

Minnesota Paid Family Medical Leave (PFML)

Frequently asked questions.

New York Life Group Benefit Solutions (NYL GBS) is here to help employers manage Minnesota's Paid Family and Medical Leave (PFML) program (Also referred to as Minnesota Paid Leave) by offering equivalent plan administration for clients who have chosen not to participate in the state-run program. This guide provides an overview of the law, effective January 1, 2026, based on Minnesota Statutes Chapter 268B and relevant administrative rules.

Q: When does Minnesota PFML become effective?

A: Minnesota's PFML (MN PFML) program takes effect on January 1, 2026. Eligible employees may begin applying for and receiving benefits as of this date. Contribution collection for MN PFML also begins January 1, 2026 for both state-run and equivalent plans.

Q: What are the qualifying leave reasons under MN PFML?

A: A covered employee may qualify for PFML benefits for the following reasons:

- › To address a serious health condition (including pregnancy and recovery from childbirth).
- › To care for a family member with a serious health condition.
- › To bond with a new child within 12 months of birth, adoption, or foster care placement.
- › To address needs arising from a family member's active-duty military service (qualifying exigency).
- › To take safety leave related to domestic abuse, sexual assault, or stalking.

Q: How much leave is available under MN PFML?

A: Employees may be eligible for up to:

- › Up to 12 weeks per benefit year for medical leave.
- › Up to 12 weeks per benefit year for family leave reasons.
- › Combined medical leave and family leave taken would total of up to 20 weeks of paid leave per benefit year.

Leave can be taken continuously, intermittently, or on a reduced schedule as medically necessary for medical and care of family member leaves or as appropriate for all other leave types.

Q: Do I still need short term disability insurance with MN PFML?

A: If you have a medically certified condition and use 12 weeks of leave under both Minnesota Paid Family and Medical Leave (MN PFML) and Short-Term Disability (STD) early in the year, and then later in the same year you develop another medical condition, you will:

- › not be eligible for more MN PFML leave—because you already used the full 12 weeks allowed for the year.
- › be eligible for STD, assuming you have another medically certified condition

Q: How much leave is available under MN PFML?

A: To be eligible, an individual must:

- › Be a Minnesota employee with covered employment under the program.
- › Have earned at least 5.3% of the state's average annual wage (adjusted annually) in the base period (approx. \$3,900 when the program begins January 1, 2026).
- › Provide appropriate certification based on the type of leave requested.
Self-employed individuals and independent contractors may opt in to the state-run program for a
- › minimum of 104 consecutive weeks of coverage.



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Q: Are there any circumstances where an employee is not eligible for MN PFML benefits?

A: Yes. Employees are not eligible for MN PFML benefits if they do not meet the financial eligibility threshold, are classified as seasonal or self-employed without opting in, take leave for less than seven days (except bonding), are incarcerated, receive overlapping benefits (e.g., unemployment, workers' compensation, or certain disability payments), are covered by an equivalent plan, have already exhausted their annual benefit limits, or obtained benefits through misrepresentation or fraud.

Q: How are MN PFML benefits calculated?

A: Benefits are based on a progressive wage replacement formula:

- › 90% of weekly wages up to 50% of the state average weekly wage (SAWW).
- › 66% of wages from 50% to 100% of SAWW.
- › 55% of wages exceeding 100% of SAWW.

Benefits are capped at the SAWW, which will be \$1,423 when the program begins and through October 2026. Partial weeks and intermittent leave are paid on a prorated basis.

Q: Do employees need to use paid time off (PTO) before MN PFML?

A: No. Employees are not required to use accrued PTO, vacation, or sick leave before receiving PFML. However, employees may choose to use accrued leave as a supplemental benefit to bring their income up to 100% of their regular pay if their employer supports "topping up" PFML periods of leave.

Q: Are MN PFML benefits taxable?

A: Yes. PFML benefits are considered taxable income under federal and Minnesota state tax law. Employees may opt to have taxes withheld at the time of benefit application. The IRS has still not commented on the taxability of private PFML plans or self-insured plans, so taxation interpretations have been made which may change if the IRS releases further guidance. For NYL GBS private plans, 1099 forms will be provided to individuals that have received benefit payments from a fully insured policy for personal tax return filing purposes. Benefit payments on self-insured plans are considered "wages" and the employer will include the MN PFML payments in their year-end tax documents they provide to the employee. Employers that stay in the state program may have different tax documents provided to their employees.

Q: Does MN PFML provide job protection?

A: Yes. An employee who has worked for an employer for at least 90 calendar days is entitled to job protection and anti-retaliation. Upon return from PFML, the employee must be reinstated to the same or an equivalent position with the same pay and benefits.

Q: Will Group Insurance benefits continue when an employee takes MN PFML leave?

A: Yes. In Minnesota, employers are required to continue ALL group insurance benefits while an employee is out for MN PFML. Minnesota's requirements extend beyond just continuing health benefits. This insurance continuation does not require 90 days of employment. If an employee contributes to the cost of any group insurance coverage, they are required to continue to pay their costs. If the employer has no payroll funds to withhold the cost of benefits from while the employee is out, they may directly bill the employee for their share of the cost of continued group insurance or recoup these costs after the employee returns to work.

Q: How is leave calculated for part-time employees?

A: The total duration of leave is converted into an hour bank based on the employee's typical weekly hours. For example:

- › If an employee typically works 24 hours/week, they may receive up to 288 hours of leave for a 12-week benefit period (24 x 12).

Q: How does intermittent and reduced leave schedule impact leave allotment?

A: The leave time taken intermittently or on a reduced schedule will be prorated and reduced from the individual's available allotment of leave based on their typical workweek schedule.

Q: Are former employees covered under the MN PFML program?

A: Yes. Former employees may be eligible for MN PFML benefits if they had covered employment and meet financial eligibility requirements prior to separation from employment. If they apply for leave within 26 weeks of separation and have not been hired by a new employer, they must apply through their former employer's coverage (state or private plan). If they are working for a new employer at the time of application, they must apply under the new employer's plan. Coverage for former employees ends when they are hired by another employer, they begin to receive unemployment insurance or after 26 weeks—whichever comes first.

Q: What are the contribution requirements for employers and employees?

A: Starting in 2026, the state premium rate is set at 0.88% of an employee's taxable wages (up to the Social Security wage base), split equally.

- › 0.44% paid by the employer
- › 0.44% paid by the employee

Employers may elect to cover the full premium cost. Reduced premium rates are available for eligible small employers participating in the state plan with 30 or fewer employees and lower-than-average wages.

Q: How does an employee file for MN PFML benefits under an equivalent plan with New York Life Group Benefit Solutions?

A: We provide the same filing options for MN PFML as we do for other disability or leave offerings.

- › **Phone:** 888.842.4462 or 866.562.8421 (español)
- › **Online:** myNYLGBS.com (please note if employer does not provide an eligibility feed for any product, recommend initially reporting leave via phone or email)
- › **Email:** GBSIntakePaper@newyorklife.com
- › **Mail:** New York Life Group Benefit Solutions, P.O. Box 81077, Cleveland, OH 44181

Q: How do I learn more about Minnesota Paid Leave?

A: › For the most up-to-date information, visit <https://mn.gov/deed/paidleave/>

Minnesota state leave regulations were obtained from publicly available information: <https://mn.gov/deed/paidleave/employees/leave-time/>. The information is believed to be factual, and its accuracy cannot be guaranteed. Please consult applicable state websites for the most current state leave regulation information.

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