



Amendment S2884-2A: Amending sections regarding the Minnesota Secure Choice Retirement Program

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Introduction

Article 9 of S2884-DE1, the delete-everything amendment to SF 2884/HF 1889 (2025 Omnibus Pension and Retirement Bill) makes changes to the statutes governing the Minnesota Secure Choice Retirement Program. Amendment S2884-2A amends Article 9.

Summary

Amendment S2884-2A:

- Expands the definition of a “home and community-based services employee” to mean “individuals working under the direction of a participant” in a covered program, not just the parent or spouse of a participant. Under current law, home and community-based services employees are to be permitted to participate in the Secure Choice Program within 6 months of the opening of the Program.
- Adds a requirement that the executive director of the Secure Choice Program provide notice annually to all covered employees about the annual limit under federal law on employee contributions to a traditional and Roth IRA and inform the covered employee that the employee is responsible for not exceeding the limit (the limit currently is \$7,000 for individuals age 49 or younger and \$8,000 for those age 50 or older, and phases out for higher income individuals).
- Replaces the current language requiring the Department of Employment and Economic Development (DEED) to provide information about employers to the executive director of the Secure Choice Program with language suggested by DEED. The new language omits the requirement that the information be provided within 30 days of the request and, as a separate addition to Section 187.11, retains the definition of the information that DEED must provide to the executive director.

Line- by- Line Summary

Amendment S2884-2A makes the following changes at the page and line locations indicated:

Line 1.3 deletes Section 1 of Article 9 which requires DEED to respond to requests for information from the executive director of the Secure Choice Program within 30 days and specifies the information DEED must provide upon request. This is replaced with new language at lines 1.27 through 2.4 and lines 4.6 through 4.8.

Lines 1.4 through 1.17 expand the definition of “home and community-based employee” from “an individual employed by the individual’s child or spouse” to “an individual...who is selected by and working under the direction of a participant in a covered program.” This is intended to open the Program to as many home health care workers as are interested in participating. These workers are not required to participate but, under Section 187.05, subdivision 7, are required to be given the opportunity to participate within six months of the opening of the Program.

Lines 1.18 through 1.26 adds a new requirement to Section 187.07 (“Responsibilities of covered employers”), subdivision 1 (“Requirement to enroll employees”), which specifies the percentage of pay that a covered employer must deduct from employee paychecks and transmit to the Program, starting with the first year of participation at 5% and increasing by 1% for each additional year of participation. This does not affect covered employees’ ability to elect out of participating altogether or increasing or decreasing the contribution rate. The new requirement is that the executive director must communicate in writing to each covered employee by email or otherwise the annual limit on contributions to a traditional IRA or Roth IRA and inform the employee that the employee is responsible for reducing the employee’s contribution so it does not exceed the annual limit.

Lines 1.27 through 2.4 define a phrase that appears later in the new language inserted into DEED’s statutes to ensure that DEED provides the information the executive director of the Secure Choice Program needs to administer the Program. The phrase is “assisting with communication with employers and to verify employer compliance with chapter 187.” The definition of this phrase is being added to Section 187.11 (“Other state agencies to provide assistance”), as new paragraph (b), and states that, to the extent available to DEED, DEED must provide employers’ employer identification number, contact information, number of employees, and the employer industry code. This definition, when read with the new paragraph inserted into DEED’s statutes, will ensure that when the executive director makes the request to DEED for the information that is critical to whether the Program will be successful or even open, DEED will be required to provide it.

Lines 4.6 to 4.8 insert into Section 268.19, subdivision 1, which governs how data retained by DEED may be used, a provision that allows for data to be shared with the Minnesota Secure Choice Retirement Program for the purpose of “assisting with communication with employers and to verify employer compliance with chapter 187.” This new language and the placement in this statute is proposed by staff at DEED.