MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board of Managers
Meeting date: 11/6/2025
Agenda Item #: 7.2
Action type: Consent

Title:	Approve and Adopt the Minnesota Paid Leave Program and Update the MCWD Employee Handbook
Resolution number:	25-064
Prepared by:	Name: Deb Johnson Phone: 952.641.4500 djohnson@minnehahacreek.org
Reviewed by:	Name/Title: Louis Smith, District Legal Counsel
Recommended action:	Board of Managers approval and adoption of MN Paid Leave Policy for the MCWD

Background:
The watershed District's employee handbook was last revised and approved by the Board of Managers at the December 28, 2023 board meeting. At that time the Board approved the incorporation of new/previously approved policies into the handbook, new processes and roles that appropriately reflect how the District administers these workflow processes on a day-to-day basis and new state law changes ensuring the District's compliance with Minnesota laws.

At that time staff anticipated two additional updates to the handbook; one in 2024 and one in 2025. As there were no changes in 2024 that required an immediate update to the handbook this update was postponed. The update anticipated for 2025 was to specifically address the new state paid leave policy effective January 1, 2026.

Summary and Purpose:
The purpose of this District handbook update is to ensure compliance with the new Minnesota Paid Leave law effective January 1, 2026. As of this date, all Minnesota employers, with limited exceptions, must provide a paid leave program for their employees utilizing a private insurance carrier's program or the State provided plan.

Staff requested quotes from private insurance carriers approved by the State. The quotes received for a paid leave policy comparable to the State's program were approximately double the state premium based on the District's demographics. For this reason District staff is recommending the State managed paid leave program for Board consideration.

The State Paid Leave program is managed by the Department of Employment and Economic Development (DEED). Premiums are paid to the State via a payroll tax deduction, with the State requiring the employer to pay a minimum of 50% of the premium. Employers may choose to contribute more than the required 50%, however cannot contribute less. The District is proposing and has budgeted for a 50/50 premium split between the MCWD and staff contributions. The State's total payroll deduction for 2026 is .88% of salaries, or a .44% payroll tax contribution for the District as well as the employee.

As the payroll tax is salary based, each employee's contribution will vary. For example, a District employee earning an annual salary of $70,000 will contribute approximately $154 annually to the program whereas an employee earning $100,000 will contribute $220.

Additionally, because the MN Paid Leave program benefits, including options for leave, definition of family and total weeks paid is far more robust than the District's current short-term disability plan with UNUM, that plan will be discontinued as of January 1, 2026. The District's long-term disability plan with UNUM will not be affected by this change.

Supporting documents:
Paid Leave Policy Draft for Employee Handbook

MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

RESOLUTION

Resolution number: 25-064

Title: Approve and Adopt the Minnesota Paid Leave Program and Update the MCWD Employee Handbook

WHEREAS, the MCWD Employee handbook was last updated and approved by the Board of Managers December 28, 2023;

WHEREAS effective January 1, 2026 a new state law will require employers to incorporate an approved paid leave program into their benefit offerings;

WHEREAS private insurance company plans as well as the state administered plan were reviewed by staff;

WHEREAS staff recommends utilizing the State Paid Leave program for overall price as well as ease of payroll deductions and payments to the state;

WHEREAS the State requires an employer to contribute a minimum of 50% of the premium paid via a payroll tax deduction;

WHEREAS the District recommends and has budgeted for a 50/50 split between the District and staff payroll tax deductions;

WHEREAS the UNUM short-term disability plan will be discontinued as of January 1, 2026

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers approves and adopts the Minnesota Paid Leave Program and instructs staff to incorporate the policy into the MCWD Employee Handbook effective January 1, 2026 and authorizes the District Administrator to administer the policy accordingly.

Resolution Number 25-064 was moved by Manager _____________, seconded by Manager ____________. Motion to adopt the resolution ___ ayes, ___ nays, ___abstentions. 11/06/2025.

____ Date: ___________________________
Secretary

Minnehaha Creek Watershed District
Minnesota State Paid Leave Program
Adopted: November 6, 2025
Effective: January 1, 2026

Minnesota Paid Leave

The MCWD provides time off to eligible employees who qualify for the Minnesota Paid Leave (MNPL) benefits under Minnesota law. The MCWD is a participant in the State of Minnesota's Paid Leave program. Benefits are funded through payroll premium contributions payable to the State of Minnesota. The cost is split between the MCWD and the employees as follows: the MCWD will pay 50% of the required premium and employees will pay 50% of the premium cost through payroll deductions beginning January 1, 2026.

Eligibility

Eligibility determinations for MNPL benefits are made by the State of Minnesota. Generally, to be eligible for MNPL, you must:

- Work at least 50% of the time from a location in Minnesota, including employees who work from home or occasionally spend time in other states; and
- Meet the financial eligibility requirements by having earned over a specific amount of wages as defined by Minnesota law at the time of your requested leave

Benefit Amount

An employee's weekly MNPL benefit is calculated and determined by the Minnesota Department of Employment and Economic Development (DEED).

Leave Entitlement and Usage

The State of Minnesota may approve MNPL leave for the following conditions in a benefit year:

- Up to 12 weeks of medical leave (for yourself) to take care of yourself for a serious health condition, including pregnancy, childbirth, recovery, or surgery.
- Up to 12 weeks of family leave to:
  - Bond with a child through birth, adoption, or foster placement
  - Care for a family member with a serious health condition
  - Support a military family member called to active duty
  - Receive covered types of care for yourself or a family member because of domestic abuse, sexual assault, or stalking

You can take both types of leave in the same year, but you cannot exceed 20 weeks total within a single benefit year. For example, an employee may be entitled to 12 weeks of family leave to bond with a child and another 8 weeks of medical leave for their serious health condition. Your benefit year starts the first day you take Paid Leave. There is no waiting period for MNPL if you are granted the benefit.

MNPL Intermittent Leave

Employees may apply for intermittent leave in most cases, provided the leave is reasonable and appropriate to the needs of the individual requiring care.

Eligibility

- In addition to the other eligibility requirements under the MN Paid Leave law, employees seeking intermittent leave must have at least eight hours of accumulated leave (unless more than 30 days have lapsed since taking the initial leave).

Notice

- In situations where employees seek MNPL on an intermittent basis, employees must make a reasonable effort to

provide written notice to their Program Manager and MCWD Operations staff of the need for intermittent leave before applying for MNPL benefits through the State program. As part of the notice, employees must provide the MCWD with the following:
  - proposed intermittent leave schedule; and
  - a completed certification from a health care provider identifying the leave as necessary and a reasonable estimate of the frequency and duration and treatment schedule for the leave.

Increments of Leave & Maximum Number of Hours

- Consistent with other forms of leave provided by the MCWD, employees may take intermittent leave in increments of ***four hour periods***. If eligible for intermittent leave, the MCWD allows a maximum of 480 hours of intermittent leave in any 12-month period. After reaching the maximum amount of allowed intermittent leave, employees may request continuous MNPL provided the continuous leave does not exceed the maximum amount of MNPL allowed by law.

Definitions

Family members include:

- Spouse or partner
- Child (including biological, adopted, step, or foster children, or a child you raise even if you are not legally related)
- Parent or person who raised you
- Sibling
- Grandchild or grandparent
- In-laws (including son, daughter, father, or mother)
- Anyone close to you who depends on you like family, even if not related by blood

A serious health condition means a physical or mental illness, injury, impairment, condition, or substance use disorder. Taking care of yourself for this serious condition may involve evaluation, treatment, inpatient care, recovery, or not being able to perform regular work or do regular daily activities. This includes childbirth, conditions related to pregnancy, or surgery.

Notice

Prior to starting a claim with the State, employees should discuss with their Program Manager and/or Operations staff. If the leave request is foreseeable, the MCWD asks that you provide at least two weeks notice prior to taking leave. If the leave is not foreseeable you will still be able to take leave under MNPL and the District asks that you provide as much notice as possible.

How to Apply for Minnesota Paid Leave

You may apply for MNPL through the Minnesota Paid Leave's portal: https://mn.gov/deed/paidleave/employees/faq/

Interaction with Other Laws and Benefits

MNPL will run concurrently with any leave and/or wage supplement for which you may be eligible for under local, state, or federal law which may include: MCWD accrued ESST and/or vacation, Family and Medical Leave Act (FMLA) and/or Minnesota Women's Economic Security Act (WESA) pregnancy and parenting leave.

Supplementing MNPL Benefits with Accrued Paid Leave

If you are receiving MNPL benefits, the MCWD allows you to supplement, or "top off," your MNPL benefits with any accrued but unused paid leave, including ESST and vacation time. If you choose to supplement your MNPL benefits in this way, the combined weekly sum of MNPL benefits and the MCWD paid leave benefits cannot exceed your Individual Average Weekly Wage (IAWW). For more information, or to arrange for the supplemental payment contact the Operations staff.

Maintaining Health Coverage During Leave

Unless an employee revokes coverage while on MNPL, the MCWD will continue to provide group health insurance coverage for an employee on MNPL under the same conditions as the coverage was provided before the employee took leave. If applicable, you must continue to make timely payments of your share of the premiums for such coverage. If you are not using paid time off to cover part or all of the leave, you will be responsible for remitting your portion of health premiums to the MCWD in order to ensure continuation of benefits.

Group health insurance may be cancelled if an employee's premium payment is 30 days late. Before terminating coverage, the MCWD will provide written notice to the employee at least 15 days before the coverage is terminated listing the final date payment is due (30 days past the due date) to avoid cancellation and the date coverage will end if payment is not received.

An employee's share of premium payments for their group health insurance coverage may, at the employee's option, be:

1. prepaid at or before the start of the leave in which your health deductions may be modified to accept the agreed upon amounts and cadence of premium deductions; or
2. arranged to write a check every month for the duration that the employee may be out

Coverage that lapses due to nonpayment of premiums will be reinstated immediately upon return to work without a waiting period.

Reinstatement

Upon return from a covered MNPL absence, you will be reinstated to your previous position or to an equivalent position, with the same status, pay, employment benefits, length-of-service credit, and seniority credit as of the date of leave as long as you have worked for the MCWD for a minimum of 90 calendar days.

Upon return to work, if it becomes evident that the employee is unable to perform the key essential functions of their position (with or without reasonable accommodation), the MCWD may engage in an interactive process, consistent with the American with Disability Act (ADA) and/or Minnesota Human Rights Act (MHRA) and other applicable workplace policies, including workplace safety protocols, to determine appropriate next steps.

Retaliation

The MCWD will not interfere or retaliate against employees who request or take leave in accordance with the MN Paid Leave law.