



FISCAL ISSUE BRIEF

Earned Sick & Safe Time

January 2024

During the 2023 legislative session, the legislature enacted [Chapter 53](#), the Jobs and Labor Omnibus Act, that included provisions for an earned sick and safe time (ESST) law that went into effect on January 1, 2024.

ESST is paid leave that employers must provide to employees in Minnesota pursuant to the requirement of the new law. The employer pays the employee when the employee uses their accrued ESST. The employer receives no state reimbursement to provide ESST. Employees can use their accrued ESST when they are sick, need to care for a sick family member, or need to seek assistance if they or their family member have experienced domestic abuse. The Minnesota Department of Labor and Industry (DLI) is responsible for enforcing ESST requirements. Additionally, affected employees may bring a civil lawsuit to address ESST violations.

Eligibility and Uses

An employee is eligible to accrue ESST with an employer if the employee works at least 80 hours in Minnesota in a year and is not an independent contractor. Temporary and part-time employees are also eligible for ESST. Additionally, the law provides a definition for “family member”.¹

Employees can use their ESST for:

- their or their family member’s mental or physical illness, treatment, or preventive care;
- absences due to domestic abuse, sexual assault, or stalking of the employee or a family member;
- weather or a public emergency that closes their workplace or closes a family member’s school or care facility; and
- when a health authority or health care professional determines that the employee or a family member is at risk of infecting others with a communicable disease.

Exemptions and Requirements

Minnesota’s ESST law does not cover:

- federal employees;
- independent contractors;
- certain flight deck or cabin crew members employed by an air carrier; and

¹ [2023 Minnesota Statutes, Chapter 181.9445, Subdivision 7](#)

- building and construction industry employees who are represented by a building and construction trades labor organization when their collective bargaining agreement provides a valid waiver of these requirements.

An eligible employee earns one hour of sick and safe time for every 30 hours worked. The employee can earn a maximum of 48 hours each year unless the employer agrees to a higher amount. Employees begin to accrue ESST on their first day of employment. The ESST provisions also require employers to permit employees to carryover unused ESST between years. The carryover of ESST may not exceed 80 hours, unless agreed to by the employer. ESST must be paid at the same hourly rate an employee earns when they work.

Further, employers are required to:

- include the total number of ESST hours accrued and available for use and the total number of ESST hours used on earnings statements;
- provide employees with an informational ESST notice by Jan. 1, 2024, or at the start of employment, whichever is later; and
- include an ESST notice in the employee handbook if the employer has an employee handbook.

DLI has prepared [a uniform employee notice](#) that employers can use, and DLI made the notice available in the most common languages spoken in Minnesota.

Existing Local Ordinances and Leave Policies

ESST local ordinances already exist in the cities of Bloomington, Duluth, Minneapolis, and St. Paul. When Minnesota’s statewide ESST law goes into effect, employers must follow the most protective law that applies to their employees.

An employer’s existing leave policy, such as paid time off (PTO), may already meet Minnesota’s ESST requirements. Nothing prohibits an employer from providing more generous leave policies than the minimum required by the ESST law. Further, the name of the employer’s PTO or other paid leave policy does not matter and does not need to be called “earned sick and safe time” if it meets the minimum requirements of the ESST law.

Fiscal Implications

Chapter 53 appropriated \$3.7 million in fiscal years (FY) 2024-25 from the General Fund to DLI for ESST enforcement requirements, and \$600,000 in FY 2024-25 from the General Fund to DLI for onetime grants to community organizations for outreach and education regarding ESST.

Moreover, Chapter 53 increased the penalty for failure to submit or deliver records to DLI from \$1,000 to \$10,000, and the adoption of ESST is assumed to increase the number of cases filed in the District Court. The enforcement of ESST, records penalty change, and growth in revenue from district court civil

filing fees increased estimated revenues to the General Fund by \$104,000 in FY 2024, \$274,000 in FY 2025, and \$280,000 in FY 2026 and each year thereafter.

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