



TERCH &  
ASSOCIATES

HUMAN RESOURCES EXPERTS

5 North 3<sup>rd</sup> Avenue West, Suite 201  
Duluth, Minnesota 55802

[www.terchandassociates.com](http://www.terchandassociates.com)  
[info@terchandassociates.com](mailto:info@terchandassociates.com)

## Client Newsletter | Q1 2026

ISSUE 5



*Pictured L-R: David Huntley, Justin Terch, Faith Wickenhauser*

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Dear Valued Clients,

As we begin a new year, we would like to take a moment to thank you for the trust you place in Terch & Associates. We are grateful to enter 2026 alongside so many outstanding clients and partners, and we appreciate the opportunity to continue supporting your organizations.

This new year brings several important legislative updates and compliance requirements that will impact Minnesota employers. The information below highlights key changes to be aware of in the months ahead to help ensure your business remains informed and compliant.

If you need assistance with any human resource issues or would like to discuss how these changes may affect your organization, please contact our team at [info@terchandassociates.com](mailto:info@terchandassociates.com) or by calling (218) 213-7162.

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## The Start of PFML

### Effective January 1, 2026

As we begin 2026, we want to remind you that Minnesota's Paid Family and Medical Leave (PFML) program officially started on January 1<sup>st</sup>. While many employers have already made necessary preparations, the following key points are worth highlighting:

- Eligible employees may take up to 12 weeks of paid family leave, up to 12 weeks of paid medical leave, or up to 20 weeks combined in a benefit year.
- Premium collections should have begun as of January 1, 2026. Ensure payroll systems are properly configured to handle both employer and employee portions and deductions.
- PFML applies to all employers, regardless of size. However, employers with 30 or fewer employees with average wages below 150% of the state average are eligible for a reduced premium rate of .66%.
- Any leave taken before January 1<sup>st</sup> does not reduce the amount of time available under PFML. Going forward, employers may choose to run PFML concurrently with other programs like FMLA or Minnesota's Pregnancy and Parental Leave Act.

Before running leaves simultaneously, we recommend that employers explicitly communicate the logistics of the leave to employees, document conversations, and have a clearly outlined policy explaining leave coordination in employee handbooks to prevent confusion.

For additional information and resources, visit [mn.gov/deed/paidleave](https://mn.gov/deed/paidleave).



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# Reminder: Meal and Break Policy Update

## Effective January 1, 2026

Minnesota updated required meal and break laws for all employers. These requirements went into effect on January 1, 2026, and are now as follows for primarily non-exempt employees:

- Employers must allow at least one paid rest break of 15 minutes (or longer if needed to use the nearest convenient restroom) for every four consecutive hours worked.
  - Rest breaks must occur **within** each four-hour work period.
- Employers must allow a 30-minute unpaid meal break for employees working six or more consecutive hours.
  - To be unpaid, the employee must be completely relieved of work duties during the meal break. Employers may require employees to stay on the premises during the meal period if appropriate.

Employees are entitled to these breaks whether or not they choose to take them. Employers should update employee handbooks and policies to reflect these changes.

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## New and Updated State Mandated Posters

### Effective January 1, 2026

As of January 1st, the following updates must have been made to required posted notices:

- Minnesota's **minimum wage has increased to \$11.41** per hour as of **January 1st**. Employers must update their workplace poster.
    - Sample notice: [Minimum wage and other requirements](#)
  - Employers must have posted a PFML notice in their workplace by December 1, 2025.
    - Sample notice: [State plan](#)
    - Sample notice: [Equivalent plan](#)
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## Annual OSHA 300A Posting Requirement

### February 1st through April 30th

Under OSHA's injury and illness recordkeeping rules, employers with more than 10 employees must post the OSHA Form 300A Summary of Work-Related Injuries and Illnesses each year.

This summary must be displayed in a common area where notices to employees are normally posted from February 1st through April 30th for the previous year's data. Only Form 300A is required to be posted.



# Minnesota Secure Choice Retirement Program

## What Employers Need to Know

Minnesota is launching a state-facilitated retirement savings program that will affect many employers beginning this year. The Minnesota Secure Choice Retirement Program is designed to help employees who do not have access to a workplace retirement plan save for retirement.

Employers who have five or more employees receiving taxable Minnesota wages and don't currently offer a qualifying retirement plan (like a 401(k), SIMPLE IRA, SEP, etc.) **must** enroll in the program. Employers that already offer such a plan may certify an exemption instead of participating. Employer registration phases are as follows:

Number of employees at covered employer	Phase duration
Soft launch and voluntary enrollment for any size covered employer	Jan. 19, 2026 to March 30, 2026
100 or more	April 1, 2026 to June 30, 2026
50 to 99	July 1, 2026 to Dec. 31, 2026
25 to 49	Jan. 1, 2027 to June 30, 2027
10 to 24	July 1, 2027 to Dec. 31, 2027
5 to 9	Jan. 1, 2028 to June 30, 2028

Employers will receive guidance and login information from the program's service provider (Vestwell) around the start of their phase to register and begin participating.

Participating employers' primary obligations include:

- Register for the program when their phase begins
- Deduct employee contributions from each payroll and remit them through the Secure Choice system
- Distribute program-provided information to employees
- Coordinate with payroll providers to ensure deductions are accurate

Notably, there is no cost to employers beyond the administrative tasks of withholding and remitting contributions. Employers are not allowed to make contributions on behalf of employees under this program.

Employees will be automatically enrolled in the program but can opt out or change their contribution amounts at any time. Contributions are deposited into a Roth Individual Retirement Account (IRA) by default, though employees may choose a Traditional IRA if they prefer.

For official information from the Secure Choice Retirement Board: [securechoice.mn.gov](https://securechoice.mn.gov).



# Spotlight: David Huntley

## Senior HR Consultant, SHRM-CP

David Huntley is a Senior Human Resources Consultant at Terch & Associates, known for his knowledgeable, steady approach to executive recruiting, performance management, and organizational development. With a background in Industrial and Organizational (I/O) Psychology, David brings both analytical rigor and human insight to his work.



*“I enjoy the variety and challenge that comes with consulting. Effective HR solutions must account for how people actually think, feel, and make decisions.”*

David’s approach is grounded in his academic training as he applies it daily to help clients navigate complex employee and organizational issues. Early in his career, David gained hands-on recruitment experience supporting federal subcontracts, sharpening his eye for talent and laying the foundation for his work in executive search and consulting.

What he finds most meaningful in his work is guiding clients through situations that are often high-stakes and emotionally charged. *“A lot of HR problems are also deeply emotional ones,”* he notes. By offering clear guidance and practical solutions, David helps clients find peace of mind and reach solutions that move organizations and employees forward productively.

David finds executive search and workforce alignment especially rewarding. *“One of the things I’m most proud of is putting the right people in the right jobs so that they can do what they’re best at for the community,”* he says. Seeing those leaders go on to strengthen organizations and communities is among the most fulfilling aspects of his work.



### Impact Outside of the Office

Beyond client service, David is deeply engaged in the region he serves as a member of the West Duluth Business Club, Treasurer for the Northland Human Resources Association, and a member of the Duluth Workforce Development Board’s Emerging Workforce Committee. He is also a SHRM Certified Professional, reflecting his commitment to professional excellence and ethical practice.

Outside of work, David enjoys reading, hiking the Superior Hiking Trail with his wife, and exploring the Northland outdoors. His curiosity, thoughtfulness, and steady presence define both his personal life and professional practice. His work exemplifies the values of Terch & Associates: trusted relationships, thoughtful problem-solving, and a genuine commitment to helping people and organizations succeed.

# An Interesting Statistic

## Zoom Out: National Unemployment Rates for Recent College Graduates

According to the U.S. Census Bureau and U.S. Bureau of Labor Statistics' Current Population Survey (IPUMS):

Recent college graduates (ages 22-27) are facing a more difficult labor market than in recent years with an unemployment rate averaging 5.3% in the third quarter of 2025.

This rate for recent graduates remains above the national average for all workers, which is 4% for the third quarter of 2025. This indicates that employers may encounter a greater number of highly educated applicants who are eager for opportunities but may lack the specific skills or experience needed for your roles.

In turn, this may create opportunities for competitive advantage. Employers who are willing to invest in training or structured onboarding may find it easier to attract and retain motivated recent graduates. Alternatively, aligning entry-level roles with meaningful career pathways can help your organization stand out as a preferred employer.

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Thank you for taking the time to engage with our Q1 2026 newsletter. At Terch & Associates, we remain committed to equipping employers with the tools, insights, and compliance support necessary to navigate today's evolving workforce landscape.

Whether it's understanding legislative changes, responding to labor market pressures, or cultivating a resilient organizational culture, our team is here to support your goals every step of the way. We hope the information shared here provides clarity and confidence as you lead your teams into the new year.

As always, please don't hesitate to reach out.

With appreciation,



David Huntley, MA  
Senior HR Consultant



Justin L. Terch, MA, MBA  
Managing Partner



Faith Wickenhauser, MBA  
Associate HR Consultant



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