
Sponsor: Human Resources

Meeting Date: 10/14/2025

Title: Minnesota Paid Leave Implementation

File Number: 2025-404

Background and Rationale:

In May 2023, the Minnesota Legislature passed a bill to create a Paid Family Medical Leave (PFML) program called Minnesota Paid Leave. Starting January 1, 2026, Minnesota Paid Leave will offer payments and job protections to people who need time away from work for their own health or to care for a family member. Paid Leave helps Minnesotans stay financially stable while caring for their own well-being or being there for the people they love.

Nearly all employers are required to participate in Minnesota Paid Leave, regardless of employer size, revenue or the number of employees. Employers are automatically enrolled into the state's program. The plan is funded by a payroll tax with a 50% split between employee and employer. The premium tax rate for year 2026 is 0.88%, which translates to \$3,024,123 annually based on Ramsey County's current payroll. In subsequent years, the premium is anticipated to rise to the maximum rate of 1.1% or over \$3.8 million.

Employers can apply to opt-out of the state plan by providing an equivalent benefit either through a fully-insured or self-insured plan. Human Resources, in partnership with the County Attorney's Office and the Purchasing and Contracting Division, evaluated the cooperative solicitation performed by Sourcewell for PFML coverage. Of the qualifying carriers, Human Resources concluded that Metropolitan Life Insurance Company (MetLife) offers the most competitive option with the best employee experience.

MetLife offers a two-year rate guarantee for 0.79%, which translates to over \$1.3 million in savings over the next two years. The low rate requires that participants bundle with another fully insured product. The county reviewed its benefit offerings and determined the best solution is to transfer short- and long-term disability insurance to MetLife.

PFML works in tandem with short- and long-term disability insurance. Through MetLife, employees will have a streamlined experience navigating the leave landscape with a sophisticated digital claims portal and one claim number for concurrent PFML and disability claims. In addition, the premiums for short- and long-term disability will decrease compared to 2025 rates with the county's current carrier.

Human Resources recommends that the county secure a contract with MetLife for PFML, short-term disability, and long-term disability insurances. This is time sensitive, as the deadline to opt-out of the state plan is November 10, 2025, for coverage effective January 1, 2026. To meet the deadline, the recommendation is that the county board authorize the County Manager to execute the final negotiated agreement and execute amendments to the agreement with MetLife in accordance with the county's procurement policies and procedures, in a form approved by the County Attorney's Office.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Authorize the County Manager to finalize negotiations and to execute an agreement with Metropolitan Life Insurance Company, 200 Park Avenue, New York, NY 10166 for the administration of Paid Family Medical Leave insurance, coupled with Short- and Long-Term Disability insurances, with services commencing January 1, 2026, and extending for a term of at least two years.
2. Authorize the County Manager to execute the agreement and execute amendments to the agreement in accordance with the county's procurement policies and procedures, in a form approved by the County Attorney's Office.

A motion to approve was made by Commissioner McMurtrey, seconded by Commissioner Miller. Motion passed.

Aye: - 6: Jebens-Singh, McGuire, McMurtrey, Miller, Moran, and Ortega

Excused: - 1: Xiong

By: _____

A handwritten signature in blue ink, appearing to read "Jason Yang", is written over a horizontal line.

Jason Yang, Chief Clerk - County Board