

## County and Tribal Memo

**Date:** December 18, 2025

**To:** County and Tribal Nation Child Care Assistance Program (CCAP) Administrative and Client Access Contacts

**From:** Department of Children, Youth, and Families (DCYF) Child Care Assistance Program Staff

### RE: Minnesota Paid Leave

This memo gives information and implementation guidance about a legislative change that includes Minnesota Paid Leave as earned income towards CCAP eligibility. The change was announced in Bulletin [23-68-09](#).

The following will be updated to support this change:

- The Child Care Assistance Program (CCAP) Policy Manual
- The MEC<sup>2</sup> User Manual

The department will notify CCAP agencies when updates to the manuals are completed.

#### A. Policy Change

Effective January 1, 2026, the following changes go into effect related to Minnesota Paid Leave benefits:

- Minnesota Paid Leave benefits are included in the earned income definition for MFIP, DWP, Refugee Cash Assistance, General Assistance, Minnesota Supplemental Aid, Housing Support, and CCAP.
- Parents who are participating in MFIP and receiving Minnesota Paid Leave benefits are not required to participate in employment services.
- Single parents receiving Minnesota Paid Leave benefits are not eligible for DWP but are eligible for MFIP.
- If one parent in a two-parent family is participating in DWP and receiving Minnesota Paid Leave benefits, then that parent is not required to have an employment plan.

#### B. What is Minnesota Paid Leave?

Minnesota Paid Leave provides partial income replacement during leave for covered employees to care for a family member or their own medical condition.

- Family leave includes benefits related to family care, bonding, safety leave and military leave.

- Medical leave includes benefits related to serious health condition and conditions related to pregnancy.

In a single year, a participant can take up to 12 weeks of medical leave or up to 12 weeks of family leave. A participant can take both medical leave and family leave in a single 12-month period, but total leave cannot exceed 20 weeks. Leave can be continuous or intermittent.

#### Example of continuous leave

- Mary had her newborn on 01/1/2026 and will be completely off work for the next 20 weeks (12 weeks of medical + 8 weeks of family).
- Tracy had her newborn on 10/1/2025. Starting 01/01/2026, Tracy will be completely off for 12 weeks of family leave to bond with her newborn.

#### Example of intermittent leave

- Michael had surgery and will need continuing treatment. Michael requested 5 weeks of medical leave. He will be out every Monday of the week for the next 5 weeks.
- Stephanie's dad has a chronic illness that requires her assistance sporadically throughout the week. Stephanie has requested 10 weeks of family leave. Her leave time will be used intermittently to assist her father as needed.

Most participants will receive between 55% and 90% of their regular wages while on leave. An employee can choose to use vacation pay or paid time off to supplement Paid Leave benefits up to the amount of their normal wages.

More information can be found on the [Minnesota Department of Employment and Economic Development \(DEED\)'s Paid Leave website](#).

### **C. How will benefits be verified?**

Approved individuals will have access to a digital Determination Letter within the Paid Leave Portal that is administrated by DEED. This verification includes the approved dates of the leave and the weekly benefit amount. Submitting the Determination Letter (also referred to as the Award Letter) to the CCAP worker is the primary way that families will provide verification of their benefits.

After each payment, within the Paid Leave Portal, an individual will also have access to a Payment Details screen that breaks down their payment amount in receipt form. Submitting payment details to the CCAP worker is another way that families can provide verification of their benefits.

### **D. MEC<sup>2</sup> Changes**

MN.IT installed MEC<sup>2</sup> changes on November 24, 2025 to support the policy changes.

#### **Earned Income page**

MEC<sup>2</sup> will have "MN Paid Leave" as an earned income drop down along with a "Award Letter" as a verification type. Do not enter MN Paid Leave as an earned income type with a start date prior to 1/1/26.

## Lump Sum page

Do not enter MN Paid Leave on the Lump Sum page since MN Paid Leave will not be disbursed as a lump sum currently. However, MEC<sup>2</sup> will have “MN Paid Leave” as a lump sum drop down along with “Award Letter” as a verification type in case disbursements are made as lump sums in the future.

## Eligibility Results-Financial page

MN Paid Leave will appear as an income type on the Eligibility Results-Financial page. This income will count towards the family’s annualized income and copay determination. If the income is not verified, MEC<sup>2</sup> will fail eligibility at application or redetermination.

## E. What do workers need to do

### Earned Income

If at application and redetermination a participant reports MN Paid Leave, determine if the income will be continuous or intermittent. Clarify the amount and duration of the MN Paid Leave benefits.

If the income is continuous, budget the income as temporary income. Temporary earned income is income that is known to end prior to the end of the family’s annualization period. See [6.15.18 Annualizing Seasonal and Temporary Income](#). For how to enter this information, see MEC<sup>2</sup> User Manual [Enter Temporary Earned income](#).

Example:

At John’s redetermination on 1/02/26, he reported he had surgery and will need to be off work completely for the next 10 weeks. John anticipates returning to his employment and verified this. John verified his weekly income from his job is \$920. John also verified he will receive \$778 per week in MN Paid Leave benefit. His first MN Paid Leave check will be dated 1/05/26. Based on 10 weeks of leave, the worker calculated John’s last anticipated check of MN Paid Leave will be dated 03/09/2026. The worker added an Earned Income page for MN Paid Leave at \$778 per week, entering the first and last anticipated check date, and updated John’s employment with an annual income projection of \$38,640 (\$920x42 weeks (52 weeks/year – 10 weeks of MN Paid Leave)). There is no other income. The family’s annualized income is: \$7,780 (MN Paid Leave) + \$38,640 (Employment)=\$46,420.

If the income is intermittent, determine if the income can be anticipated. If it can be reasonably anticipated and is received on a regular intermittent period, treat the income as temporary income. If it cannot be reasonably anticipated, treat the income as nonrecurring income. Counted nonrecurring income must be annualized effective the date of receipt and continue to count for 12 months from the date of receipt. See [6.15.15 Annualizing Counted Nonrecurring Income](#).

Example:

At John’s redetermination on 1/02/2026, he reported he had surgery and will need to be off from work each Monday for the next 5 weeks. John verified his regular weekly income from his job is \$920. Since John will be off 1 day out of the week, he verified his weekly income from his job will be \$700 for the

next 5 weeks. John also verified he will receive \$156 per week prorated in MN Paid Leave benefit. His first MN Paid Leave check will be dated 1/05/26. Based on 5 weeks of leave, the worker calculated John's last anticipated check of MN Paid Leave will be dated 2/02/2026. Since John's intermittent leave is regular and can be anticipated, the worker added an Earned Income page for MN Paid Leave at \$156 per week, entering the first and last anticipated check date, and updated John's employment with an annual income projection of \$46,740 (\$920x47 weeks of regular income + \$700x5 weeks of reduced income). There is no other income. The family's annualized income is: \$780 (MN Paid Leave) + \$46,740 (Employment)= \$47,520.

During a family's 12-month eligibility period, change in income is not required to be reported unless the income puts the family over 85% SMI. If an income decrease is reported and verified during the 12-month eligibility period, the family's copay may decrease. If income change is reported, see [8.1.12 Changes in Income or Expenses](#). Through March 1, 2026, Schedule Reporters must also report a change in activity status and activity schedule.

### **Activity Requirements**

Child Care Assistance Program activity requirements have not changed. The participant must meet authorized activity requirements and other eligibility requirements of the sub-program the family is applying for or participating in.

At application, participants must meet activity requirements. If a parent is on a temporary break from their activity and their expected return to the activity is verified, the family is eligible for CCAP, but the case is suspended. If their expected return is not verified, the application is denied. See [3.7.7 Authorized Activity at Application](#).

During the 12-month eligibility period, a temporary break from activity does not affect a family's eligibility for CCAP. See [9.15.6 Extended Eligibility](#) if the parent's activity permanently ended. For 12 Month Reporters, continue to authorize care at the same level until redetermination. Through March 1, 2026 for Schedule Reporters, see [9.15.3 Care During Temporary Breaks from Authorized Activities](#).

At redetermination, participants must meet activity requirements. If a parent is on a temporary break from their activity and their expected return to the activity is verified, the family is eligible for CCAP, but the case is suspended. If their expected return is not verified, the case is put in Temporary Ineligibility. See [10.6.3 Redetermination Processing Standards](#).

Note: If an MFIP or DWP participant has an Employment Plan with other activities, such as social service or medical appointments, they are eligible to receive CCAP for those activities at application or redetermination.

## Questions

Contact your policy specialist with questions.

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