MN PFML 2026 Review
Top 5 Common Mistakes when Calculating Premium

Common Mistake #1
Not counting every MN worker

- **Full time**
- **Part time**
- **Seasonal worker**
- **Temps**



Pro Tip

MN PFML requires **state quarterly reports-** the same number of MN workers on the report should be included in the premium statement

Common Mistake #2
Only Counting Base Wages



- **Overtime**
- **Bonus**
- **Commissions**

- MN PFML Taxable Wages follows Unemployment Taxable Wages

Pro Tip

MN PFML requires **state quarterly reports-** the same quarterly **Wages** on the report should be included in the premium statement

Common Mistake #3

Paying set amount without calculating

- **Census Change**
- **Wages Change**
- **Premiums due Change**

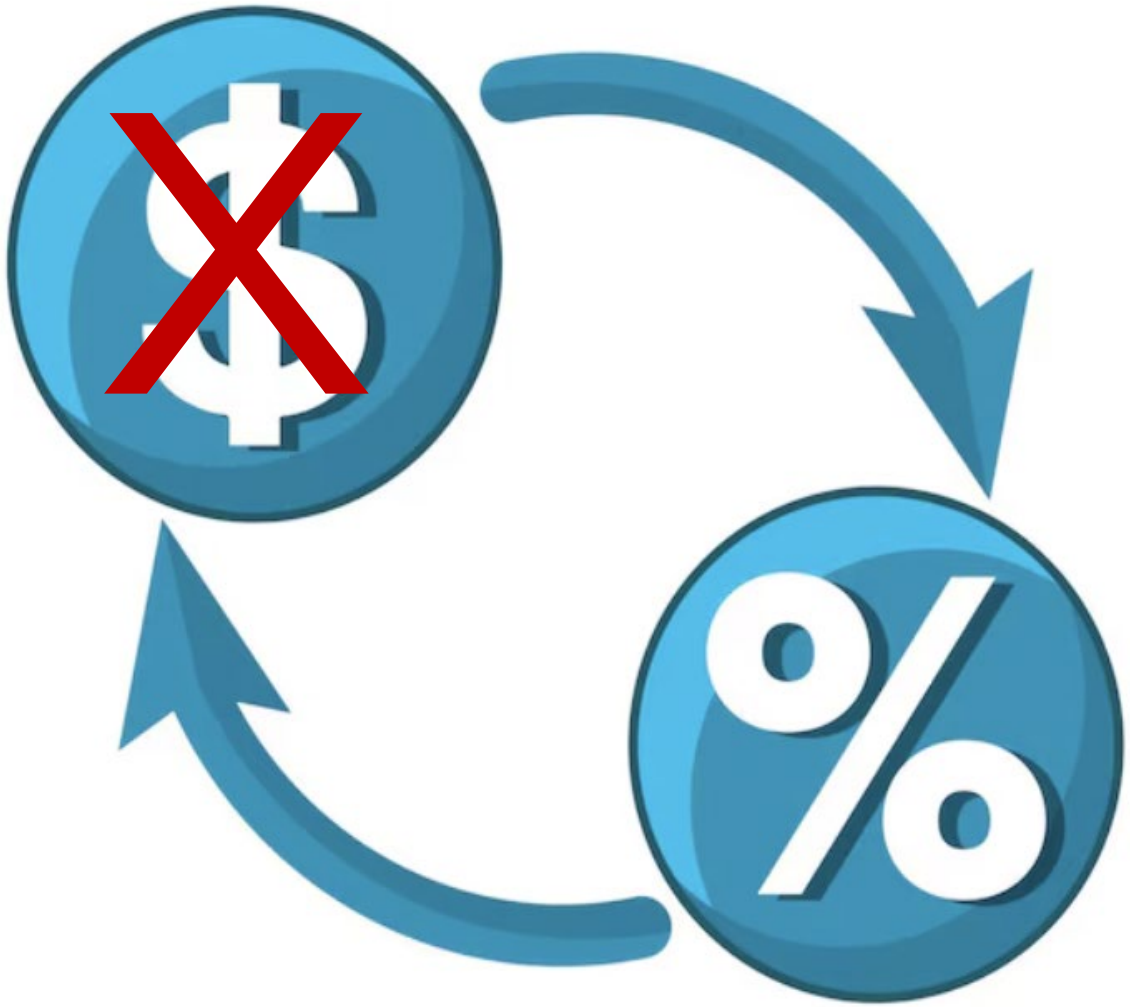


Pro Tip

MN PFML **state quarterly reports-** provide the details for each quarter's private plan premium calculation

Common Mistake #4

Payroll deduct a dollar amount/not percentage



- States have strict rules about employee payroll deductions
- Once the employee reaches the maximum wage cap, payroll deductions stop. Employer would cover the outstanding premium balance

Pro Tip

PFML covered payroll and caps are similar to FICA calculations. Payroll systems / vendors have updated their features to comply with the law.

Common Mistake #5

HR and Payroll not talking with each other

- Payroll systems are designed to recognize payroll caps, contribution payments and publish required quarterly reports. / They are not designed to pay bills.
- HR Systems are designed with wages as only one part of an employee profile. / They are not designed to support social insurance programs

Pro Tip

Have the **Quarterly Payroll report** sent to the HR/Bill payer so the PFML Premium statement can be a copy / paste, without additional calculations required.



Premium Example

Each quarter may have different covered payroll and a different premium due.

Sample Company has **35 MN employees**. **10**: Salary higher wage earners and **25**-Hourly employees

- All employees receive bonuses each March
- Hourly employees subject to overtime

	1Q	2Q	3Q	4Q	Annual
Base Pay	$ 937,500.00	$ 937,500.00	$ 937,500.00	$ 937,500.00	$ 3,750,000.00
Bonus	$ 186,875.00				$ 186,875.00
Overtime	$ 50,000.00	$ 40,000.00	$ 20,000.00	$ 40,000.00	$ 150,000.00
Covered Payroll	**$ 1,174,375.00**	**$ 977,500.00**	**$ 865,000.00**	**$ 954,375.00**	**$ 3,971,250.00**
Rate	0.88%	0.88%	0.88%	0.88%	Annual premium due
Premium Due	$ 10,334.50	$8,602.00	$7,612.00	$8,398.50	$ 34,947.00
Reason for wage changes	• Bonus • Peak OT	• Less OT	• 2 High Earners Capped out	• All High Earners Capped out • OT picked up	

Pro Tip

Since payroll changes, so will premium payments