



Holiday Planning & Upcoming Regulatory Changes

A Strategic Guide for Minnesota Restaurants

Prepared in partnership with Performance Foodservice Minnesota and Hospitality Minnesota

We get it—you're in the thick of your busiest season. Who wants to think about regulatory changes coming in January, especially when you're planning for the holiday months of November and December?

Nevertheless, it matters: Three significant policy shifts are hitting simultaneously on January 1, and they all affect your bottom line and operations. Let us help you get ahead of the curve instead of playing catch-up. This guide breaks down exactly what's changing, what you need to do, and when you need to do it. But, let's start with some practical strategies for maximizing your fall revenue while preparing for the changes ahead. Enjoy!

Maximize November Revenue While You Plan

November sets the stage for your most profitable quarter. While you're preparing for 2026 compliance, don't miss these revenue opportunities:

- **Thanksgiving Strategy**
 - To-go packages: Full turkey dinners, sides by the pound, pies for pre-order
 - Dine-in specials: Prix fixe Thanksgiving menus at premium pricing
 - Early orders: Start promoting now—capture orders before mid-November
- **Holiday Party Season Kickoff**
 - Book December now: Private dining rooms fill fast. Push hard in November.
 - Group packages: Create 3-4 party menu options at different price points
 - Deposits required: Secure commitments and improve cash flow
- **Gift Card Launch**
 - Start early: Guests buy gift cards throughout November and December
 - Bonus promotion: Buy \$100, get \$20 free (redeemable Jan-Feb when you need traffic)
 - Corporate sales: Reach out to local businesses for employee gifts
- **Fall Menu Features**
 - Did you know: Performance Foodservice Minnesota carries pre-marinated proteins and seasonal ingredients that can help you create compelling fall specials while managing labor costs:
 - Winter squash and root vegetables
 - Local apples and cranberries
 - Hearty grains and braised items



December Revenue Tactics

1. **NYE packages:** Prix fixe + champagne + required deposit = money in the bank before the night even starts.
2. **Holiday specials:**
 - Add 2-3 limited-time items featuring bold flavors
 - Offer prix fixe holiday menus at \$45–\$65
 - Feature items that share prep with your regular menu
3. **Book ahead:** Your guests are planning right now. Capture January and February reservations while they're thinking about it.

Reminder: Three Major Changes Go Into Effect January 1, 2026

These changes include:

- **Paid Leave** – 0.88% payroll tax
- **Minimum Wage Increases** – 2.5% statewide, more in cities
- **Federal Tip Tax Deduction** – Up to \$25,000 for employees



Scan the QR Code to the left for more information on regulatory changes.

Scan the QR Code to the right to get the latest DLI posters.





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Your November-December Action Plan

✓ Mid-November

- Launch Thanksgiving pre-orders
- Push December holiday party bookings
- Start gift card promotions
- Calculate your PFML costs at mn.gov/deed/paidleave
 - (link accessible by scanning the first QR Code on front page.)

✓ Week of Dec 8

- Talk to your payroll provider about implementing PFML deductions
- Make sure PFML will show up on pay stubs
- Call your accountant about tip reporting on W-2s

✓ Week of Dec 22

- Double-check all notices are posted
- Update any employment agreements
- Back up your 2025 payroll records

✓ Week of Dec 1

- Notify employees about PFML
 - (December 1 is the legal deadline)
- Post the required notices
- Get signed acknowledgments of notice
- Verify your employer account is set up

✓ Week of Dec 15

- Calculate the tip tax impact for your team
- Update your employee handbook
- Revise your 2026 labor budget
- Program new wage rates into your POS

Managing Cost Increases

Let's be real: Labor costs are going up for everyone. Here's how to handle it.

- 1. Menu Engineering:** Look at your margins. Feature high-margin items. Use seasonal Minnesota ingredients that customers connect with.
 - 2. Focus on Efficiency:** Cross-train your team so you have flexibility when people are out. Here's something useful to know: PFML and FMLA leaves run concurrently, not back-to-back.
 - 3. Operational Planning:** Budget for these costs now rather than reacting later. Understanding your actual numbers helps you make informed decisions about pricing, staffing, and operations.
- Replacing employees is expensive—typically 30-50% of their annual salary. Factor retention costs into your planning.
- **Cash flow tip:** Start setting aside 0.44% of payroll each month beginning in January. Your quarterly PFML payments are due April 30, July 31, Oct 31, and Jan 31.

The Bottom Line

Your critical dates:

- **Mid-Nov:** Thanksgiving orders, holiday bookings, PFML prep
- **Dec 1:** Notify employees (required by law)
- **Dec 15:** Get payroll systems finalized
- **Dec 31:** Everything updated and ready to go

Operators that will be ready to succeed in 2026 will be the ones taking action in November and December 2025. You've got this!



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