



Date: June x, 2025

To: Personal Care Assistance (PCA) Choice Agencies, Community First Services and Supports (CFSS) Budget Model Agencies and Financial Management Service (FMS) Providers

From: Minnesota Department of Human Services (DHS)

RE: [Service Employees International Union \(SEIU\) Healthcare Minnesota and Iowa Contract Requirements for 2025-2027](#)

This memo contains a summary of the new terms of the contract between SEIU Healthcare Minnesota and Iowa and the State of Minnesota. It includes reminders about contract compliance, compliance training and the requirement for Personal Care Assistance (PCA) Choice agencies, Community First Services and Supports (CFSS) budget model agencies and financial management service (FMS) providers to send direct support worker information to the Minnesota Department of Human Services (DHS) each pay period. All the previously existing terms established in the 2023–2025 contract remain in effect.

The contract covers every worker who provides direct support through the CFSS **budget** model, PCA Choice, Consumer Directed Community Supports (CDCS) and the Consumer Support Grant (CSG), not just those who have signed up as dues-paying members of SEIU. The full contract is available on the [Home and community-based services \(HCBS\) providers webpage](#) in the PCA section.

[New and modified contract terms](#)

Effective July 1, 2025, direct support workers providing CFSS budget model, PCA Choice, CDCS or CSG services must:

Receive 1.5 times their normal rate of pay for all hours worked on the following nine holidays, which now includes Christmas Day:

- New Year's Day
- Rev. Dr. Martin Luther King Jr. Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

Effective January 1, 2026, direct support workers providing CFSS budget model, CDCS services, and CSG services must:

Be paid any unused paid time off (PTO) the worker has earned up to 120 hours at their normal wage rate when a worker stops providing all services to a participant employer. Workers who stop providing all services to a member employer

between July 1 – December 31, 2025, are entitled to up to 80 hours of PTO at their normal wage rate. Remember that workers can carry over up to 80 hours of accrued PTO from one state fiscal year to the next (July 1 – June 30).

Effective January 1, 2026, direct support workers providing CFSS budget model or PCA Choice services must be paid the appropriate minimum wage on the tiered wage schedule.

Tiered Wage Schedule

Total hours worked since July 1, 2017	Minimum wage floors effective January 1, 2026
0 - 1000	\$20.00
1,001 – 2,000	\$20.90
2,001 – 6,000	\$21.40
6,001 – 10,000	\$22.10
10,001 +	\$22.90

Effective January 1, 2027, workers providing CFSS budget model or PCA Choice services who have attended voluntary orientation must be paid an additional forty cents per hour above the appropriate rate in the Tiered Wage Schedule. Orientation sessions are not available yet. DHS will provide more information when sessions become available and as we get closer to the effective date.

Effective January 1, 2026, or within 30 calendar days of federal approval of the state and waiver plan amendments, whichever is later, the enhanced rate or budget for members eligible for 10+ hours a day of PCA or CFSS services whose workers complete qualifying training will increase from 107.5% to 112.5%. For more information, refer to [Enhanced rates or budgets](#).

Upcoming direct support worker stipends

The 2025–2027 contract includes multiple stipends, which are described in the following bullets. DHS will communicate the effective date and instructions for applying for the stipends as soon as we have the application process in place.

Direct support workers providing PCA Choice, CDCS or CSG services may be eligible to receive a \$1200 stipend each fiscal year of the 2025-2027 contract as a retention and recruitment incentive.

SEIU and the State of Minnesota agreed to implement a voluntary orientation for direct support workers in the bargaining unit to help them navigate their role as a worker. A direct support worker who completes the voluntary orientation is eligible for a \$100 stipend. DHS will provide more information when the orientation sessions become available.

The contract continues the work of the SEIU and State of Minnesota with State Provider Cooperation Committee to develop voluntary training opportunities for direct support workers. This includes the opportunity for direct support workers to receive one \$750 stipend for completing qualifying training. Workers interested in completing qualifying training should follow the instructions on the [Qualifying for the enhanced rate webpage](#).

PCA agencies and FMS providers are not responsible to pay these stipends. Our vendor will administer the stipends. DHS encourages providers to promote these opportunities to eligible direct support workers.

2023–2025 Contract term reminders related to CFSS transition

DHS began implementing CFSS October 1, 2024. Members who receive PCA or CSG services are transitioning to CFSS during their regularly scheduled annual reassessment.

When a worker stops providing all PCA Choice services for your agency, you must pay the worker any unused PTO the worker has earned up to 80 hours at their normal wage rate.

As members transition from PCA to CFSS, they will choose between the CFSS agency model and the CFSS budget model. If members choose the CFSS **budget** model, their workers will be in the SEIU bargaining unit and covered by the wages and benefits in the contract. If members choose the CFSS **agency** model, their workers will not be in the SEIU bargaining unit. PCA provider agencies can choose to transition from providing PCA to provide CFSS. Information about the steps PCA provider agencies need to take to become CFSS agencies is available through the [CFSS Provider Agency Enrollment Criteria and Forms](#).

For more information about the CFSS transition, refer to [Transition from PCA and CSG to CFSS](#) and [PCA Choice and financial management services \(FMS\) provider information](#).

Rate increase for PCA services and budgets for CDCS, CFSS and CSG

Rate or budget increases will go into effect **January 1, 2026**, or within 30 calendar days of federal approval of the State and waiver plan amendments, whichever is later. DHS will provide more information regarding the increases closer to the effective date of the increases.

Training and information for compliance

PCA Choice agencies and FMS providers are required to fulfill several responsibilities related to direct support workers in PCA Choice, CDCS, CFSS and CSG. We have developed a short online [SEIU contract compliance training](#) to help you understand those responsibilities. You can find the training and information about your responsibilities under the contract at [PCA Choice and FMS provider information](#).

Submit worker information to DHS each pay period

PCA Choice agencies, CFSS **budget** model agencies and FMS providers must submit to DHS the completed [PCA Choice-CDCS-CSG Reporting Spreadsheet](#) with required information from the previous month's pay periods by the 20th day of the following month, including any corrections that may be needed. This is not a new contract requirement, but a continuing one. Review [Instructions for submitting PCA-CDCS-CSG Reporting Spreadsheet through MN-ITS \(PDF\)](#).

Contact dhs.dsd.fi.techhelp@state.mn.us with any questions about the information in this memo.