



## CITY COUNCIL MEETING STAFF REPORT

**Meeting Date:** December 8, 2025

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**Agenda Item:** MN Paid Leave

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**Subject | Summary:** Per the information sheet provided by the state, Paid Leave is funded by premiums paid by employees and employers. The initial premium rate is 0.88% of wages up to the cap set by Social Security's Old-Age, Survivors, and Disability Insurance program (currently \$185,000). Your employer may deduct up to 0.44% of your wages to fund your portion of the premium.

I suggest staying with the 50/50 split of the premium between employer and employee. Money used to pay the employee portion of the premium is taxable income. If the employer chooses to pay more than 50% of the premium, employees will have to pay tax on the premium amount above 50%.

By law, notices about MN Pay Leave needed to be sent by 12/1/2025. If we choose to pay more than the 50%, supplemental notices will be needed.

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**Agenda Category:**

**Submitted By:** Michele Peterson

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**Recommended Motion:** Approve a 50/50 split of the premium for MN Paid Leave, as allowed by law.

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**Community Engagement and Outreach:**

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**FISCAL IMPACT:**

**Amount:**

**Ongoing Cost :**

**One-Time Cost :**

**Included in Current Budget?:**

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**FISCAL DETAILS:**

**Fund Name(s) (Operations | Capital):**

**Account Code:**

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**Background:**

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**Attachments:**

[MN Paid Leave Employee Notice sent 2025 11 26.pdf.pdf](#)