

THOUGHT LEADERSHIP

LEGAL UPDATES

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Service

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Minnesota Employment Law: 2025 Legislative Session Update

The Minnesota Legislative 2025 Session and one-day Special Session 2025 ended last month with the passage of an omnibus bill that contained several provisions changing the employment law landscape for employers with employees working in Minnesota. Below are some of the significant changes and new regulations that Minnesota employers should be aware of.

Meal and rest break periods

Effective **January 1, 2026**, employers must provide all employees with rest and meal breaks. Employers must provide an employee with a rest break of at least 15 minutes or an appropriate amount of time to reach the nearest restroom, whichever is longer, for every four hours worked.

With respect to meal breaks, employers must provide a 30-minute, unpaid meal break to any employee who works six or more consecutive hours. Failure to provide such breaks comes with significant penalties for employers, including paying the affected employee their regular rate of pay for the denied breaks plus liquidated damages in an amount equal to the same.

More changes to Minnesota's earned sick and safe time (ESST)

Currently, Minnesota's ESST law mandates that employers provide each employee who works at least 80 hours per year with one hour of paid sick and safe time for every 30 hours worked, up to at least 48 hours per year.

Effective **January 1, 2026**, the following changes to ESST will take effect:

Employers may require employees to provide notice for unforeseeable leave "as reasonably required."

Employees using ESST may voluntarily opt to trade shifts and find replacements to cover their hours used as ESST. It should be noted that employers still cannot require an employee to find replacements to cover time missed under ESST.

Employers can require reasonable documentation for ESST use after the employee requested or used ESST for two consecutive scheduled workdays, as opposed to three workdays.

Employers may advance ESST to an employee; however, if the amount advanced is less than the employee would have accrued based on their actual hours worked, the employer must provide additional ESST to make up the difference.

Employers who provide more ESST than required under the law may limit employees using paid leave for absences from work due to personal illness or injury to no less than the available leave or 160 hours in a 12-month period, whichever is less. Employers may not require an employee to use ESST prior to use of other available paid time off or paid leave benefits offered.

Minnesota's paid leave

Effective **January 1, 2026**, Minnesota employers will be required to provide employees up to 12 weeks of paid medical and family leave. Coverage for family leave includes caregiving leave to allow workers to care for a loved one with a serious health condition, safety leave for absences due to sexual or domestic violence, and deployment-related leave for employees with loved ones in the military.

Employees needing to use both medical and family leave are eligible for up to 20 weeks total in a calendar year.

Employers may begin deducting their employees' share of their Paid Leave program premiums on January 1, 2026, once the benefit becomes available. Employers will be required to pay the first premiums to the State of Minnesota's Department of Employment and Economic Development by April 30, 2026. The first premiums are based on wages paid from January 1, 2026, to March 31, 2026.

Independent contractors – construction industry

Effective July 1, 2025, the risk associated with misclassifying employees as independent contractors will increase in the construction industry, including increased penalties for violations.

Under state law, construction workers are considered employees unless they satisfy each of the 14 specific legal requirements that demonstrate independent contractor status at the time the services are provided. Employers can find the 14-factor test here: Minnesota's Department of Labor and Industry.

In general, the test requires an individual to demonstrate they operate as a separate business entity. For example, independent contractors in the construction industry must hold a federal employer identification number and Minnesota tax identification number to the extent required by law, as well as have and retain the necessary business licenses, registrations, and certifications to the extent mandated by law.

The City of Minneapolis expanded protected characteristics

In addition to these legislative changes, employers doing business in the City of Minneapolis must be aware of the expanded categories prohibiting employment discrimination. Specifically, Minneapolis employers must now be aware of expanded protected characteristics, including height and weight. These protected characteristics will go into effect on August 1, 2025.

What this means to you

To ensure your business is prepared for these upcoming changes, Minnesota employers should consider the following:

Review and analyze your ESST and Paid Leave policies to ensure compliance with the updated rules;

Ensure your business is registered and prepared to begin contributions to the Minnesota Paid Leave Program;

Review independent contractor relationships and take the steps necessary to avoid misclassification; and

Ensure all employees are given their statutory meal and rest breaks in compliance with the new law.

Contact us

For information or to discuss how these changes might affect your organization, please contact Tina Syring, Jonathon Duffy, Sydney Shelstad, or a member of Husch Blackwell's Labor & Employment team.