

## Memo

**Date:** 02/2/2024

**To:** Nursing Home Workforce Standards Board

**From:** Leah Solo

### **RE: Minnesota Minimum Wages and Benefits**

The law requires the Board to consider certain types of information in determining employment standards that are reasonably necessary to protect the health and welfare of nursing home workers, including (but not limited to) local minimum nursing home employment standards and any other information pertinent to establishing minimum nursing home employment standards. See Minn. Stat. § 181.213 subd. 2(b). So, I have compiled sources that contain some of this information below. This is not meant to be an exhaustive study of all standards that apply to nursing home workers, but a high-level overview of some of the most common applicable standards and benefits.

#### **Minimum Wage**

In addition to a statewide minimum wage law, Minnesota has two local minimum wage laws—one in St. Paul and one in Minneapolis. According to DLI's website, here are the minimum wages in Minnesota<sup>1</sup>:

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<sup>1</sup> [Minnesota minimum wage report 2023 | Minnesota Department of Labor and Industry \(mn.gov\)](#)

**Figure 1**

**Minimum wages effective in Minnesota, Minneapolis and St. Paul, 2019-2028 [1]**

Effective date	Minnesota		Minneapolis [3]		St. Paul [4]			
	Large employers (at least \$500,000 in annual revenue)	Small employers (less than \$500,000 in annual revenue)	Large employers (more than 100 employees)	Small employers (100 or fewer employees)	Macro employers (more than 10,000 employees)	Large employers (101 to 10,000 employees)	Small employers (6 to 100 employees)	Micro employers (5 or fewer employees)
1/1/2019	\$9.86	\$8.04						
7/1/2019			\$12.25	\$11.00				
1/1/2020	\$10.00	\$8.15			\$12.50			
7/1/2020			\$13.25	\$11.75		\$11.50	\$10.00	\$9.25
1/1/2021	\$10.08	\$8.21						
7/1/2021			\$14.25	\$12.50		\$12.50	\$11.00	\$10.00
1/1/2022	\$10.33	\$8.42						
7/1/2022			\$15.00	\$13.50	\$15.00	\$13.50	\$12.00	\$10.75
1/1/2023	\$10.59	\$8.63	\$15.19		\$15.19			
7/1/2023				\$14.50		\$15.00	\$13.00	\$11.50
1/1/2024	\$10.85	\$8.85	\$15.57		\$15.57			
7/1/2024				Equal to large employers		Equal to macro employers	\$14.00	\$12.25
7/1/2025							\$15.00	\$13.25
7/1/2026							Equal to macro employers	\$14.25
7/1/2027								\$15.00
7/1/2028								Equal to macro employers

1. In each jurisdiction shown, a lower minimum wage applies in various situations involving youth or youth who are in training programs.

## Earned Safe and Sick Time

Minnesota implemented a statewide Earned Safe and Sick Time (ESST) on January 1, 2024. As long as an employee has worked at least 80 hours in a year for an employer and is not an independent contractor, the employee earns at least one hour of ESST for every 30 hours worked.<sup>2</sup> Previously, St. Paul, Minneapolis, and Bloomington had their own ESST ordinances, but all are very similar to the statewide statute.

## Paid Family and Medical Leave

Starting in 2026, most Minnesota employees who have earned more than \$3,500 in wages within a year will be eligible for Paid Leave.<sup>3</sup> There are two kinds of leave:

- **“Family Leave** to care for a family member with a serious health condition, or if you're bonding with a new baby or child in your family.
- **Medical Leave** when your own serious health condition prevents you from working.”<sup>4</sup>

<sup>2</sup> [Earned sick and safe time \(ESST\) | Minnesota Department of Labor and Industry \(mn.gov\)](#)

<sup>3</sup> [For Individuals and Families / Minnesota Department of Employment and Economic Development \(mn.gov\)](#)

<sup>4</sup> [Paid Leave / Minnesota Department of Employment and Economic Development \(mn.gov\)](#)

## Minnesota Secure Choice Retirement Program

Starting as early as January 1, 2025, employers who do not currently offer a retirement savings plan may need to set up accounts for employees through the Minnesota Secure Choice Retirement Program. See [Ch. 187 MN Statutes](#) and [LCPR \(mn.gov\)](#) for more information.

## Other Retirement Programs in Minnesota

Many Minnesotans who are public employees have access to retirement pensions that have their money managed by the State Board of Investment. These plans are Minnesota State Retirement System, Public Employee Retirement Association and Teacher Retirement Association.<sup>5</sup> Some of these plans also offer deferred compensation plans and health care savings plans.

## Other Benefits

There are several other benefits and protections in Minnesota, including:

Breaks during a four-hour shift and a meal during an eight-hour shift. [Work breaks, rest periods | Minnesota Department of Labor and Industry \(mn.gov\)](#)

Overtime pay for time worked over 40 hours a week. [Overtime laws | Minnesota Department of Labor and Industry \(mn.gov\)](#)

Protections for pregnant workers and new parents, including the right to express milk at work. [Pregnant workers and new parents | Minnesota Department of Labor and Industry \(mn.gov\)](#)

Protections from wage theft (such as having to work off the clock or being misclassified as an independent contractor.) [Wage theft | Minnesota Department of Labor and Industry \(mn.gov\)](#)

## Prevailing Wage

Though not applicable to nursing home workers, many industries when receiving money from state government funds, must pay the local prevailing wage to their workers. Specifically, “Any construction project funded in whole or in part by state funds. For example, state-funded projects can be projects to construct highways, roads, wastewater treatment plants, public utilities, colleges, schools, or park and recreation improvements.”<sup>6</sup> Prevailing wage includes wages and fringe benefits and is set annually through a survey of local comparable wages conducted by the Department of Labor and Industry.<sup>7</sup>

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<sup>5</sup> [Toolbox | Minnesota State Retirement System \(MSRS\)](#)

<sup>6</sup> [Prevailing-wage information | Minnesota Department of Labor and Industry \(mn.gov\)](#)

<sup>7</sup> [Prevailing-wage information | Minnesota Department of Labor and Industry \(mn.gov\)](#)

## Equal Pay for Equal Work

Another set of laws to consider are the laws stemming from the Equal Pay Act (EPA) (federal) and the Women's Economic Security Act (WESA) (state). These two acts put forward the idea that an entity cannot pay workers differently based on their gender, even if they do different jobs but the jobs are substantially equal. More can be found about these standards here:

[Equal Pay/Compensation Discrimination | U.S. Equal Employment Opportunity Commission \(eoc.gov\)](#)

Minnesota's requirements for Equal Pay Certificates: [Sec. 363A.44 MN Statutes](#)

## Health Care Coverage

Nationwide, some employers are required to provide healthcare coverage.<sup>8</sup> Though not a minimum, it is important to note that Minnesota has many paths to healthcare coverage<sup>9</sup> and is potentially expanding options.<sup>10</sup>

Many public employees are covered by either State Employee Group Insurance Program (SEGIP)<sup>11</sup> or the related Public Employees Insurance Program (PEIP).<sup>12</sup>

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<sup>8</sup> [Employer Shared Responsibility Provisions | Internal Revenue Service \(irs.gov\)](#)

<sup>9</sup> [Health care coverage / Minnesota Department of Human Services \(mn.gov\)](#)

<sup>10</sup> [MinnesotaCare \(mn.gov\)](#)

<sup>11</sup> [SEGIP / State of Minnesota \(mn.gov\)](#)

<sup>12</sup> [PEIP / State of Minnesota \(mn.gov\)](#)