

# The Work Week

Bassford Remele Employment Practice Group



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Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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## New Wage Theft and Whistleblower Updates

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On May 23, 2025, Governor Tim Walz signed several notable bills which will be going into effect in the coming months. Among these recent bills were updates to Minnesota's wage theft and whistleblower laws, which generally follow Minnesota's trend of broadening employee protections.

First, effective July 1, 2025, Minnesota's whistleblower law will be amended to add statutory definitions under Minn. Stat. § 181.931 for "fraud," "misuse," and "personal gain," and these terms will also be inserted into the substantive statute. Minn. Stat. § 181.932 generally prohibits an employer from terminating or disciplining an employee who takes any of several listed protected actions, including reporting a violation of law, participating in an investigation, and refusing to take actions believed in good faith to be prohibited by law. This general statutory structure will mostly remain unchanged, but the language of the statute will be updated to reflect that an employer cannot retaliate as defined in the statute when:

a state employee communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to state services, including the financing of state services programs, services, or financing, including but not limited to fraud or misuse within state programs, services, or financing, to:

- (i) a legislator or the legislative auditor;
- (ii) a constitutional officer;
- (iii) an employer;

- (iv) any governmental body; or
- (v) a law enforcement official.

The new updates will define “fraud” as an intentional or deceptive act (or failure to act) to gain an unlawful benefit. The update defines “misuse” as the improper use of authority or position for personal gain or to cause harm to others, including the improper use of public resources or programs contrary to their intended purpose. Finally, “personal gain” will be defined as a benefit to a person, a person’s spouse, parent, child, or other legal dependent, or an in-law of the person or the person’s child, as those terms pertain to the application of Minnesota’s whistleblower statute.

Second, effective August 1, 2025, Minnesota’s wage theft laws will receive yet another update. Specifically, Minn. Stat. § 388.23 will be amended to authorize the county attorney to subpoena new categories of employer records related to wage theft investigations.

Under the existing law, such a subpoena can already compel production of a wide range of materials as long as they are relevant to the investigation, including financial information, telephone, utilities, and other related records, insurance records, and wage and employment records. The new updates add new categories which can be subpoenaed, to include: (i) accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers; (ii) records required to be kept pursuant to section 177.30, paragraph (a); and (iii) 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 insurance.

Particularly with the latter changes, the scope of materials potentially open to subpoena in investigations by authorities is considerably broader. In general, these new laws also reflect the legislature’s apparently increasing interest in strengthening employee protections. Employers in all industries should be careful to both comply with existing wage theft and whistleblower laws and be aware of ongoing changes.

At Bassford Remele, we closely monitor new legislative updates as they develop and consider their potential impact in a wide variety of industries. Feel free to reach out if you need assistance in this continually evolving landscape!

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