



April 3, 2023

RE: 2023 Omnibus Pension Bill – Secure Choice Retirement

Chair Her and Members of Legislative Commission on Pensions and Retirement,

The Minnesota Chamber is a statewide organization representing more than 6,300 businesses of all sizes employing more than half a million employees. We support policies to best position our state for future success by advancing a competitive business climate to encourage a growing economy.

Our comments are regarding the new private sector employer mandate contained in Article 7, the MN Secure Choice Retirement Program. We certainly agree with the worthy goal of encouraging greater savings and would note there is already a robust private sector marketplace with many available options available to individuals at all income levels to help achieve their savings goals.

We appreciate the bill authors addressing our concerns over the impact on small business employers by enacting a small business employer exemption for those with fewer than 5 employees; providing more legislative oversight over penalties and included a warning in the first year versus a penalty. These changes will help mitigate the impact for some small businesses and provide greater oversight of the non-elected board.

We remain concerned over the cumulative burden on employers as this new employer mandate will be enacted along with the numerous provisions contained in many other bills adding new cost and tax burdens, workplace regulations, increased bureaucracy, record keeping costs and litigation risks. These new mandates and costs include a new 0.7% payroll tax of \$2.9 billion in FY 26/27 for the most expansive paid leave mandate in the nation; a new sick leave mandate; new accommodation requirements; a new 1% sales tax increase in metro area, a new delivery fee plus many other new employer regulations. Minnesota private sector employers do not have the luxury of considering these provisions in a vacuum as they all impact the cost of doing business in Minnesota. Minnesota already imposes higher cost burdens than most other states and the cumulative impact of all these bills will add new employer requirements and costs not required in most other states including any of our neighboring states.

We would urge the implementation date be clarified so this program does not start until January 1, 2025 or later and for the two year timeline for implementation be extended by another year. This will allow for a smoother rollout of the program and allow time for employers to enact payroll system changes as well as time to educate employees. We would also ask the non-elected board to consider the impact on employers especially our smallest businesses when they set up this new program to minimize cost burdens.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Kadoun", is positioned below the "Sincerely," text.

Beth Kadoun - Vice President, Tax and Fiscal Policy  
Minnesota Chamber of Commerce