AVOIDING THE EMPLOYMENT LAW HOT SEAT

BY BETH LACANNE AND DANIELLE FITZSIMMONS

Minnesota's employment laws are ever evolving. For law firms, it's not just their clients feeling the pressure. Firms must juggle compliance headaches alongside billable hours. Staying on top of these shifting laws isn't just smart—it's essential if you want to avoid becoming your own cautionary tale. In this article, we highlight key employment legislation that came out of the 2025 Minnesota Legislative session so that law firms can avoid the hot seat.

Whistleblower Statute Amended as It Relates to State Employees

Effective July 1, 2025, Minnesota's whistleblower law will include definitions for "fraud," "misuse," and "personal gain," which are incorporated into the substantive portion of the whistleblower statute that applies to state employees. As a reminder, the whistleblower statute generally prohibits an employer from terminating or disciplining an employee who takes any of several listed protected actions, including reporting a violation, suspected violation, or planned violation of law, participating in an investigation, and refusing to take actions believed in good faith to be prohibited by law. Although the 2025 amendment impacts the public sector, it serves as a good reminder to the private sector, including law firms, that whistleblowing activity must be taken seriously.

Wage Theft Law Amendments

Effective August 1, 2025, a county attorney's subpoena authority for documents expands substantially. As a reminder, a county attorney can compel the production of a wide range of materials as long as they are relevant to the investigation. Previously, that included financial information, telephone, utilities, and other related records, insurance records, and wage and employment records. After August 1, the subpoena power expands to include: accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers; records required to be kept pursuant to section 177.30, paragraph (a); and other records that in any way relate to wages or other income paid, hours worked, and other conditions of employment of any employee or of work performed by persons identified as independent contractors, and records of any payments to contractors, and records of workers' compensation insu-

rance. While wage theft is typically perceived as a blue-collar issue, law firms should not rest on their laurels.

Medical Cannabis Law Amendments

The amendments to the medical cannabis law address protections for employees enrolled in a cannabis registry program or a Tribal medical cannabis program. Employers are prohibited from discriminating against a person in employment decisions such as hiring, termination, or any term or condition of employment if the discrimination is based on the person's enrollment in a cannabis program. This includes taking adverse actions if the employee tests positive for cannabis components or metabolites, unless the employee used, possessed, sold, transported, or was impaired on the work premises during working hours or while using an employer's vehicle, equipment, or machinery. The only exception is where compliance would violate federal or state laws or regulations or result in an employer losing a monetary or licensing-related benefit under federal law or regulations.

In addition, at least 14 days before taking adverse employment action premised on either the federal law or regulation, or the funding or licensing exceptions, an employer must notify the employee of the specific federal law or regulation on which the employer intends to rely for the adverse employment action. The employer is also prohibited from retaliating against employees who assert their rights related to their enrollment in a cannabis program. Employees may also seek injunctive relief related to potential or actual violations of the statutory protections related to their enrollment in a cannabis program. Finally, the penalty for violations increased to $1,000.

Amendments to Paid Family Medical Leave and Earned Sick and Safe Time

During a special session, both the Senate and House passed amendments to Paid Family Medical Leave (PFML) and Earned Sick and Safe Time (ESST). Governor Walz signed the bill on June 14, 2025, and the amendments became law. The amendments are effective January 1, 2026.

The only substantive change to the paid leave law is reducing the maximum premium levied by DEED from 1.2% of taxable wages to 1.1%.

The amendments to ESST include:

- Allowing an employer to require notice regarding usage of ESST as "reasonably required by the employer." Currently, notice is "as soon as practicable."
- Allowing an employer to require documentation that supports the ESST usage is for an authorized purpose when ESST has been used for two or more consecutive scheduled workdays. Currently, the documentation requirement is permitted if ESST is used for three or more consecutive scheduled workdays.
- Clarifying that employees may voluntarily seek and trade shifts with a replacement worker to cover ESST hours used.
- Allowing employers to advance prorated ESST hours based on the employee's projected work hours for the remaining portion of the accrual year.

The amendments to ESST may necessitate updates to your employee policies and procedures.

Meal and Rest Breaks

Effective January 1, 2026, for each four consecutive hours an employee works, they must be given a 15-minute break or enough time to use the nearest convenient restroom, whichever is longer. Also, effective January 1, 2026, the length of a shift an employee must work to receive a 30-minute meal break reduces from eight or more hours to six or more consecutive hours.

Under the amended statutes, new remedy provisions were added. An employer who does not give required rest or meal breaks is liable to the employee for double the amount of the rest break or meal break time that should have been allowed, paid at the employee's regular rate.

Conclusion

As state employment laws continue to evolve, law firms cannot afford to treat compliance as just a client-side concern. These legislative changes are hitting close to home, reshaping everything from hiring practices to internal policies. By staying informed, proactive, and a little flexible, firms can navigate the shifting terrain without getting burned. After all, in today's regulatory climate, the best legal advice might just start with looking in the mirror.

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