



PERSONNEL / BUDGET COMMITTEE MEETING STAFF REPORT

Meeting Date: December 8, 2025

Agenda Item: MN Paid Leave

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.

Agenda Category:

Submitted By: Michele Peterson

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

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

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