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New Minnesota Law Provides Frontline Worker Bonus Payments

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At the end of April, Minnesota Gov. Tim Walz <u>signed a bill into law</u> – after an extended period of political debate and compromise in the Minnesota Legislature – that provides Minnesota frontline workers the opportunity to apply for bonus payments. The new law comes with \$500 million for bonus payments in recognition of frontline workers' dedication and sacrifice during the COVID-19 emergency declared by the state.

Eligibility

There are several criteria that must be met in order for frontline workers to qualify for the bonus. First, the law limits eligibility to workers in specific job sectors:

- Long-term care and home care
- Health care
- Emergency responders
- Public health, social service, and regulatory service
- Courts and corrections
- Child care
- Schools, including charter schools, state schools and higher education
- Food service, including production, processing, preparation, sale and delivery
- Retail, including sales, fulfillment, distribution and delivery
- Temporary shelters and hotels

- Building services, including maintenance, janitorial and security
- Public transit
- Ground and air transportation services
- Manufacturing
- Vocational rehabilitation

The law also requires that to be eligible, a worker must have been:

- Employed in the job sector for at least 120 hours between March 15, 2020, and June 30, 2021
- Unable to telework due to the nature of their job
- Working in close proximity to people outside of their home

There are also income limits on eligibility. Workers with direct COVID-19 patient responsibilities must have had adjusted gross income of less than \$350,000 for married taxpayers filing jointly, or less than \$175,000 for other tax filers. For workers without direct COVID-19 patient responsibility, the adjusted gross income limit is \$185,000 for married taxpayers filing jointly, or \$85,000 for other filers.

A worker must not have received an unemployment insurance benefit payment for more than 20 weeks, between March 15, 2020, and June 26, 2021.

Application for Benefits

The frontline worker bonus differs from prior federal programs that made automatic payments to eligible individuals. Instead, the law provides a process for employees to apply for the bonus payments if they believe they are eligible.

The Minnesota Department of Labor and Industry is in the process of <u>creating the online forms</u> and estimates the application process and related forms will be available by mid-June. Once that application process is communicated, workers will have a 45-day window in which to apply for the bonus payment.

Employees who apply and are denied will have the opportunity to appeal within 15 days of the denial.

Amount of Bonus Pay

The law creates a pool of \$500 million for benefits, and the total amount to each worker will depend on the number of eligible workers who apply for the benefit. Once the application period closes and a final list of eligible workers is identified, the bonus pool will be divided up among all eligible workers.

The law caps potential payments at \$1,500 per worker. Early estimates have been that the bonus will result in approximately \$750 per worker if all eligible workers apply.

Employers

While the program is being administered by the state, employers have notice obligations under the law as well. Employers with eligible employees must give notice to all current eligible employees for 15 days after the application period opens. The notice must inform workers of the bonus program and how to apply for payments.

Minnesota's frontline worker bonus program provides well-deserved recognition to the dedicated individuals who kept working in person during the height of the pandemic in order to allow the continued flow of essential services and supplies in Minnesota.

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