such penalty to the size of the employer's
30.14 business and the gravity of the violation shall be considered.

30.15 Subd. 3. **Waiver of rights as condition of employment prohibited.** No employer may
30.16 require any employee or applicant to waive or limit any right or benefit under this chapter
30.17 as a condition of employment.

30.18 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
30.19 is void, except as provided in section 268B.10 for payment of an employee. Benefits are
30.20 exempt from levy, execution, attachment, or any other remedy provided for the collection
30.21 of debt. Any waiver of this subdivision is void.

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

30.27 (b) This subdivision may be waived for employees who are working in the construction
30.28 industry under a bona fide collective bargaining agreement that requires employer
30.29 contributions to a multi-employer health plan pursuant to United States Code, title 29,
30.30 section 186C5, but only if the waiver is set forth in clear and unambiguous terms in the
30.31 collective bargaining agreement and explicitly cites this subdivision.

30.32 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
30.33 an employee is entitled to be returned to the same position the employee held when leave
30.34 commenced or to an equivalent position with equivalent benefits, pay, and other terms and

31.1 conditions of employment. An employee is entitled to reinstatement even if the employee
31.2 has been replaced or the employee's position has been restructured to accommodate the
31.3 employee's absence.

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

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

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

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

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

31.32 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
31.33 the same manner and at the same levels as provided when the leave began, and subject to
31.34 any changes in benefit levels that may have taken place during the period of leave affecting

32.1 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
32.2 under this chapter, an employee must not be required to requalify for any benefits the
32.3 employee enjoyed before leave began, including family or dependent coverages.

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

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

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

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

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

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

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

32.31 (4) This chapter does not prohibit an employer from accommodating an employee's
32.32 request to be restored to a different shift, schedule, or position which better suits the
32.33 employee's personal needs on return from leave, or to offer a promotion to a better position.

33.1 However, an employee must not be induced by the employer to accept a different position
33.2 against the employee's wishes.

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

33.6 (g) Ninety calendar days from the date of hire, an employee has a right and is entitled
33.7 to reinstatement as provided under this subdivision for any day for which the employee has
33.8 been deemed eligible for benefits under this chapter.

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

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

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

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

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

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

34.4 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
34.5 law or equity, an employee injured by a violation of this section may bring a civil action to
34.6 recover:

34.7 (1) any and all damages recoverable at law;

34.8 (2) reasonable interest on the amount of damages awarded;

34.9 (3) an additional amount as liquidated damages equal to the sum of the amount described
34.10 in clause (1), except that if an employer who has violated the provisions of this section
34.11 proves by a preponderance of the evidence that the act or omission which violated the
34.12 provisions of this section was in good faith or that the employer had reasonable grounds
34.13 for believing that the act or omission was not a violation of the provisions of this section,
34.14 the court may, in the discretion of the court, reduce the amount of the liability to the amount
34.15 determined under clause (1); and

34.16 (4) such injunctive and other equitable relief as determined by a court or jury, including
34.17 employment, reinstatement, and promotion.

34.18 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
34.19 maintained against any employer in any federal or state court of competent jurisdiction by
34.20 any one or more employees. Rule 23 of the Rules of Civil Procedure applies to this section.

34.21 (c) The court in an action under this section may, in addition to any judgment awarded
34.22 to the plaintiff or plaintiffs, allow a prevailing plaintiff reasonable attorney fees, reasonable
34.23 expert witness fees, and other costs of the action incurred by the plaintiff to be paid by the
34.24 defendant.

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

34.28 (e) An employee bringing a civil action under this section is entitled to a jury trial. An
34.29 employee cannot waive their right to a jury trial under this section including, but not limited
34.30 to, by signing an agreement to submit claims to arbitration.

34.31 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
34.32 2025.

35.1 Sec. 15. **[268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

35.2 **Subdivision 1. Application for substitution.** Employers may apply to the commissioner
35.3 for approval to meet their obligations under this chapter through the substitution of a private
35.4 plan that provides paid family, paid medical, or paid family and medical benefits. In order
35.5 to be approved as meeting an employer's obligations under this chapter, a private plan must
35.6 confer all of the same rights, protections, and benefits provided to employees under this
35.7 chapter, including but not limited to benefits under section 268B.04 and employment
35.8 protections under section 268B.09. Employers may apply for approval of private plans that
35.9 exceed the benefits provided to employees under this chapter. An employee covered by a
35.10 private plan under this section retains all applicable rights and remedies under section
35.11 268B.09.

35.12 **Subd. 2. Private plan requirements; weekly benefit determination.** For purposes of
35.13 determining the family and medical benefit amount and duration under a private plan, the
35.14 weekly benefit amount and duration shall be based on the employee's typical work week
35.15 and wages earned with the employer at the time of an application for benefits. If an employer
35.16 does not have complete base period wage detail information, the employer may accept an
35.17 employee's certification of wage credits, based on the employee's records.

35.18 **Subd. 3. Private plan requirements; timing of payment.** Private plan benefits may be
35.19 paid to align with the employer's payroll cycle or according to the terms of the approved
35.20 private plan.

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

35.27 **Subd. 5. Private plan requirements; medical benefit program.** The commissioner,
35.28 in consultation with the commissioner of commerce, must approve an application for private
35.29 provision of the medical benefit program if the commissioner determines:

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

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

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

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

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

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

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

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

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

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

36.20 **Subd. 6. Private plan requirements; family benefit program.** The commissioner, in
36.21 consultation with the commissioner of commerce, must approve an application for private
36.22 provision of the family benefit program if the commissioner determines:

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

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

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

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

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

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

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

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

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

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

37.16 Subd. 7. **Employer reimbursement.** If an employer has made advance payments of
37.17 benefits due under this chapter or has made payments to an employee in like manner as
37.18 wages during any period of family or medical leave for which the employee is entitled to
37.19 the benefits provided by this chapter, the employer shall be entitled to reimbursement by
37.20 the carrier or third-party administrator out of any benefits due or to become due for the
37.21 family or medical leave, if the claim for reimbursement is filed with the carrier prior to
37.22 payment of the benefit of the carrier.

37.23 Subd. 8. **Use of private insurance products.** Nothing in this section prohibits an
37.24 employer from meeting the requirements of a private plan through a private insurance
37.25 product. If the employer plan involves a private insurance product, that insurance product
37.26 must be approved by the commissioner of commerce and be issued by an insurance company
37.27 authorized to transact insurance in this state.

37.28 Subd. 9. **Private plan approval and oversight fee.** An employer with an approved
37.29 private plan is not required to pay premiums established under section 268B.14. An employer
37.30 with an approved private plan is responsible for a private plan approval and oversight fee
37.31 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to
37.32 499 employees, and \$1,000 for employers with 500 or more employees. The employer must
37.33 pay this fee (1) upon initial application for private plan approval, and (2) any time the

38.1 employer applies to amend the private plan. The commissioner must review and report on
38.2 the adequacy of this fee to cover private plan administrative costs annually beginning July
38.3 1, 2025, as part of the annual report established in section 268B.25.

38.4 Subd. 10. **Plan duration.** A private plan under this section must be in effect for a period
38.5 of at least one year and, thereafter, continuously unless the commissioner finds that the
38.6 employer has given notice of withdrawal from the plan in a manner specified by the
38.7 commissioner in this section or rule. The plan may be withdrawn by the employer within
38.8 30 days of the effective date of any law increasing the benefit amounts or within 30 days
38.9 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
38.10 administered to provide the increased benefit amount or change in the rate of the employee's
38.11 premium on the date of the increase or change.

38.12 Subd. 11. **Appeals.** An employer may appeal any adverse action regarding that employer's
38.13 application for private provision of the medical benefit or family benefit program, in a
38.14 manner specified by the commissioner. An employee covered under a private plan has the
38.15 same right to appeal to the state under section 268B.04, subdivision 7, as any other employee.
38.16 An employee covered under a private plan has the right to request reconsideration of a
38.17 decision under a private plan made by an insurer, private plan administrator, or employer
38.18 prior to exercising the appeal rights in section 268B.04.

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

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

38.26 Subd. 13. **Posting of notice regarding private plan.** An employer with a private plan
38.27 must provide a notice prepared by or approved by the commissioner regarding the private
38.28 plan consistent with section 268B.26.

38.29 Subd. 14. **Amendment.** (a) The commissioner must approve any amendment, other than
38.30 those required by this chapter, to a private plan adjusting the provisions thereof, if the
38.31 commissioner determines:

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

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

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

39.5 Subd. 15. **Successor employer.** A private plan in effect at the time a successor acquires
39.6 the employer organization, trade, or business, or substantially all the assets thereof, or a
39.7 distinct and severable portion of the organization, trade, or business, and continues its
39.8 operation without substantial reduction of personnel resulting from the acquisition, must
39.9 continue the approved private plan and must not withdraw the plan without a specific request
39.10 for withdrawal in a manner and at a time specified by the commissioner. A successor may
39.11 terminate a private plan with notice to the commissioner and within 90 days from the date
39.12 of the acquisition.

39.13 Subd. 16. **Revocation of approval by commissioner.** (a) The commissioner may
39.14 terminate any private plan if the commissioner determines the employer:

39.15 (1) failed to pay benefits;

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

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

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

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

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

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

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

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

40.4 (1) \$1,000 for the first violation; and

40.5 (2) \$2,000 for the second, and each successive violation.

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

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

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

40.13 (e) Assessment of penalties under this subdivision may be appealed as provided by the
40.14 commissioner under subdivision 11.

40.15 Subd. 18. **Reports, information, and records.** Employers with an approved private
40.16 plan must maintain all reports, information, and records as relating to the private plan and
40.17 claims for a period of six years from creation and provide to the commissioner upon request.

40.18 Subd. 19. **Audit and investigation.** The commissioner may investigate and audit plans
40.19 approved under this section both before and after the plans are approved.

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

40.21 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
40.22 **ELECTION OF COVERAGE.**

40.23 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
40.24 contractor may file with the commissioner by electronic transmission in a format prescribed
40.25 by the commissioner an application to be entitled to benefits under this chapter for a period
40.26 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
40.27 by United States mail or electronic transmission, the individual is entitled to benefits under
40.28 this chapter beginning the calendar quarter after the date of approval or beginning in a later
40.29 calendar quarter if requested by the self-employed individual or independent contractor.

40.30 The individual ceases to be entitled to benefits as of the first day of January of any calendar
40.31 year only if, at least 30 calendar days before the first day of January, the individual has filed

41.1 with the commissioner by electronic transmission in a format prescribed by the commissioner
41.2 a notice to that effect.

41.3 (b) The commissioner may terminate any application approved under this section with
41.4 30 calendar days' notice sent by United States mail or electronic transmission if the
41.5 self-employed individual is delinquent on any premiums due under this chapter. If an
41.6 approved application is terminated in this manner during the first 104 consecutive calendar
41.7 weeks of election, the self-employed individual remains obligated to pay the premium under
41.8 subdivision 3 for the remainder of that 104-week period.

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

41.16 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
41.17 this chapter must annually pay a premium as provided in section 268B.14, subdivision 7,
41.18 clause (1), times the lesser of:

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

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

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

41.28 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
41.29 2025.

41.30 Sec. 17. **[268B.12] WAGE REPORTING.**

41.31 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer
41.32 premium account described in section 268B.13, a quarterly wage detail report by electronic
41.33 transmission, in a format prescribed by the commissioner. The report must include for each

42.1 employee in covered employment during the calendar quarter, the employee's name, the
42.2 total wages paid to the employee, and total number of paid hours worked. For employees
42.3 exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the
42.4 employer must report 40 hours worked for each week any duties were performed by a
42.5 full-time employee and must report a reasonable estimate of the hours worked for each
42.6 week duties were performed by a part-time employee. In addition, the wage detail report
42.7 must include the number of employees employed during the payroll period that includes
42.8 the 12th day of each calendar month and, if required by the commissioner, the report must
42.9 be broken down by business location and separate business unit. The report is due and must
42.10 be received by the commissioner on or before the last day of the month following the end
42.11 of the calendar quarter. The commissioner may delay the due date on a specific calendar
42.12 quarter in the event the department is unable to accept wage detail reports electronically.

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

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

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

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

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

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

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

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

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

43.5 (b) If the wage detail report is not received in a manner and format prescribed by the
43.6 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
43.7 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
43.8 increased late fee will be sent to the employer by mail or electronic transmission.

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

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

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

43.18 (c) An employer shall not be subject to any penalty under this section upon a reasonable
43.19 showing that the employer's act or omission which violated the provisions of this chapter
43.20 was in good faith or that the employer had reasonable grounds for believing that the act or
43.21 omission was not a violation of the provisions of this section.

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

43.25 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
43.26 2025.

43.27 Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

43.28 The commissioner must maintain a premium account for each employer. The
43.29 commissioner must assess the premium account for all the premiums due under section
43.30 268B.14, and credit the family and medical benefit insurance account with all premiums
43.31 paid.

44.1 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
44.2 2025.

44.3 Sec. 19. **[268B.14] PREMIUMS.**

44.4 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become
44.5 payable by each employer for each calendar year on the taxable wages that the employer
44.6 paid to employees in covered employment.

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

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

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

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

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

44.22 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
44.23 181.06, subdivision 1, employers must pay a minimum of 50 percent of the annual premiums
44.24 paid under this section. Employees, through a deduction in their wages to the employer,
44.25 must pay the remaining portion, if any, of the premium not paid by the employer. Such
44.26 deductions for any given employee must be in equal proportion to the premiums paid based
44.27 on the wages of that employee. Deductions under this section must not cause an employee's
44.28 wage, after the deduction, to fall below the rate required to be paid to the worker by law,
44.29 including any applicable statute, regulation, rule, ordinance, government resolution or policy,
44.30 or other legal authority, whichever rate of pay is greater.

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

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

45.4 (1) \$12,500 multiplied by the number of employees; or

45.5 (2) \$120,000.

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

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

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

45.11 Subd. 6. **Annual premium rates.** The employer premium rates beginning July 1, 2025,
45.12 shall be as follows:

45.13 (1) for employers participating in both family and medical benefit programs, 0.7 percent;

45.14 (2) for an employer participating in only the medical benefit program and with an
45.15 approved private plan for the family benefit program, 0.57 percent; and

45.16 (3) for an employer participating in only the family benefit program and with an approved
45.17 private plan for the medical benefit program, 0.13 percent.

45.18 Subd. 7. **Premium rate adjustments.** (a) Beginning July 1, 2026, and by July 31 of
45.19 each year thereafter, the commissioner must adjust the annual premium rates using the
45.20 formula in paragraph (b). In no year shall the annual premium rate exceed 1.2 percent of
45.21 taxable wages paid to each employee.

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

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

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

45.27 (3) divide the resulting figure by the total wages in covered employment of employees
45.28 of employers without approved private plans under section 268B.10 for either the family
45.29 or medical benefit program. For employers with an approved private plan for either the
45.30 medical benefit program or the family benefit program, but not both, count only the

46.1 proportion of wages in covered employment associated with the program for which the
46.2 employer does not have an approved private plan; and

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

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

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

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

46.12 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
46.13 2025.

46.14 **Sec. 20. [268B.145] INCOME TAX WITHHOLDING.**

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

46.19 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
46.20 2025.

46.21 **Sec. 21. [268B.15] COLLECTION OF PREMIUMS.**

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

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

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

46.30 (2) interest on past due premiums; then

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48.30 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
48.31 2025.

48.32 Sec. 22. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

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

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

49.3 (2) "child support obligations" means obligations that are being enforced by a child
49.4 support agency in accordance with a plan described in United States Code, title 42, sections
49.5 454 and 455 of the Social Security Act that has been approved by the secretary of health
49.6 and human services under part D of title IV of the Social Security Act. This does not include
49.7 any type of spousal maintenance or foster care payments.

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

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

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

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

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

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

49.23 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by
49.24 the commissioner in the implementation and administration of this section and sections
49.25 518A.50 and 518A.53.

49.26 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
49.27 2025.

49.28 Sec. 23. **[268B.16] COMPROMISE.**

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

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

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

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

50.7 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
50.8 2025.

50.9 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

50.10 From July 1, 2025, through December 31, 2025, the commissioner may spend up to
50.11 seven percent of projected benefit payments during the period for the administration of this
50.12 chapter. Beginning January 1, 2026, and each calendar year thereafter, the commissioner
50.13 may spend up to seven percent of projected benefit payments for that calendar year for the
50.14 administration of this chapter. The department may enter into interagency agreements with
50.15 the Department of Labor and Industry and the Department of Commerce, including
50.16 agreements to transfer funds, subject to the limit in this section, for the Department of Labor
50.17 and Industry to fulfill its enforcement authority of this chapter and for the Department of
50.18 Commerce to fulfill the requirements of this chapter.

50.19 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
50.20 2025.

50.21 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

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

50.30 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
50.31 2025.

51.1 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

51.2 **Subdivision 1. Repaying an overpayment.** (a) Any applicant who (1) because of a
 51.3 determination or amended determination issued under this chapter, or (2) because of a
 51.4 benefit law judge's decision under section 268B.08, has received any family or medical
 51.5 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must
 51.6 promptly repay the benefits to the family and medical benefit insurance account.

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

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

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

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

51.22 **Subd. 3. Interest.** For any family and medical leave benefits obtained by
 51.23 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner
 51.24 must assess interest on any amount that remains unpaid beginning 30 calendar days after
 51.25 the date of a determination of overpayment penalty. Interest is assessed at the rate of six
 51.26 percent per year. A determination of overpayment penalty must state that interest will be
 51.27 assessed. Interest is not assessed on unpaid interest. Interest collected under this subdivision
 51.28 is credited to the family and medical benefit insurance account.

51.29 **Subd. 4. Offset of benefits.** An employee may offset from any future family and medical
 51.30 leave benefits otherwise payable the amount of an overpayment. No single offset may exceed
 51.31 20 percent of the amount of the payment from which the offset is made.

51.32 **Subd. 5. Cancellation of overpayments.** (a) If family and medical leave benefits
 51.33 overpayments are not repaid or offset from subsequent benefits within three years after the

52.1 date of the determination or decision holding the applicant overpaid, the commissioner must
 52.2 cancel the overpayment balance, and no administrative or legal proceedings may be used
 52.3 to enforce collection of those amounts.

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

52.6 Subd. 6. **Collection of overpayments.** (a) The commissioner has discretion regarding
 52.7 the recovery of any overpayment for reasons other than misrepresentation. Regardless of
 52.8 any law to the contrary, the commissioner is not required to refer any overpayment for
 52.9 reasons other than misrepresentation to a public or private collection agency, including
 52.10 agencies of this state.

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

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

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

52.18 Subd. 7. **Termination for misrepresentation.** It is not a violation of this section to
 52.19 terminate an employee for obtaining benefits through intentional misrepresentation.

52.20 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 52.21 2025.

52.22 Sec. 27. **[268B.19] EMPLOYER MISCONDUCT; PENALTY.**

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

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

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

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

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

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

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

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

53.6 or

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

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

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

53.14 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
53.15 2025.

53.16 **Sec. 28. [268B.21] RECORDS; AUDITS.**

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

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

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

53.30 (d) An employer, or other person, that fails to provide a weekly breakdown of money
53.31 earned by an applicant upon request of the commissioner, information necessary for the
53.32 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be

54.1 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown
 54.2 must clearly state that a \$100 penalty may be assessed for failure to provide the information.
 54.3 The penalty collected is credited to the family and medical benefit insurance account.

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

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

54.11 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 54.12 2025.

54.13 Sec. 29. **[268B.22] SUBPOENAS; OATHS.**

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

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

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

54.22 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 54.23 2025.

54.24 Sec. 30. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

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

54.29 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a
 54.30 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,
 54.31 until a notice of lien has been filed with the county recorder of the county where the property

55.1 is situated, or in the case of personal property belonging to a nonresident person in the Office
55.2 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee
55.3 for filing and indexing is as provided in sections 272.483 and 272.484.

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

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

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

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

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

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

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

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

56.1 (i) The lien may be imposed upon property defined as homestead property in chapter
56.2 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead
56.3 property.

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

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

56.15 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of
56.16 any county who must proceed within 60 calendar days to levy upon the property or rights
56.17 to property of the delinquent person within the county, except property exempt under section
56.18 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together
56.19 with the commissioner's and sheriff's costs. The sales are governed by the law applicable
56.20 to sales of like property on execution of a judgment.

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

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

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

56.33 (f) Where any assessment has been made by the commissioner, the property seized for
56.34 collection of the total amount due must not be sold until any determination of liability has

57.1 become final. No sale may be made unless a portion of the amount due remains unpaid for
57.2 a period of more than 30 calendar days after the determination of liability becomes final.

57.3 Seized property may be sold at any time if:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

58.17 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner
58.18 of management and budget, or to any state agency that disburses its own funds, that a person,
58.19 applicant, or employer has a liability under this chapter, and that the state has purchased
58.20 personal services, supplies, contract services, or property from that person, the commissioner
58.21 of management and budget or the state agency must set off and pay to the commissioner an
58.22 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the
58.23 obligation of the state otherwise due the person. No amount may be set off from any funds
58.24 exempt under section 550.37 or funds due an individual who receives assistance under
58.25 chapter 256.

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

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

58.29 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an
58.30 applicant or employer, may be collected by civil action in the name of the state of Minnesota.
58.31 Civil actions brought under this subdivision must be heard as provided under section 16D.14.
58.32 In any action, judgment must be entered in default for the relief demanded in the complaint
58.33 without proof, together with costs and disbursements, upon the filing of an affidavit of
58.34 default.

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

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

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

59.14 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 59.15 2025.

59.16 Sec. 31. **[268B.24] CONCILIATION SERVICES.**

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

59.20 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 59.21 2025.

59.22 Sec. 32. **[268B.25] ANNUAL REPORTS.**

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

59.27 (1) total revenue raised through premium collection;

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

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

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

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

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

60.5 (7) an accounting of required outreach expenditures;

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

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

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

60.11 (1) total eligible claims;

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

60.13 (3) claimant demographics by age, race or ethnicity, gender, average weekly wage,
 60.14 occupation, and the type of leave taken;

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

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

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

60.19 (7) processing times for initial claims processing, initial determinations, and final
 60.20 decisions;

60.21 (8) average duration for cases completed; and

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

60.23 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 60.24 2025.

60.25 **Sec. 33. [268B.26] NOTICE REQUIREMENTS.**

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

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

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

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

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

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

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

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

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

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

61.14 Delivery is made when an employee provides written or electronic acknowledgment of
 61.15 receipt of the information, or signs a statement indicating the employee's refusal to sign
 61.16 such acknowledgment.

61.17 (c) An employer that fails to comply with this section may be issued, for a first violation,
 61.18 a civil penalty of \$50 per employee, and for each subsequent violation, a civil penalty of
 61.19 \$300 per employee. The employer shall have the burden of demonstrating compliance with
 61.20 this section.

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

61.25 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
 61.26 2025.

61.27 Sec. 34. **[268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

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

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

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

62.4 (2) prohibit an employer from providing additional benefits, including but not limited
62.5 to covering the portion of earnings not provided during periods of leave covered under this
62.6 chapter, including through supplemental payments under section 268B.01, subdivision 40;
62.7 or

62.8 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
62.9 with respect to leave benefits and related procedures and employee protections that meet
62.10 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
62.11 this chapter.

62.12 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
62.13 2025.

62.14 Sec. 35. **[268B.28] SEVERABLE.**

62.15 If the United States Department of Labor or a court of competent jurisdiction determines
62.16 that any provision of the family and medical benefit insurance program under this chapter
62.17 is not in conformity with, or is inconsistent with, the requirements of federal law, the
62.18 provision has no force or effect. If only a portion of the provision, or the application to any
62.19 person or circumstances, is determined not in conformity, or determined inconsistent, the
62.20 remainder of the provision and the application of the provision to other persons or
62.21 circumstances are not affected.

62.22 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
62.23 2025.

62.24 Sec. 36. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

62.25 (a) Employers are eligible for a business assistance grant when more than 15 percent of
62.26 their employees are receiving benefits in any given week under this chapter. A grant shall
62.27 be equal to the lesser of:

62.28 (1) 25 percent of the wages earned by the employees on leave in the most recent
62.29 completed quarter divided by 13; or

62.30 (2) \$300 per week per employee on leave.

63.1 (b) Grants must be used to hire temporary workers or to increase wages for current
63.2 employees. The grant shall be paid weekly until the percentage of employees using benefits
63.3 under this chapter is 15 percent or less for the applicable employer.

63.4 (c) The grants under this section may be funded from the family and medical benefit
63.5 insurance account.

63.6 (d) For the purposes of this section, the commissioner shall average the number of
63.7 employees reported by an employer over the last four completed calendar quarters to
63.8 determine the size of the employer.

63.9 (e) An employer who has an approved private plan is not eligible to receive a grant under
63.10 this section.

63.11 (f) The commissioner may award grants under this section only up to a maximum of
63.12 \$5,000,000 per calendar year.

63.13 **EFFECTIVE DATE.** Except as provided in section 40, this section is effective July 1,
63.14 2025.

63.15 Sec. 37. **ACTUARIAL STUDY.**

63.16 (a) The commissioner of employment and economic development must contract with a
63.17 qualified independent actuarial consultant to conduct an actuarial study of the family and
63.18 medical leave premium rate, premium rate structure, weekly benefit formula, duration of
63.19 benefits, fund reserve, and other components as necessary to determine an actuarially sound
63.20 rate and future rate-setting mechanism of the family and medical benefit insurance program
63.21 created in this act. A qualified independent actuarial consultant is one who is a Fellow of
63.22 the Society of Actuaries, Member of the American Academy of Actuaries (FSA MAAA),
63.23 and who has experience directly relevant to the analysis required under this paragraph. The
63.24 commissioner must issue a request for proposal to satisfy the requirements of this section
63.25 no later than 30 days following enactment.

63.26 (b) If the actuarial study indicates that the premium rate in Minnesota Statutes, section
63.27 268B.14, subdivision 7, is not actuarially sound, the commissioner must present options to
63.28 the legislature to adjust the program to make the program actuarially sound.

63.29 (c) A copy of the actuarial study and the commissioner's recommendations based on
63.30 that study must be provided to the majority and minority leaders in the senate and the house
63.31 of representatives no later than October 31, 2023. The actuarial study and the commissioner's
63.32 recommendations must also be filed with the Legislative Reference Library in compliance
63.33 with Minnesota Statutes, section 3.195.

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

64.2 Sec. 38. **APPLICATION.**

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

64.5 **ARTICLE 2**

64.6 **APPROPRIATIONS**

64.7 Section 1. **APPROPRIATIONS.**

64.8 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
64.9 and for the purposes specified in this article. The appropriations are from the family and
64.10 medical benefit insurance account under Minnesota Statutes, section 268B.02, subdivision
64.11 4, and are available for the fiscal years indicated for each purpose. The figures "2024" and
64.12 "2025" used in this article mean that the appropriations listed under them are available for
64.13 the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal
64.14 year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and
64.15 2025.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
64.20 <u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u>		
64.21 <u>AND ECONOMIC DEVELOPMENT</u>	<u>\$ 50,939,000</u>	<u>\$ 71,358,000</u>

64.22 This amount is for the purposes of Minnesota
64.23 Statutes, chapter 268B, including start-up and
64.24 information technology costs, administration,
64.25 and outreach.

64.26 The base from the family and medical benefit
64.27 insurance account for fiscal year 2026 is
64.28 \$76,089,000 and for fiscal year 2027 is
64.29 \$73,642,000.

64.30 <u>Sec. 3. DEPARTMENT OF COMMERCE</u>	<u>\$ 376,000</u>	<u>\$ 316,000</u>
--	--------------------------	--------------------------

64.31 This amount is for the purposes of Minnesota
64.32 Statutes, chapter 268B.

65.1	<u>The base from the family and medical benefit</u>			
65.2	<u>insurance account for fiscal year 2026 and</u>			
65.3	<u>beyond is \$128,000.</u>			
65.4	Sec. 4. <u>DEPARTMENT OF HUMAN</u>			
65.5	<u>SERVICES</u>	\$	<u>2,649,000</u>	\$ <u>-0-</u>
65.6	<u>This amount is for the purposes of Minnesota</u>			
65.7	<u>Statutes, chapter 268B.</u>			
65.8	Sec. 5. <u>DEPARTMENT OF LABOR AND</u>			
65.9	<u>INDUSTRY</u>	\$	<u>601,000</u>	\$ <u>374,000</u>
65.10	<u>This amount is for the purposes of Minnesota</u>			
65.11	<u>Statutes, chapter 268B.</u>			
65.12	<u>The base from the family and medical benefit</u>			
65.13	<u>insurance account for fiscal year 2026 and</u>			
65.14	<u>beyond is \$731,000.</u>			
65.15	Sec. 6. <u>LEGISLATURE.</u>	\$	<u>-0-</u>	\$ <u>18,000</u>
65.16	<u>This amount is for the purposes of Minnesota</u>			
65.17	<u>Statutes, chapter 268B. This is a onetime</u>			
65.18	<u>appropriation.</u>			
65.19	Sec. 7. <u>MINNESOTA MANAGEMENT AND</u>			
65.20	<u>BUDGET</u>	\$	<u>-0-</u>	\$ <u>118,000</u>
65.21	<u>This amount is for the purposes of Minnesota</u>			
65.22	<u>Statutes, chapter 268B.</u>			
65.23	<u>The base from the family and medical benefit</u>			
65.24	<u>insurance account for fiscal year 2026 and</u>			
65.25	<u>beyond is \$31,000.</u>			
65.26	Sec. 8. <u>SECRETARY OF STATE</u>	\$	<u>384,000</u>	\$ <u>4,000</u>
65.27	<u>This amount is for the purposes of Minnesota</u>			
65.28	<u>Statutes, chapter 268B. This is a onetime</u>			
65.29	<u>appropriation.</u>			
65.30	Sec. 9. <u>SUPREME COURT.</u>	\$	<u>15,000</u>	\$ <u>15,000</u>
65.31	<u>This amount is for the purposes of Minnesota</u>			
65.32	<u>Statutes, chapter 268B. This is a onetime</u>			
65.33	<u>appropriation.</u>			

66.1 Sec. 10. UNIVERSITY OF MINNESOTA. \$ -0- \$ 1,372,000

66.2 This amount is for the purposes of Minnesota
 66.3 Statutes, chapter 268B. This is a onetime
 66.4 appropriation.

66.5 Sec. 11. TRANSFER.

66.6 The commissioner of management and budget shall transfer \$668,321,000 in fiscal year
 66.7 2024 from the general fund to the family and medical benefit insurance account for the
 66.8 purposes of Minnesota Statutes, chapter 268B.

66.9 Sec. 12. ENTERPRISE COSTS BASE ESTABLISHMENT.

66.10 A general fund base of \$3,049,000 in fiscal year 2026 and \$3,049,000 in fiscal year 2027
 66.11 are established. Of this amount, \$35,000 each year is to fund enterprise requirements under
 66.12 Minnesota Statutes, chapter 268B, employee notification, and \$3,014,000 each year is to
 66.13 fund the costs incurred by state agencies due to employer-paid premiums established under
 66.14 Minnesota Statutes, chapter 268B. The commissioner of management and budget shall
 66.15 allocate these amounts to agency base budgets based on the expected costs incurred by those
 66.16 agencies.

66.17 **ARTICLE 3**

66.18 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

66.19 Section 1. Minnesota Statutes 2022, section 256B.057, subdivision 9, is amended to read:

66.20 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for
 66.21 a person who is employed and who:

66.22 (1) but for excess earnings or assets, meets the definition of disabled under the
 66.23 Supplemental Security Income program;

66.24 (2) meets the asset limits in paragraph (d); and

66.25 (3) pays a premium and other obligations under paragraph (e).

66.26 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
 66.27 for medical assistance under this subdivision, a person must have more than \$65 of earned
 66.28 income, be receiving an unemployment insurance benefit under chapter 268 that the person
 66.29 began receiving while eligible under this subdivision, or be receiving family and medical
 66.30 leave benefits under chapter 268B that the person began receiving while eligible under this
 66.31 subdivision. Earned income must have Medicare, Social Security, and applicable state and

67.1 federal taxes withheld. The person must document earned income tax withholding. Any
67.2 spousal income or assets shall be disregarded for purposes of eligibility and premium
67.3 determinations.

67.4 (c) After the month of enrollment, a person enrolled in medical assistance under this
67.5 subdivision who would otherwise be ineligible and be disenrolled due to one of the following
67.6 circumstances may retain eligibility for up to four consecutive months after a month of job
67.7 loss if the person:

67.8 (1) is temporarily unable to work and without receipt of earned income due to a medical
67.9 condition, as verified by a physician, advanced practice registered nurse, or physician
67.10 assistant; or

67.11 (2) loses employment for reasons not attributable to the enrollee, and is without receipt
67.12 of earned income ~~may retain eligibility for up to four consecutive months after the month~~
67.13 ~~of job loss.~~

67.14 To receive a four-month extension of continued eligibility under this paragraph, enrollees
67.15 must verify the medical condition or provide notification of job loss; continue to meet all
67.16 other eligibility requirements must be met, and ~~the enrollee must~~ continue to pay all
67.17 calculated premium costs for continued eligibility.

67.18 (d) For purposes of determining eligibility under this subdivision, a person's assets must
67.19 not exceed \$20,000, excluding:

67.20 (1) all assets excluded under section 256B.056;

67.21 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh
67.22 plans, and pension plans;

67.23 (3) medical expense accounts set up through the person's employer; and

67.24 (4) spousal assets, including spouse's share of jointly held assets.

67.25 (e) All enrollees must pay a premium to be eligible for medical assistance under this
67.26 subdivision, except as provided under clause (5).

67.27 (1) An enrollee must pay the greater of a \$35 premium or the premium calculated based
67.28 on the person's gross earned and unearned income and the applicable family size using a
67.29 sliding fee scale established by the commissioner, which begins at one percent of income
67.30 at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for
67.31 those with incomes at or above 300 percent of the federal poverty guidelines.

68.1 (2) Annual adjustments in the premium schedule based upon changes in the federal
68.2 poverty guidelines shall be effective for premiums due in July of each year.

68.3 (3) All enrollees who receive unearned income must pay one-half of one percent of
68.4 unearned income in addition to the premium amount, except as provided under clause (5).

68.5 (4) Increases in benefits under title II of the Social Security Act shall not be counted as
68.6 income for purposes of this subdivision until July 1 of each year.

68.7 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
68.8 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
68.9 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
68.10 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

68.11 (f) A person's eligibility and premium shall be determined by the local county agency.
68.12 Premiums must be paid to the commissioner. All premiums are dedicated to the
68.13 commissioner.

68.14 (g) Any required premium shall be determined at application and redetermined at the
68.15 enrollee's six-month income review or when a change in income or household size is reported.
68.16 Enrollees must report any change in income or household size within ten days of when the
68.17 change occurs. A decreased premium resulting from a reported change in income or
68.18 household size shall be effective the first day of the next available billing month after the
68.19 change is reported. Except for changes occurring from annual cost-of-living increases, a
68.20 change resulting in an increased premium shall not affect the premium amount until the
68.21 next six-month review.

68.22 (h) Premium payment is due upon notification from the commissioner of the premium
68.23 amount required. Premiums may be paid in installments at the discretion of the commissioner.

68.24 (i) Nonpayment of the premium shall result in denial or termination of medical assistance
68.25 unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse
68.26 for the enrollee's failure to pay the required premium when due because the circumstances
68.27 were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall
68.28 determine whether good cause exists based on the weight of the supporting evidence
68.29 submitted by the enrollee to demonstrate good cause. Except when an installment agreement
68.30 is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must
68.31 pay any past due premiums as well as current premiums due prior to being reenrolled.
68.32 Nonpayment shall include payment with a returned, refused, or dishonored instrument. The
68.33 commissioner may require a guaranteed form of payment as the only means to replace a
68.34 returned, refused, or dishonored instrument.

69.1 (j) For enrollees whose income does not exceed 200 percent of the federal poverty
 69.2 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the
 69.3 enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph
 69.4 (a).

69.5 Sec. 2. Minnesota Statutes 2022, section 256J.561, is amended by adding a subdivision
 69.6 to read:

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

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

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

69.16 (1) child only cases;

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

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

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

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

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

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

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

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

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

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

70.7 Sec. 4. Minnesota Statutes 2022, section 256J.95, subdivision 11, is amended to read:

70.8 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
 70.9 who meet the criteria in paragraph (d), are required to participate in DWP employment
 70.10 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
 70.11 at a minimum, meet the requirements in section 256J.55, subdivision 1.

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

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

70.20 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
 70.21 ~~of age is not required to have an employment plan until the child reaches 12 months of age~~
 70.22 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
 70.23 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
 70.24 ~~(a), clause (5).~~ if that parent:

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

70.26 (2) has a natural born child under 12 months of age until the child reaches 12 months
 70.27 of age unless the family unit has already used the exclusion under section 256J.561,
 70.28 subdivision 3, or the previously allowed child under age one exemption under section
 70.29 256J.56, paragraph (a), clause (5).

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

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

71.5 Sec. 5. Minnesota Statutes 2022, section 256P.01, subdivision 3, is amended to read:

71.6 Subd. 3. **Earned income.** "Earned income" means income earned through the receipt
71.7 of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities,
71.8 net profit from self-employment activities, payments made by an employer for regularly
71.9 accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid
71.10 under chapter 268B, royalties, honoraria, or other profit from activity that results from the
71.11 client's work, effort, or labor for purposes other than student financial assistance,
71.12 rehabilitation programs, student training programs, or service programs such as AmeriCorps.
71.13 The income must be in return for, or as a result of, legal activity.

71.14 Sec. 6. **EFFECTIVE DATES.**

71.15 Sections 1 to 5 are effective January 1, 2024.