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Wisconsin Paid Leave Outlook as Democrats Gain Unified State Control

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Wisconsin's November 3 election results give Democrats control of the governor's office and both legislative chambers beginning in January 2027. Governor-elect David Crowley will take office alongside Democratic majorities of 18–15 in the Senate and 53–46 in the Assembly. This will be the party's first unified control of Wisconsin government since the 2009–2010 legislative session.

The change in party control may lead lawmakers to revisit proposals that previously stalled under divided government. Paid family and medical leave is one issue that Wisconsin employers should watch closely. Governor-elect Crowley has expressly supported a statewide program, and Democratic legislators have already developed an insurance-based proposal.

Still, unified government does not guarantee agreement on the details. Democratic leaders have identified competing priorities, including school funding, property tax relief, housing, and childcare. Their relatively narrow legislative majorities and the need to finance a sustainable program could affect both the substance and timing of paid-leave legislation.

Minnesota and Illinois Illustrate Two Different Paid-Leave Models

"Paid leave" can mean different things. Paid family and medical leave insurance replaces part of a worker's wages during extended absences for specified family or medical reasons. Paid sick leave or general-purpose paid time off ordinarily provides a smaller bank of employer-paid hours. The distinction matters: adding a few paid sick days does not necessarily prepare an employer for a statewide insurance program, and insurance premiums do not necessarily satisfy a separate paid-time-off requirement.

Minnesota: A Neighboring Insurance Model.

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Minnesota enacted Paid Leave in 2023 and began providing benefits on January 1, 2026. Eligible workers may receive up to 12 weeks of medical leave and up to 12 weeks of family leave, subject to a 20-week combined annual maximum. Covered reasons include serious health conditions, bonding, family caregiving, qualifying military needs, and safety-related leave. Benefits replace a higher percentage of wages for lower-paid workers and are capped at the state average weekly wage.

Minnesota employers also have reporting, notice, benefit-continuation, and leave-administration responsibilities. An approved equivalent private plan is an alternative to the state plan, but an ordinary paid time off (PTO) policy is not automatically such a plan.

Minnesota also has a separate Earned Sick and Safe Time law. It generally requires one hour of paid time for every 30 hours worked, up to 48 hours accrued annually, with carryover subject to an 80-hour balance cap and statutory alternatives for frontloading.

Illinois: Paid Time Off for Any Reason, Not the Minnesota Model.

Illinois' Paid Leave for All Workers Act, effective January 1, 2024, generally requires covered employers to provide up to 40 hours of paid leave per year, accruing at least one hour for every 40 hours worked. Employees may use it for any reason, generally after a 90-day waiting period, without explaining why or providing supporting documentation. Employers may frontload leave instead of accruing it; carryover treatment depends on the method selected.

This is an employer-paid time-off obligation, not a statewide family-and-medical-leave insurance benefit. Illinois legislators have separately proposed an insurance program, but that proposal has not yet been enacted.

Other States Illustrate the Range.

California provides up to eight weeks of family-leave wage replacement through its disability-insurance framework. New York provides up to 12 weeks of family leave at 67% of wages, subject to a statewide cap, with family-leave premiums funded by employees. Massachusetts combines up to 12 weeks of ordinary family leave and 20 weeks of medical leave, subject to a 26-week aggregate maximum. These examples demonstrate that benefit duration, funding, and the relationship between wage replacement and job protection are separate design choices.

What Wisconsin Democrats and Crowley Have Proposed

Democratic Reps. Francesca Hong, Kalan Haywood, and Alex Joers, together with Sen. LaTonya Johnson, announced a renewed paid-leave proposal in December 2025. The December proposal subsequently appeared as Assembly Bill 1012, introduced February 6, 2026. It failed to pass on March

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23, 2026. It is therefore a useful indication of policy direction, not a currently pending bill or a compliance deadline.

Crowley's support is more specific than a general endorsement of worker-friendly legislation. In a 2026 candidate questionnaire published by 9to5, he supported a statewide program of "at least 12 weeks," covering a new child, illness, and care for a parent or loved one. In October, he also endorsed a statewide program providing meaningful wage replacement and job protection.

If lawmakers return to the framework that appeared in AB 1012, employers should expect discussion of the following features:

A state-administered insurance fund: AB 1012 would have placed administration with the Department of Workforce Development (DWD) and transferred $258.5 million from the general fund to seed the program. Ongoing financing would come from wage-based contributions.

Broad participation and expanded leave rights: The insurance proposal defined covered workers as those with at least $1,000 in earnings during a specified base period, rather than using the current Wisconsin Family and Medical Leave Act (WFMLA) service-and-hours test. Self-employed individuals could elect coverage. It contemplated expanded family definitions, foster placement, military-related needs, and domestic-abuse, sexual-abuse, and stalking-related leave, alongside broader employer coverage.

Weeks of benefits rather than a small PTO bank: The operative duration provision contemplated up to 12 weeks of covered family/donation benefits and a 14-week maximum for combinations of specified family, medical, and donation leave.

Progressive wage replacement and shared contributions: The operative bill text would replace 90% of earnings up to half of the state average weekly earnings, plus 50% of earnings above that threshold, capped at the state average. DWD would determine the contribution amount. The operative funding provision generally called for an equal employer–employee split, with reduced employer tiers for businesses with 50 or fewer employees.

Protection and benefit coordination: AB 1012 included restoration, anti-interference, antiretaliation, and notice provisions. It generally prohibited forced exhaustion of ordinary paid leave, while permitting specified coordination with disability coverage, a dedicated family/medical leave bank, collective bargaining agreements, or employer policies, with written notice.

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The best forecast is an insurance-based proposal with broad eligibility, meaningful wage replacement, and additional employer administration, rather than merely an Illinois-style 40-hour bank. But Crowley's stated support does not establish agreement on AB 1012's details. Premiums, exceptions, benefit duration, private-plan alternatives, and implementation dates remain open questions.

How Employers Can Prepare Now

Employers do not need to rewrite their entire benefits program before legislation exists. A targeted review can improve current compliance and preserve flexibility for a future mandate.

Audit the current leave framework first: Inventory WFMLA and federal Family and Medical Leave Act (FMLA) policies, PTO, sick leave, parental leave, short-term disability, and collective bargaining provisions. Wisconsin already provides unpaid, job-protected leave for eligible employees at covered employers, with eligibility rules different from federal FMLA. In particular, Wisconsin generally makes substitution of accrued paid leave the employee's choice. Remove any blanket handbook requirement that employees must exhaust PTO before taking WFMLA leave.

Separate time off, job protection, and pay: Revise policies to distinguish permission to be absent from entitlement to wage replacement. Identify which protections apply and when overlapping leave runs concurrently, to the extent permitted by law. A payment decision should not substitute for a separate eligibility, designation, and reinstatement analysis.

Consider a dedicated paid family/medical leave benefit: Employers seeking to act proactively could evaluate a separate, clearly described family/medical leave bank or wage-continuation benefit, rather than putting every benefit into general PTO. Cover bonding and caregiving as well as the employee's own medical needs, with clearly stated eligibility and duration.

Build coordination flexibility into new policies: Consider prospective language allowing legally permitted coordination with statutory wage-replacement benefits and disability coverage. Specify whether employer payments supplement other benefits toward a stated percentage of pay, how employees report outside benefits, and how payment adjustments are handled. Do not assume an offset is lawful, reduce vested benefits retroactively, or require ordinary PTO exhaustion without checking the governing law.

Review PTO changes state by state: Broadening a bank to cover any reason may help with Illinois compliance, but combining statutory leave with vacation/PTO can create separation-payout

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obligations there. A single national policy should have jurisdiction-specific terms and accounting where necessary. More generous voluntary leave does not automatically satisfy every procedural requirement of another state's statute.

Budget for administration and staffing, not just premiums: Ask payroll and leave vendors about wage reporting, employee deductions, contribution remittance, claim coordination, and benefit supplements. Plan cross-training and coverage for intermittent and extended absences; both Minnesota law and AB 1012 contemplate intermittent leave.

Train managers and monitor the 2027 agenda: Require prompt referral of potential protected-leave requests to human resources (HR), consistent confidentiality practices, and a review before applying attendance penalties. Watch new bill text, the governor's budget, fiscal estimates, contribution rules, and any proposal to restore local leave authority.

The practical approach is to prepare without locking in unsupported assumptions: correct existing Wisconsin leave-policy issues, evaluate voluntary enhancements that fit the business, and preserve lawful coordination options. Once new legislation is introduced, employers can measure those policies against actual coverage, premium, benefit, and implementation requirements.

If you have questions about this alert or how it may affect your organization, please contact Erik Eisenmann or your Husch Blackwell attorney.

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