

MINNESOTA CHAMBER OF COMMERCE USER SURVEY: PFML

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**MINNESOTA
CHAMBER OF
COMMERCE**

GROWING MINNESOTA

USER SURVEY: PFML

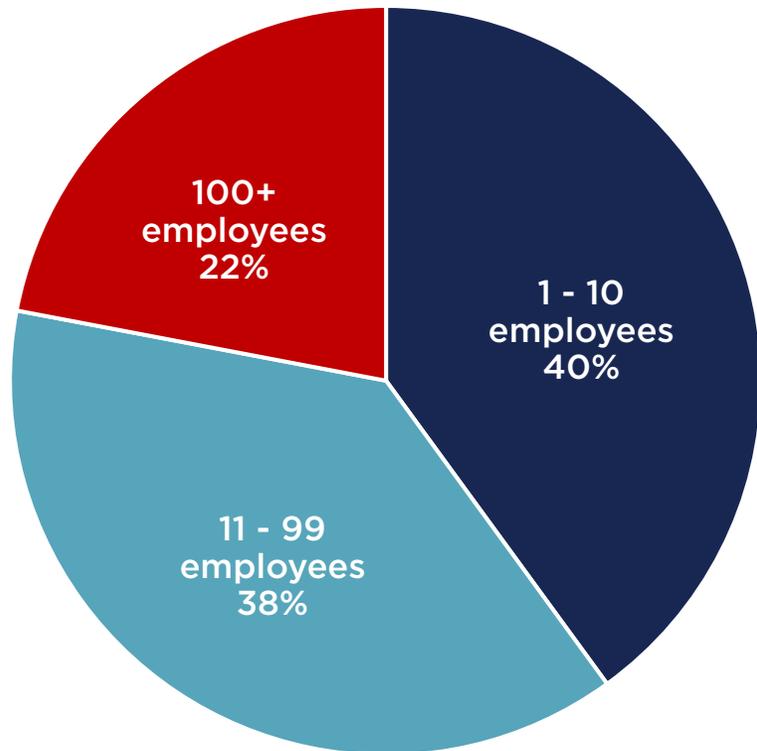
RESULTS OF THIS DIGITAL SURVEY REFLECT THE VIEWS OF NEARLY 700 EMPLOYERS THROUGHOUT THE STATE BETWEEN FEBRUARY 6 AND MARCH 1, 2026. THIS PROVIDES A STATISTICALLY MEANINGFUL SNAPSHOT OF BUSINESS SENTIMENT ON EXPERIENCES WITH MINNESOTA'S PAID FAMILY MEDICAL LEAVE PROGRAM.

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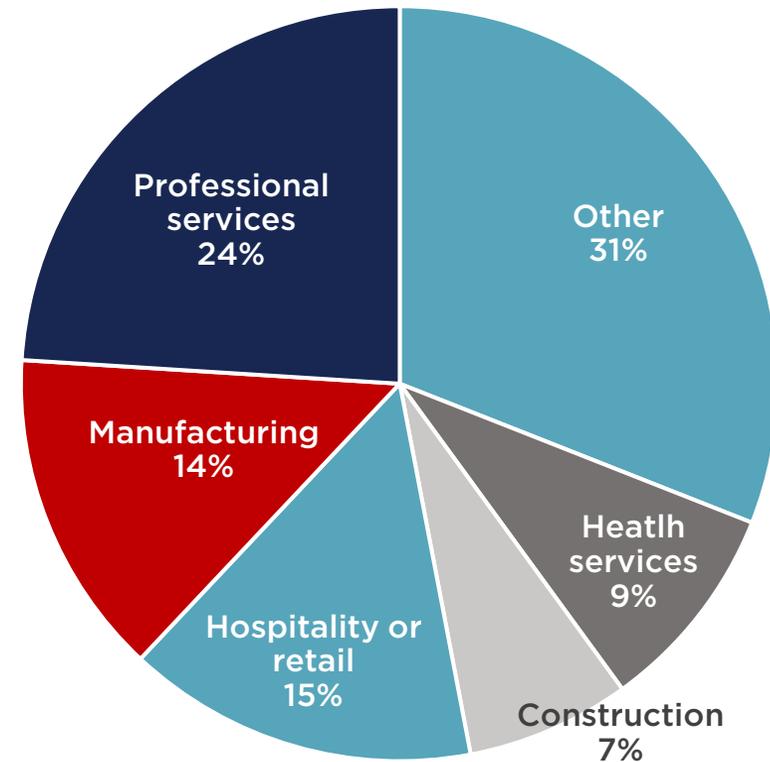
GROWING MINNESOTA

DEMOGRAPHICS

Size of company

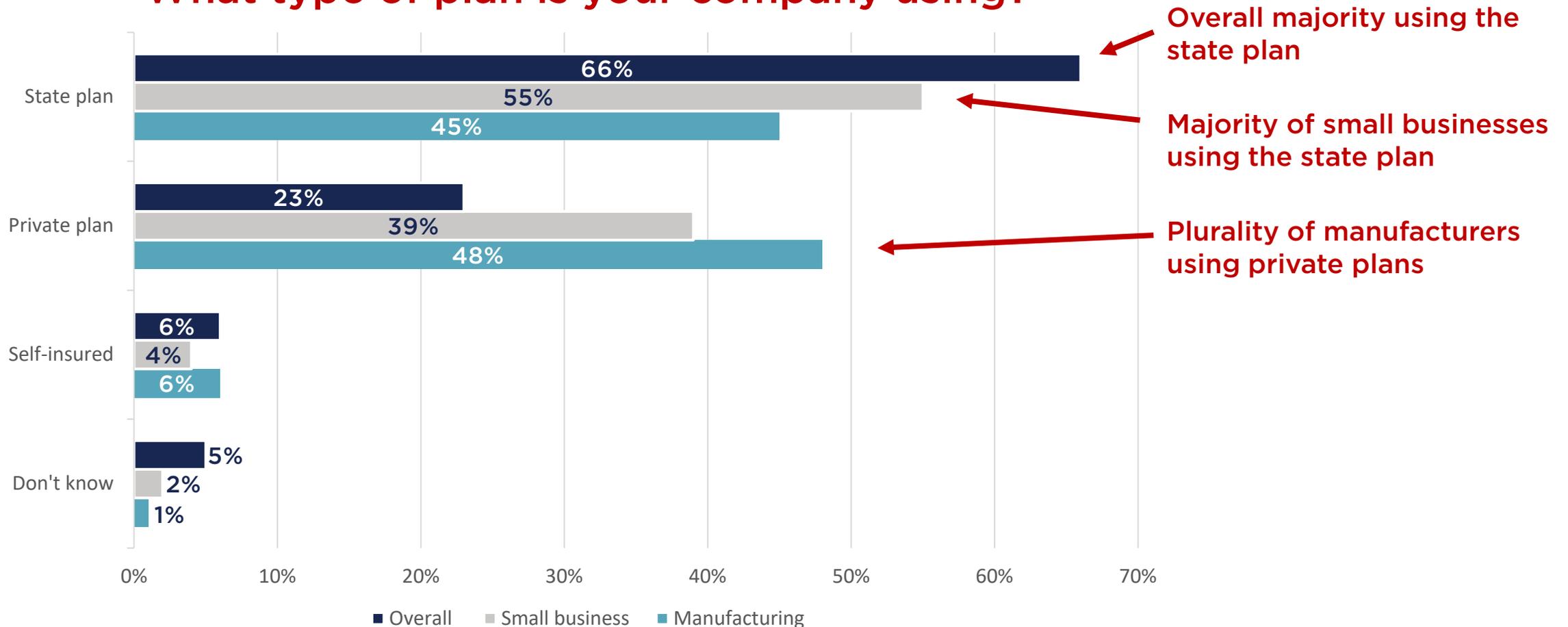


Business industry



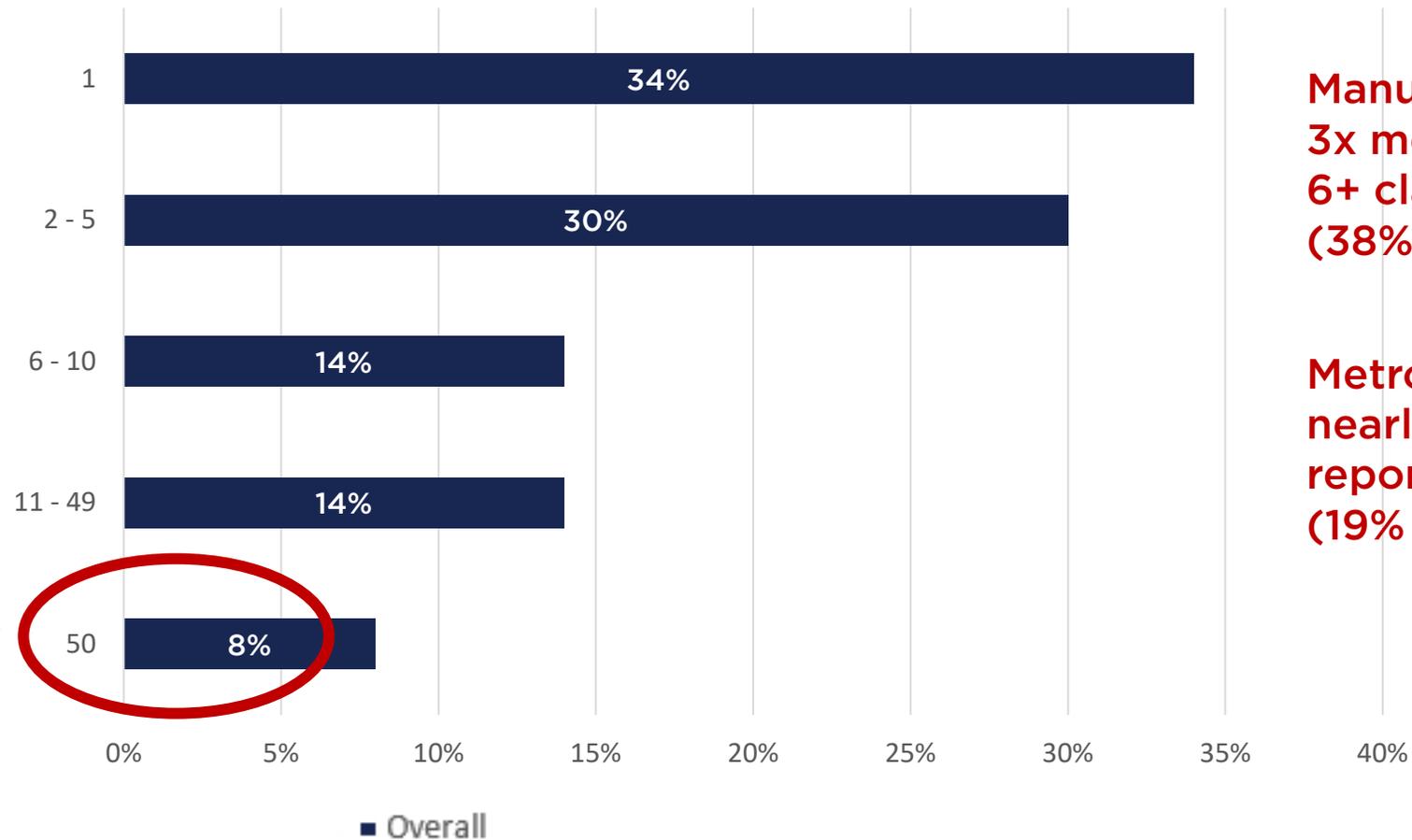
MOST EMPLOYERS USING THE STATE PLAN

What type of plan is your company using?



42% OF RESPONDENTS HAVE A FILED CLAIM

How many of your employees filed a claim?



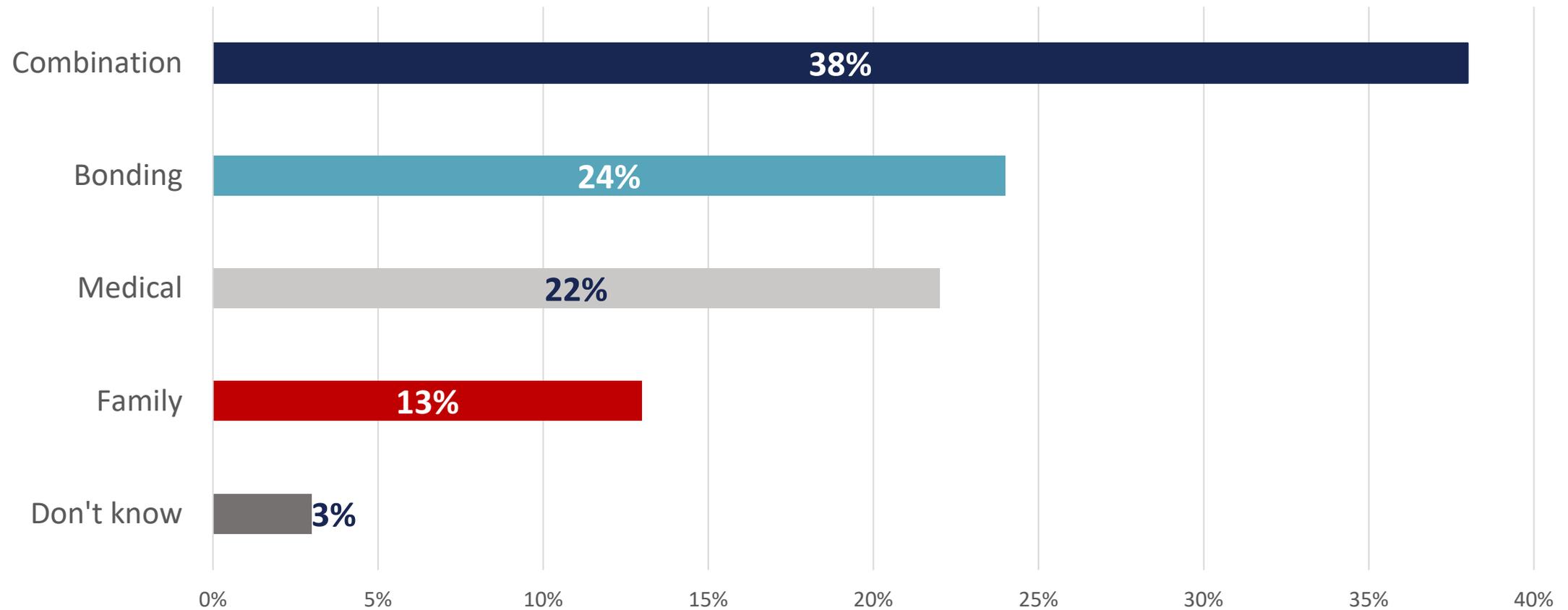
50+ claims

Manufacturers are nearly 3x more likely to report 6+ claims (38% compared to 13%)

Metro employers are nearly twice as likely to report 6+ claims (19% compared to 10%)

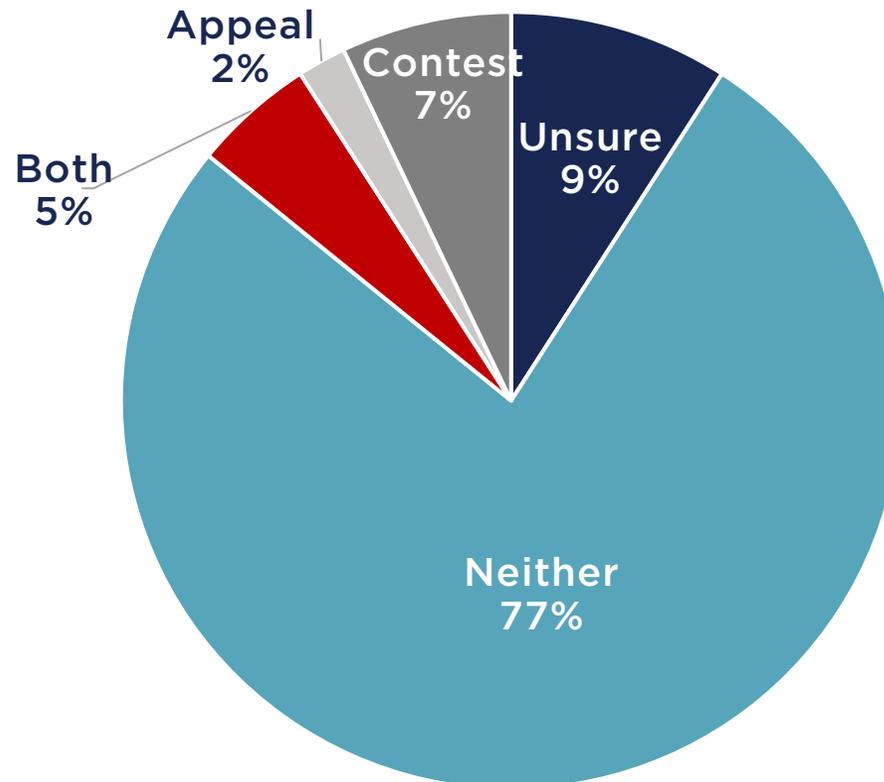
CLAIM TYPES

Claims have been filed for:



CONTESTED CLAIMS

Has your company needed to contest a claim or appeal a decision*?



** Results do not specify employer challenges to determinations on small business or seasonal business designations or employee-initiated challenges*

Top themes (open-ended descriptions)

- Administrative burden and confusion
- Slow approvals and inconsistent communication
- Staffing and operational disruption
- Cost concerns and “one-size-fits-all” frustration
- Seasonal, multi-entity and cross-border complications
- Perceived incentives for overuse, abuse or fraud
- Employee reactions often negative

“There is no safety net for the employers who are trying to keep the economy strong and have taken the risks in the state.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Administrative burden and confusion

- Significant time learning the law
- Many say guidance is unclear, state/vendor help inconsistent
- Coordination with FMLA, ESST, PTO, short-term disability, is complicated, labor-intensive

“Administration is cumbersome and payment reporting doesn't necessarily align with payroll.”

“There's anxiety about doing it incorrectly.”

“It has caused at least 3 additional hours of manual work per claim.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Slow approvals and inconsistent information

- Claim reviews take weeks, leaving employees unpaid/uncertain
- Inconsistent notifications, difficulty tracking claim status
- Missing visibility into what has been submitted or approved

“There have been inconsistencies in how approved leave notifications are communicated to the employer.”

“Employees were used to a quick response when we managed leave internally. With the state process, it takes longer for approval.”

“Lack of communication as to what is actually needed and what the options are. It was very frustrating for our HR team.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Staffing and operational disruption

- Many say the biggest impact isn't payroll tax – it's coverage: hard (or impossible) to backfill temporarily, hard to keep job open
- Increased workload and morale issues for remaining employees
- Intermittent leave especially disruptive to scheduling

“If more than one employee goes on leave, we will have to close down parts of our business for extended periods of time.”

“We are often required to cancel appointments because finding someone qualified to cover the work is nearly impossible.”

“Our leaves have doubled since January 2025 – it is a significant business impact as we have little room to upstaff to cover.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Cost concerns and “one-size-fits-all” frustration

- Too expensive, particularly for small businesses and non-profits
- Many already offered generous leave, feel this is duplicative cost and new administrative work
- Strong frustration among very small employers for being treated the same as large

“This mandate adds costs for small businesses that are already operating on tight margins.”

“Programs designed for large organizations don’t work the same way for small employers with only a few staff.”

“We can't afford more mandates and unrealistic rules- we don't make that much money- my employees truly make more money than I do in my business.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Seasonal, multi-entity, cross-border complications

- Seasonal employers feel this doesn't fit their reality
- Challenges for employees/employers of entities with multiple FEINs
- Confusion on the border when employees qualify for unemployment insurance in Minnesota but not PFML

“As someone who runs a snow removal company, it's put us in a bind. There is only a certain number of hours available when it snows, so we had to take hours away from other employees to entice new employees to work.”

“We are a small seasonal employer. If our two main employees took leave and we had to guarantee their jobs while hiring replacements, we would not be able to sustain that scenario.”

“We are a small hospitality business with seasonal employees who only work one 6-hour shift a week and yet were denied exemption from the plan.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Perceived incentives for overuse, abuse, fraud

- Broad eligibility and limited employer recourse
- Higher wage replacement in some cases
- Employees treating it like PTO or using it because they pay into it

“There is concern about attempted fraud and the amount of manual work required to verify claims.”

“An employer enrolled in a private plan said their employee applied to the state plan and was granted leave. The employer facilitated the employee benefit in the private plan. The State told the employee to keep the money.”

“There are no safeguards or rules to control who gets the payments. It did not matter that the employee was not coming back to work or staying in the state.”

WHAT HAS BEEN YOUR EXPERIENCE?

Top themes (open-ended descriptions):

Smaller subset of respondents say it is working

- Portal is intuitive
- Benefits paid reliably for some
- For legitimate medical situations, it can prevent impossible situations

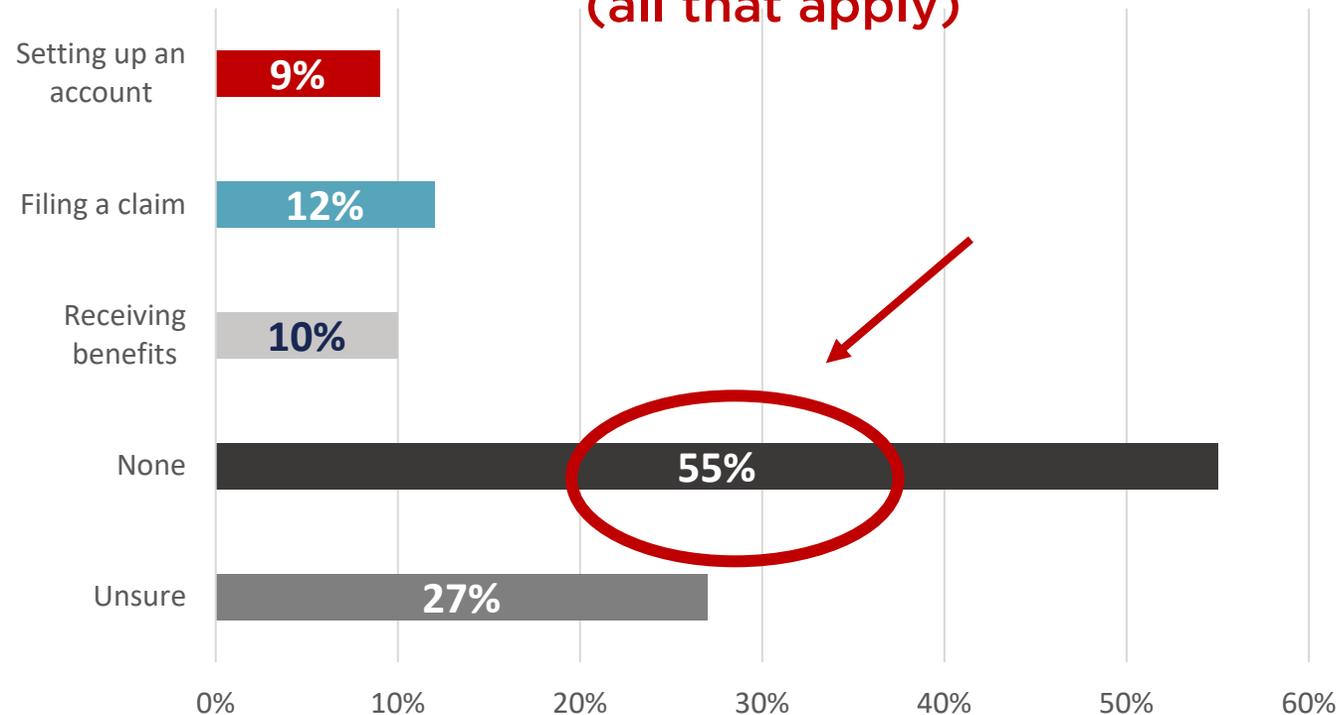
“Fairly smooth process, but we’ve only had one employee file so far.”

“Good so far because we were early in informing and educating employees about the new law.”

“We have met a few times with DEED on the leave application and they have listened to our feedback and made some updates.”

EMPLOYEE CHALLENGES

Have your employees reported any of the following challenges?
(all that apply)



“It is very cumbersome to the employees. We have had to have admin staff help walk them through the process and that has an additional burden on our resources.”

“Employees want employers to fill out their paperwork or answer the questions that need to go to DEED.”

“Even though the program is administered by the state, the employer still has a lot of responsibility helping employees apply for the correct type of benefits, for the correct duration, and really just trouble shooting issues when they are not able to get ahold of the Paid Leave department in a timely manner.”

Top themes (open-ended descriptions):

Employee reactions are often negative

- Upset about new paycheck deductions
- Confused why they can't opt out
- Some see it as a benefit, others view it as unnecessary to their situation
- Employees want employers to fill out their paperwork or answer the questions that need to go to DEED
- Employees complaining about the length of time for approval

“Employees are frustrated that money is being taken out of their paychecks for a program they may never use.”

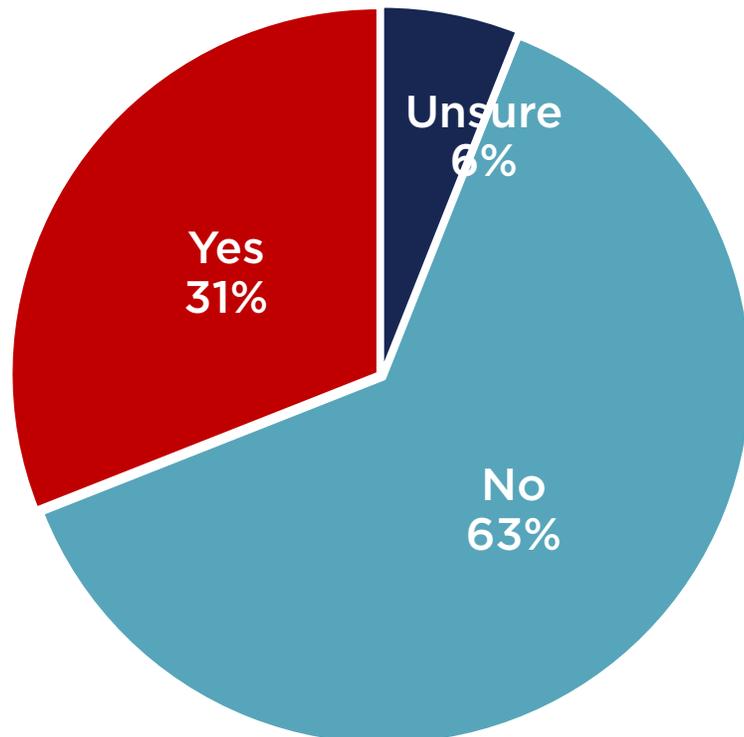
“Frustration by employees that they did not vote for this mandatory tax.”

“Some employees filed with the state and were rejected, which caused confusion and concern.”

“Several staff members have expressed resentment when hearing about extended leave scenarios.”

“Employees are out without pay right now.”

Has your company interacted with the DEED about paid leave?



What has been your experience?

<p>Administrative burden: The operational workload of implementing the program is a major concern, especially for employers without dedicated HR staff.</p>	<p>“As a result of frequent rule changes and adaptations, we have had to rewrite policy rules several times, which requires valuable time and communication.”</p>
<p>Lack of clarity: Employers are often able to find written guidance but struggle to get interpretation or real-world clarification.</p>	<p>“Asked questions related to scenarios on who we pay for and they would only refer to what is in writing and not answer the question.”</p>
<p>Delays or unresolved issues: Even when employers seek assistance, resolution may not be immediate, which adds uncertainty.</p>	<p>“It is taking the state multiple weeks to make a determination on the claim.” “I called 2x, got different answers each time.”</p>
<p>Resolution when connected with the right individual: When they connect with knowledgeable staff, they report positive interactions.</p>	<p>“The person I worked with was helpful and we resolved the issue in that one call.”</p>

SUGGESTED PROGRAM CHANGES

Although the largest number of comments were about repealing the program, there were several other themes and suggestions:

Limiting scope, tightening parameters

Difficult to hire temporary workers for long but uncertain periods of leave.

Number of weeks,
definition of family
member, benefit structure,
reasonable exemptions

- Hiring temporary replacements without a guarantee how long they will be needed
- Small business operation disruptions
- Difficult staffing transitions, additional hiring costs
- Alignment with FMLA

SUGGESTED PROGRAM CHANGES

Although the largest number of comments were about repealing the program, there were several other themes and suggestions:

Flexibility for small or seasonal businesses, individuals

The program impacts small businesses disproportionately.

Reasonable exemptions, stronger job attachment requirements, employee opt-out allowance

- Workload redistribution, burnout on staff
- Training time, finding skills for temporary staff
- Payroll contributions, overtime for remaining staff, cost of compliance

SUGGESTED PROGRAM CHANGES

Although the largest number of comments were about repealing the program, there were several other themes and suggestions:

Administrative simplification

Looking for clearer systems, easier navigation, and simpler administrative processes.

Coordination between PFML, FMLA/ADA, ESST; structure of supplemental benefits

- Time spent on requirements, updating policies, training staff, communicating changes
- Payroll and reporting is complex
- Difficulty finding account numbers, managing multiple accounts, navigating portal, understanding notifications

SUGGESTED PROGRAM CHANGES

Although the largest number of comments were about repealing the program, there were several other themes and suggestions:

Clearer rules and guidance

The financial impact of the program is burdensome to both employers and employees.

Standardization of parameters of care

- When contacting the state, they are often referred to written guidance rather than receiving direct answers
- Rules are eligibility and qualifying leave situations are unclear
- Many report that guidance appears to change over time

CONCLUSION

Top takeaways

Employers aren't debating the idea of paid leave as a benefit to offer but as a **one-size-fits-all mandate**.

They're also describing a mandated program that, in practice, is: hard to administer, slow/unclear in execution, and most disruptive for small, seasonal, and lean-staffed organizations, with strong concern that it may be financially unsustainable or vulnerable to misuse.

Nearly 80 percent of Chamber members offered paid leave in some form before the mandate went into effect.