



Minnesota Earned Sick and Safe Time

Annual report

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Executive summary	1
Introduction.....	2
ESST education and outreach.....	3
Conciliation and enforcement.....	6
Conclusion and next steps.....	12

Executive summary

Enacted in 2023 and amended in 2024, Minnesota’s earned sick and safe time (ESST) law requires employers to provide paid leave to employees to address personal or family illness, or seek help for domestic abuse, sexual assault and stalking.

Because ESST was new in 2024, the Department of Labor and Industry (DLI) prioritized education and technical assistance to workers and employers about their ESST rights and obligations. Activities included:

- engaging directly with stakeholders;
- giving educational presentations encouraging compliance;
- responding to inquiries;
- granting funds to community organizations;
- emphasizing guidance over penalties and providing technical assistance to help employers develop a compliance program;
- engaging with employers via “inform and educate” (I&E) or warning letters providing tailored guidance about compliance with the law; and
- investigating to determine employer noncompliance and appropriate remedies.

From 2023 to December 2024, DLI hosted, presented at and participated in 231 events that included ESST outreach and education. Approximately 21,400 individuals participated in these events. In May 2024, DLI mailed an informational letter about ESST to more than 160,000 employers in Minnesota. In 2023 and 2024, DLI responded to more than 9,000 stakeholder inquiries related to ESST.

The ESST webpages, with FAQs, short videos, in-depth recorded presentations, and employer-focused and employee-focused fact sheets, received approximately 500,000 visits. ESST employee notices are available in 38 languages on the DLI website, many provided after an employer request. Videos in English, American Sign Language, Hmong, Spanish and Somali have been viewed more than 10,000 times.

Rather than issuing formal findings of noncompliance upon the conclusion of an ESST investigation, DLI worked directly with employers to correct violations. Conciliation efforts helped employers fix mistakes and comply with the law. Many employers, when given clear guidance, have corrected errors without formal enforcement.

Between Jan. 1, 2024, and Dec. 31, 2024, 40 ESST intakes resulted in a wage claim that was closed before Jan. 1, 2025. These wage claims involved unpaid ESST. DLI collected \$15,450.48 in back wages in 2024 for used but unpaid ESST. In 2024, DLI issued 169 ESST warning letters and 121 I&E letters. In 2024, through the investigative process, DLI restored more than 2,200 hours of ESST to employees, totaling more than \$42,000 in back wages.

DLI’s education, outreach and conciliation efforts ensured workers received the ESST leave they were entitled to, while helping businesses align with the law. DLI will continue using education, technical guidance and enforcement to ensure compliance. By providing clear information and holding employers accountable, DLI will help all Minnesota workers receive the paid leave they are entitled to under the law.

Introduction

Paid sick leave benefits both businesses and workers. Without paid sick leave, many workers feel pressured to work while ill — leading to presenteeism — when employees remain on the job but perform poorly.¹

Presenteeism reduces efficiency, spreads illness and lowers morale. Employers that discourage sick leave ultimately undermine their profitability, because sick employees take longer to recover and may cause outbreaks that disrupt operations.

Research confirms paid sick leave benefits both workers and businesses.

- Increased productivity: Paid sick leave laws have led to a 6% rise in worker productivity and a 1.6% increase in returns on assets.²
- Cost savings: Employers spend about \$6.87 per worker per week to provide paid sick leave, but gain roughly \$12.32 per worker per week through higher productivity and lower turnover.³
- Improved access to leave: After states enacted sick leave laws, worker access to paid sick leave increased by 18 percentage points over two years, ensuring employees could take time off without risking job loss or financial hardship.⁴
- Paid sick leave protects against the spread of contagious diseases.⁵

Earned sick and safe time (ESST) is not just a worker protection — it is a smart business strategy that strengthens workplaces and economies alike.

The following are the key provisions of ESST.

- Eligibility: Employees qualify for ESST if they are expected to work 80 hours per year for a Minnesota employer (Minnesota Statutes § 181.9445, subdivision 5).
- Accrual and carryover: Employees accrue one hour of ESST for every 30 hours worked, with a maximum of 48 hours per year, unless the employer offers more. Unused hours carry over with a cap of 80 hours unless the employer provides additional hours (Minn. Stat. § 181.9446).
- Compensation: ESST must be paid at the employees' base rate, no lower than the applicable minimum wage (Minn. Stat. § 181.9445, subd. 4).
- Usage: Employees may use ESST for personal or family health needs, public health emergencies and safety reasons, including domestic abuse, sexual assault or stalking (Minn. Stat. § 181.9447, subd. 1).
- Employer obligations: Employers notify employees in writing or electronically of their accrued ESST at the end of each pay period and provide a written notice of their rights to ESST (Minn. Stat. § 181.9447, subs. 9 and 10).
- Anti-retaliation protections: Employers cannot retaliate against employees who use ESST, request ESST or file complaints. Absence control policies cannot treat ESST use as an absence leading to disciplinary action (Minn. Stat. § 181.9447, subd. 6).

ESST education and outreach

The Labor Standards Division at the Department of Labor and Industry (DLI) handles more than 20,000 inquiries annually from workers, employers and other stakeholders about various wage-and-hour concerns, including ESST protections. Labor Standards also conducts proactive outreach to educate employees and employers about their rights and responsibilities under these laws.

DLI's initial education approach strongly emphasized working closely with employers and employer-assistance organizations to support compliance. This plan included: in-person events and training sessions; webinars, media and materials; business visits during Workplace Rights Week; and ESST outreach grants to community partners. The following is a summary of outreach activities from June 2023 through December 2024, and DLI is continuing this work in 2025.

In-person events and training sessions

DLI emphasized meeting employers and employees in person to provide education and technical assistance relating to ESST. From 2023 through December 2024, DLI hosted, presented at and participated in 231 events that included ESST outreach and education. Approximately 21,400 individuals participated in these events. These sessions included:

- Reaching employers through collaborative presentations with the Minnesota Chamber of Commerce, Hospitality Minnesota, Moorhead Economic Development Association, Midwest Manufacturing Association, Central Minnesota Builders Association, Minnesota School Boards Association, Minnesota Small Cities Association, Community of Minnesota Resorts and local chambers of commerce in Brainerd, Elk River, Grand Rapids, Hastings, International Falls, Marshall and New Ulm, among others.
- Reaching worker advocates, nonprofits and other worker-oriented organizations through collaborative events with the Minnesota AFL-CIO, Mexican Consulate, Department of Employment and Economic Development-affiliated CareerForce centers throughout the state, Monticello Head Start and SMART Local 10, among others.

Webinars, media and other educational materials

Using webinars, media, billboards and other large-scale communication strategies helped DLI increase its ESST outreach to many Minnesota employers and employees. DLI's efforts included:

- Hosting 10 webinars that detailed the ESST law, including two attended by more than 700 people each in October 2023.
- Creating a webpage about Minnesota's earned sick and safe time law at dli.mn.gov/sick-leave, which has had approximately 500,000 visits. The page provides answers to frequently asked questions, the 2024 legislative-session updates, ESST rulemaking information, explanatory videos, in-depth recorded presentations, and employee- and employer-oriented fact sheets in English, Hmong, Somali and Spanish. The image below is the Spanish translation of the ESST fact sheet.

Tiempo devengado por enfermedad y razones de seguridad

¿QUÉ ES EL TIEMPO POR ENFERMEDAD Y RAZONES DE SEGURIDAD (SICK AND SAFE TIME)?
 El tiempo por enfermedad y razones de seguridad es una ausencia con permiso con goce de sueldo que los empleadores deben proporcionar a los empleados en Minnesota y se puede usar por ciertas razones, incluso cuando el empleado está enfermo, para cuidar a un familiar enfermo o para obtener asistencia si un empleado o su familiar experimenta maltrato doméstico.

¿QUIÉN ES ELEGIBLE?
 Un empleado es elegible para el tiempo por enfermedad y razones de seguridad si:
 • se ha previsto que trabaje por lo menos 80 horas en un año para un empleador en Minnesota; y
 • no es un contratista independiente.

Los empleados temporarios, estacionales y a tiempo parcial son elegibles para el tiempo por enfermedad y razones de seguridad. Los requisitos del tiempo por enfermedad y razones de seguridad no se aplican a los empleados de la industria de la construcción que están representados por un sindicato de la industria de la construcción si se proporciona una exención de estos requisitos en un acuerdo de negociación colectiva.

¿CUÁNTA AUSENCIA CON PERMISO PUEDEN OBTENER LOS EMPLEADOS?
 Un empleado acumula una hora de tiempo por enfermedad y razones de seguridad por cada 30 horas trabajadas y puede acumular un máximo de 48 horas por año, a menos que el empleador acuerde una cantidad mayor.

¿A QUÉ TASA SE DEBE PAGAR LA AUSENCIA CON PERMISO?
 El tiempo por enfermedad y razones de seguridad se debe pagar a la misma tasa base que gana el empleado cuando está trabajando.

¿PARA QUÉ SE PUEDE USAR LA AUSENCIA CON PERMISO?
 Los empleados pueden usar su tiempo por enfermedad y razones de seguridad acumulado por las siguientes razones entre otras:
 • una enfermedad mental o física o un tratamiento o atención médica preventiva del empleado;
 • una enfermedad mental o física o un tratamiento o atención médica preventiva de un familiar del empleado;
 • ausencia debido a maltrato doméstico, agresión sexual o acoso del empleado o de un familiar del empleado;
 • cierre del lugar de trabajo del empleado debido a mal clima o una emergencia pública o cierre de la escuela o centro de cuidado de un familiar debido al mal clima o a una emergencia pública;
 • cuando una autoridad de la salud o profesional de atención médica determinan que el empleado o un miembro de su familia pueden contagiar a otros con una enfermedad contagiosa; y
 • hacer los preparativos de un funeral, asistir a un servicio fúnebre o un servicio en memoria de un familiar fallecido, o ocuparse de asuntos financieros o legales que surgen tras la muerte de un familiar.

¿QUÉ FAMILIARES ESTÁN INCLUIDOS?
 Los empleados pueden usar su tiempo por enfermedad y razones de seguridad acumulado para los siguientes familiares:
 1. su hijo/a, incluyendo un menor en cuidado de crianza, un hijo adulto, un menor en guarda legal, un menor del cual el empleado es tutor legal o un menor para el cual el empleado reemplaza a un padre (in loco parentis);
 2. su cónyuge o pareja de hecho registrada;
 3. sus hermanas/os, hermanastras/os o hermanas/os de crianza;
 4. sus padres biológicos, adoptivos o de crianza, padrastros o la persona que reemplaza a sus padres cuando el empleado era menor de edad;
 5. sus nietos/as, nietas/os de crianza y nietastras/os/as;
 6. sus abuelos/as o abuelastras/os/as;
 7. un/a hijo/a de un hermano/a del empleado;
 8. un/a hermana/o de los padres del empleado;
 9. un seneo o nuer/a o un cuñado/a;
 10. cualquiera de los familiares indicados en 1 a 9 del cónyuge o la pareja de hecho registrada del empleado;
 11. cualquier otro individuo relacionado por sangre o cuya asociación cercana con el empleado sea equivalente a una relación de familia; y
 12. hasta una persona designada anualmente por el empleado.

- Translating and posting ESST employee notices online in 38 languages, primarily in response to employers’ requests for notices to employees whose primary language is not English.
- Posting short informational ESST videos online in English, American Sign Language, Hmong, Somali and Spanish, which have been viewed collectively more than 10,000 times. A screenshot of one such video is shown below.



- Mailing an informational letter in May 2024 about ESST to more than 160,000 employers in Minnesota. The letter aimed to ensure employers were aware of their responsibilities under the law and knew where to find available resources to assist them, including information to contact the DLI staff directly.
- Purchasing, during the summer of 2024, space on 11 billboards statewide for three months to increase employer and employee awareness of the ESST law in locations including Austin, Faribault, Little Falls and Monticello, which resulted in approximately 18 million views. A photo of one of the billboards is shown below.



- Purchasing public-transit advertising about ESST in the summer of 2024 in Mankato, Rochester, St. Cloud and the Twin Cities metro area. These included bus-interior ads, in English, Somali and Spanish. These were viewed approximately 15 million times.
- Issuing 10 *Wage and Hour Bulletin* newsletters via email detailing ESST requirements in 2023 and 2024 to more than 45,000 subscribers.
- Using online ads on Facebook, Google and Instagram that received 69,975 clicks in 2023 and 167,539 clicks in 2024.
- Visiting more than 1,200 employers during Workplace Rights Week in September 2024 to raise awareness of ESST, answer questions and distribute materials.

ESST outreach grants

The Legislature appropriated \$300,000 in both fiscal-year 2024 and fiscal-year 2025 for grants to community organizations to educate employees about their ESST rights. DLI issued two rounds of grants to community organizations that completed their work to reach Minnesota workers using community-centered, culturally relevant and accessible methods. There is no expectation of additional grants to community organizations.

Grantee organizations have reached thousands of Minnesotans through group and one-on-one training sessions, social media and online videos, radio announcements, community events and other outreach methods. Through their outreach, grantee organizations have heard many stories of why ESST is so important and valuable to workers. The following is a sample of worker feedback shared with DLI from grantees.

- Teresa, a dairy farm worker, recalled “during the first two years of the COVID-19 pandemic we worked every day around 12 hours, without days off. If we asked for sick leave most of the time we were ignored and not granted days to rest and many of us worked sick for fear of losing our jobs. Laws like earned sick and safe time are important for our health because when we do not have the possibility to seek medical attention or rest, illnesses worsen, and contagion levels increase.”
- Lidia, a farm worker, said “I have been working on farms for more than 10 years and we have never had a benefit that would help to take care of our families. Our work on the farm is intense and long hours, we are vulnerable to illnesses due to the long workdays and working conditions. ESST benefits us because it gives us the freedom to take care of ourselves and our family members, it is a relief to have

this benefit, I am happy because accumulating these hours allows us to go to the doctor without losing our jobs or our money.”

Conciliation and enforcement

The ESST law took effect Jan. 1, 2024, with legislative updates effective May 25, 2024, and Jan. 1, 2025. If an employee has a complaint about their employer’s potential noncompliance with the ESST law, the employee should contact the DLI Labor Standards Division to start the complaint process. DLI staff members receive questions and complaints through an intake process, which are then referred for follow-up. The follow-up process is determined by the circumstances of the complaint. Because the law was new, DLI focused on educating and guiding employers into compliance rather than issuing an immediate enforcement action or penalty. In addition, DLI provided technical information and used conciliation tools including wage claims, warning letters and “inform and educate” (I&E) letters to help employers comply.

Technical information

Starting with the passage of the ESST law in 2023, DLI began education efforts to provide stakeholders with technical information about the law’s specific provisions, above and beyond the outreach and education discussed above.

DLI provided the most technical information and support to employers, employer representatives and employees. Table 1 provides a breakdown of the types of stakeholders that received technical support from DLI in 2023 and 2024.

Table 1: Stakeholder inquiries to DLI for technical information about ESST in 2023-24

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Stakeholder type	2023	2024	Total
[No stakeholder identified]	21	285	306
Community-based organization	4	14	18
Employer or employer rep.	1,818	2,843	4,661
Employer organization	43	116	159
Government entity	28	42	70
Labor organization	23	120	143
Public or concerned citizen		9	9
Unknown or decline to answer	10	116	126
Worker – no union representation	423	3,262	3,685
Worker -- union representation		216	216
Total	2,370	7,023	9,393

Technical support included:

- providing statutory language and FAQs to employers and employees, community-based organizations and government entities to clarify legal requirements;
- guiding employers about required notices, including sample written notices and workplace postings;
- reviewing employer policies and handbooks for compliance with ESST and suggesting revisions;
- explaining recordkeeping requirements to employers and common practices for tracking ESST accrual and use, including employer-specific questions related to part-time and seasonal employees;
- discussing with employers how to handle existing paid leave policies to ensure compliance without unnecessary duplication;
- responding to hypothetical scenarios posed by both employers and employees regarding ESST usage, documentation and accrual;
- providing guidance about ESST frontloading versus accrual methods and how employers can ensure compliance with either approach;
- providing compliance checklists and practical tools to make implementation easier for businesses; and
- fielding technical questions from human resource professionals and payroll providers about integrating ESST into time-tracking and payroll systems.

Conciliation efforts

DLI used conciliation to help employers implement compliant ESST programs and to address employees' concerns. DLI's general practice is to use three levels of conciliation to address noncompliance with the labor standards laws it enforces: wage claims; warning letters; and I&E letters. Wage claims and I&E letters were the primary conciliation tools DLI used in 2024.

Wage claims

Wage claims are an informal resolution process to help employees recover unpaid wages. These claims most often arise when employers fail to pay final wages under Minn. Stat. §§ 181.13 and 181.14. DLI uses this process for cases involving one or two employees when noncompliance can be quickly resolved. DLI lets employers know that if they do not want to participate in the wage claim, the case can be escalated to either an I&E letter or investigation.

In 2024, DLI used the wage claim process to help employees recover ESST-related wages. The ESST law requires employers to pay leave at the employee's base rate, ensuring no loss of income when using ESST (Minn. Stat. § 181.9445, subd. 4a. (2024)). Employers must pay ESST on the regular payday for current employees, immediately upon demand for terminated employees and no later than the next payday (or within 20 days if the payday falls within five days of resignation) for employees who quit. (Minn. Stat. §§ 181.101, 181.13 and 181.14 (2024).) Thus, ESST obligates employers to pay their employees for earned and used sick and safe time.

Between Jan. 1 and Dec. 31, 2024, 40 ESST intakes that involved unpaid ESST resulted in a wage claim that was closed before Jan. 1, 2025. DLI collected \$15,450.48 in back wages in 2024 for used but unpaid ESST.

Case study: Using wage claim to secure employee rights

This case demonstrates how the wage claim process can efficiently resolve issues while promoting compliance and fair treatment in the workplace.

Employees have the right to use ESST for their own health needs, including medical appointments, or to care for a family member, such as a sick child. Employers cannot deny employees the right to use accrued ESST for these purposes. If an employer mistakenly refuses to allow an employee to take time off for a covered reason, DLI can provide guidance to help the employer comply with the law.

An employee working for a construction specialist contacted DLI after being denied time off to care for his newborn child and was later not permitted leave for a doctor's appointment. His paystub showed he had 40 hours of paid time off (PTO), which the company had not allowed him to use. The employee also reported the employer had not posted or provided the required ESST notice.

An investigator reached out to the employer and spoke with the owner, who acknowledged he had not provided the ESST notice. After discussing the law, the owner agreed to post the notice to ensure all employees were informed of their ESST rights. The owner also agreed to compensate the employee for the 24 hours of PTO he was unable to use in conjunction with the newborn care and doctor's appointment.

Through the wage claim process, DLI helped the employer understand and comply with the ESST law, ensuring the employee received \$924 in owed wages while also securing proper notice for all remaining employees.

Letters are the other type of conciliation DLI uses. DLI uses two kinds of letters: warning letters and I&E letters. DLI issues warning letters when employees appear to have access to paid leave, the industry typically provides such benefits or the complaint is anonymous, limiting further investigation. In contrast, I&E letters are sent when there are clear signs of noncompliance, such as no paid leave program or employer interference with its use. This approach ensures resources are focused on industries with historically low paid leave access while addressing concerns fairly and efficiently.

Warning letters

Due to the newness of the ESST law and anticipated uptick in complaints, DLI started using letters to warn employers, in some instances, when employees reported suspected ESST violations. Each warning letter is formulated from a template and then revised to address the stakeholder's specific complaint. The letter explains various provisions of the ESST law and provides employers with a checklist to help ensure compliance.

DLI issued 169 ESST warning letters in 2024.

Case study: Warning letter prompts city to correct ESST violations for workers

This case shows warning letters can be an effective way to educate employers and encourage compliance, while enforcement actions remain available, if needed.

Employees anticipated to work at least 80 hours in a year receive ESST. The law covers part-time and temporary workers as well as full-time employees (Minn. Stat. § 181.9445, subd. 5 (2024)). Employers must inform their workers about ESST, post notices and provide statements of the hours accrued (Minn. Stat. § 181.9447, subd. 9 (2024)).

A lifeguard reported the city was not following ESST rules. She and other lifeguards were not told about ESST and there were no signs explaining their rights. They were not given their ESST hours and the employee handbook required them to find replacements when they were sick. The city believed ESST did not apply to lifeguards, even though they all worked more than 80 hours each summer.

DLI sent the city a warning letter, which explained the relevant provisions of the law, and provided a checklist to make sure the city's time-off policy followed the law. The city notified DLI it changed its policy and was following the law. It also said it would be fully prepared for the next season.

The warning letter helped the city understand its responsibilities and correct the problem without further action. The city voluntarily fixed the issue and committed to following the law in the future.

I&E letters

DLI issued 121 ESST I&E letters in 2024.

The I&E letter is structured to specify the areas of suspected ESST noncompliance and to explain to the employer the specific requirements at issue. DLI asks the employer to respond in writing to the I&E letter and provide documents to show compliance. Employers that recognize noncompliance may provide a plan to DLI to come into compliance. After DLI is satisfied an employer either has been following the ESST law or has revised its policies to come into compliance, the case is closed.

Because the I&E letter process is a form of conciliation, DLI does not make a finding that there was a violation. Instead, DLI provides technical guidance to employers about how to comply with the law. In 2024, there were some identifiable common themes to employer noncompliance. Common examples of technical guidance provided in the ESST I&E letter process include:

- Establishing clear ESST notice and request policies, including clarifying what an employer can and cannot require regarding notice to use sick leave.
- Explaining when an employer may require documentation.
- Clarifying how ESST can be used in the same increment in which employees are paid.
- Advising about acceptable methods for sharing ESST balances (for example, on pay stubs or through human resource portals).
- Providing guidance about what employers cannot do when an employee uses ESST, such as:
 - cannot require employees to find replacement workers before taking ESST; and
 - cannot count ESST absences against employees under absence control or point-based discipline systems.

The following case studies demonstrate how DLI uses I&E letters to assist businesses by providing specific technical assistance to Minnesota’s employers.

Case study: I&E letter leads to employer’s statewide ESST policy improvements and manager retraining

This case highlights how DLI helps businesses across Minnesota ensure their policies align with ESST requirements and helps employers provide training and retraining as necessary.

The ESST law provides that if an employee uses ESST for more than three consecutive scheduled workdays, the employer may request reasonable documentation to confirm the time off qualifies as ESST. The law prohibits employers from requesting documentation for absences of three or fewer days. When employees must incur additional expense to obtain documentation, such as a signed statement from a health care professional, employees may provide their own written statement.

A convenience store employee sent a text message to his store manager providing written information about his illness and ESST-eligible absence. In a written reply, the store manager informed the employee his single-day absence would be unexcused unless he visited urgent care at his own expense to obtain a doctor’s note. The employer has locations across Minnesota.

DLI reviewed the employer’s policies, which were not compliant with ESST law. DLI provided technical guidance to the company, explaining the necessary changes. The employer welcomed the assistance, revised its handbook, retrained store managers across the state and provided DLI with supporting documentation of the changes and retraining.

Case study: I&E letter corrects coffee shop’s unlawful ESST waiting period

This case underscores both that employees must be allowed to use their ESST without a waiting period and that DLI actively ensures compliance through reviews, clarifications and corrective measures when violations occur.

Workers start earning sick and safe time on their first day and can use it as they accrue it (Minn. Stat. § 181.9446 [(d)-(e)](2024)). The law guarantees employees immediate access to their earned time off.

A coffee shop chain with multiple locations in Greater Minnesota did not inform employees of their ESST rights. A worker filed a complaint with DLI prompting a review of the company’s policy. The evaluation revealed the employer misunderstood the law, wrongly requiring employees to work 80 hours before using their ESST.

DLI clarified the waiting period was not allowed – employees must be allowed to use ESST as soon as they earn it. In response, the employer agreed to update its policy and notify all employees of their ESST rights.

Case study: I&E letter helps out-of-state employer achieve ESST compliance in Minnesota

This case highlights DLI’s outreach and conciliation efforts help employers — regardless of location — achieve compliance. Employers often respond positively to I&E letter inquiries, making them a cost-effective tool for ensuring ESST implementation across multiple Minnesota locations.

The statutory definition of “employee” applies to anyone expected to work at least 80 hours in a year in Minnesota, regardless of the employer’s location. Likewise, an “employer” includes any entity with at least one employee (Minn. Stat. § 181.9445, subd. 6 (2024)). Because compliance is based on where the work is performed, out-of-state employers must provide ESST to their Minnesota employees.

In June 2024, an employee at a recently acquired Twin Cities health care provider reported ESST violations, stating employees lacked notice of their ESST rights. The employer, headquartered out of state, was also acquiring additional Minnesota locations.

DLI sent the employer an I&E letter and ESST compliance checklist and requested additional documentation within 30 days. The employer responded promptly and expressed appreciation for DLI’s guidance. When DLI identified several compliance gaps, the employer again welcomed assistance in resolving them. By August 2024, the employer provided documentation confirming ESST compliance at its Minnesota locations.

Investigation efforts

The ESST law requires employers to provide ESST to their employees and allow them to use accrued ESST. To ensure compliance, DLI conducts investigations when there is reason to believe an employer is not following the law.

When an investigation begins, DLI may request records from the employer to assess compliance. The assigned investigator reviews payroll records, timesheets and policies, among other records, to determine whether the employer provided the required ESST and allowed employees to use their accrued time.

If violations are found, DLI typically issues either a notice of findings or a compliance order. Because ESST was new in 2024, DLI prioritized education and technical assistance over penalties. Rather than issuing formal findings of noncompliance upon the conclusion of an ESST investigation, DLI worked directly with employers to correct violations. Where investigations were warranted in 2024, DLI used investigatory authority to:

- identify areas of noncompliance and provide clear guidance about necessary changes;
- secure written agreements from employers committing to compliance; and
- verify corrective actions, ensuring employees received their earned benefits.

Case study: Investigation ensures nail salon’s ESST compliance and improves employer practices

This case highlights how investigations not only uncover potential violations, but also help businesses correct mistakes and comply with the law.

In July 2024, DLI received a complaint from a former employee of a Twin Cities nail salon. The complaint stated the employer miscalculated hours worked, which affected ESST accrual, and failed to post the required ESST notice. DLI opened an investigation to ensure the business followed the law.

In August 2024, DLI conducted on-site interviews and requested employer documents. Employees confirmed they were aware of ESST, but the required notice was not found at the establishment. The employer provided earnings statements showing ESST accrual, but did not submit any records verifying actual hours worked.

Through interviews, DLI discovered the employer used an arbitrary system to track hours worked and calculate ESST, which could lead to errors in ESST accrual and recordkeeping violations. After further discussions, the employer provided check-in and check-out records, allowing investigators to calculate actual hours worked. Using the ESST accrual rate — one hour for every 30 hours worked — DLI compared its calculations to the employer’s records.

The results showed the employer’s system granted employees more ESST than required by law. DLI focused on helping the business meet compliance requirements. The employer agreed to provide the written ESST notice to employees and post the required ESST notice at the establishment. Because many employees spoke a language other than English, DLI supplied the required ESST materials in the employees’ preferred language.

DLI’s approach to investigations led to real results. In 2024, DLI’s investigations restored 2,271.97 hours of ESST to employees, totaling, \$42,245.96 in back wages. These efforts ensured workers received the paid leave they were entitled to while helping businesses align with the law.

Conclusion and next steps

Since Jan. 1, 2024, DLI has worked to ensure awareness of and compliance with Minnesota’s ESST law through outreach, education, conciliation and enforcement. By engaging with employers, workers and community organizations, DLI has helped thousands understand their rights and responsibilities.

Conciliation efforts — including wage claims, warning letters, and inform and educate letters — have helped employers fix mistakes and comply with the law. Many employers, when given clear guidance, have corrected errors without formal enforcement.

Investigations have also played a key role in addressing ESST violations. In the first year, DLI focused on education while reviewing employer policies, payroll records and timekeeping practices. These efforts resolved individual complaints and led to workplace-wide improvements. In 2024, DLI restored more than 2,200 hours of ESST to employees, totaling more than \$42,000 in back wages.

DLI will continue using education, technical guidance and enforcement to ensure compliance. By providing clear information and holding employers accountable, DLI will help all Minnesota workers receive the paid leave they are entitled to under the law.

¹"Do Paid Sick Leave Mandates Increase Productivity?" LeBow College of Business, Drexel University, 23 Jan. 2023, lebow.drexel.edu/news/do-paid-sick-leave-mandates-increase-productivity.

²Chunyu, Liangrong, Paolo F. Volpin, and Xingchen Zhu. "Do Paid Sick Leave Mandates Increase Productivity?" SSRN, 2 Dec. 2022, papers.ssrn.com/sol3/papers.cfm?abstract_id=4096707.

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