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MN Paid Leave

Preparing for
Implementation



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Agenda



1. MN Paid Leave Overview
2. Options for Compliance
3. HR Recommendation
4. Timeline & Next Steps

MN Paid Leave at a glance

Social insurance like unemployment.

Provides **partial wage replacement** when an employee cannot work due to qualifying **medical** and **family** reasons.

Covers all workers in MN.

Eligibility is **tied to the worker**, not the employer.

Covers nearly all MN employers and all MN workers.

Employers required to participate in the state program unless approved to provide an equivalent benefit.

Options for Compliance

State Plan (Administered by MN)

- **Administrative Simplicity**
 - State handles all claims, payments, and compliance.
- **Standardization**
 - Uniform benefits and contribution rates across all MN employers.
- **No Vendor Management**
 - Automatically covered by law.
- **Variable Costs**
 - Rates expected to increase.

Private Plan (MetLife)

- **More Control & Flexibility**
 - Employer has direct relationship with carrier and claims support.
- **Predictable Costs & Savings**
 - Negotiated 2-year rate guarantee.
- **Enhanced Services**
 - Potentially faster claims processing and more responsive customer service.
- **Tailored Support**
 - Ability to align with existing leave and disability programs.

2026 Cost Analysis

Option	2026 Rate (per \$100)	Y2026 Cost (Payroll \$343M)*	Y2026 Employer Cost (50% of total)
State	\$0.88	\$3,024,123	\$1,512,061
MetLife	\$0.79	\$2,714,838	\$1,357,419

*Based on salary data as of Q2 2025.

2027 Cost Analysis (estimated)**

Option	2027 Rate (per \$100)	Y2027 Cost (Payroll \$343M)*	Y2027 Employer Cost (50% of total)
State	\$1.10**	\$3,797,541**	\$1,898,770**
MetLife	\$0.79	\$2,714,838	\$1,357,419

*Based on salary data for Q1 2025.

**State rate projected to increase to maximum 1.1%.

Recommendation

- Purchase a private plan through MetLife.
- Benefits:
 - 2-year rate guarantee.
 - Save more than \$1.3 million over next 2 years.
 - Nationwide experience with all other state paid leave programs.
 - Enhanced services.
 - Simplified administration.
 - Single point of service.
 - Improved employee experience.

Implementation Timeline

