

1.1 A bill for an act  
1.2 relating to retirement; modifying certain provisions of the Minnesota Secure Choice  
1.3 retirement program; amending Minnesota Statutes 2024, sections 187.03, by adding  
1.4 subdivisions; 187.05, subdivision 1, by adding a subdivision; 187.06, subdivision  
1.5 3; 187.07, by adding a subdivision; 187.08, subdivisions 1, 2, 6, 8; Minnesota  
1.6 Statutes 2025 Supplement, sections 187.03, subdivisions 5, 6a; 187.05, subdivisions  
1.7 1a, 4; 187.07, subdivision 1; 187.08, subdivision 3; 187.11; 187.12, subdivision  
1.8 1; proposing coding for new law in Minnesota Statutes, chapter 187; repealing  
1.9 Minnesota Statutes 2025 Supplement, section 187.07, subdivision 3.

1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.11 Section 1. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision  
1.12 to read:

1.13 Subd. 1a. **Annual report.** "Annual report" means a report on the following:

1.14 (1) financial performance of the program and the agency;

1.15 (2) program expenses, including costs attributable to the use of outside consultants,  
1.16 independent contractors, and other persons who are not state employees;

1.17 (3) program outcomes;

1.18 (4) progress toward savings goals established by the board;

1.19 (5) statistics on the number of participating employees, participating employers, and  
1.20 covered employees who have opted out of participation;

1.21 (6) estimated impact of the program on social safety net programs; and

1.22 (7) penalties, violations, and disciplinary actions for enforcement.

2.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 187.03, subdivision 5, is amended  
2.2 to read:

2.3 Subd. 5. **Covered employee.** (a) "Covered employee" means a person who is employed  
2.4 by a covered employer or described in section 187.05, subdivision 7, and who satisfies any  
2.5 other criteria established by the board.

2.6 (b) Covered employee does not include:

2.7 (1) a person who, on December 31 of the preceding calendar year, was younger than 18  
2.8 years of age;

2.9 (2) a person covered under the federal Railway Labor Act, as amended, United States  
2.10 Code, title 45, sections 151 et seq.;

2.11 (3) a person on whose behalf an employer makes contributions to a Taft-Hartley  
2.12 multiemployer pension trust fund;

2.13 (4) a person employed by the government of the United States, another country, the state  
2.14 of Minnesota, another state, or any subdivision thereof; or

2.15 (5) a person employed on a temporary or seasonal basis for a limited duration, which  
2.16 the employer determines at the time the person is hired will not extend beyond 180 days.

2.17 (c) A person described in paragraph (b), clause (5), may elect to have contributions  
2.18 deducted from the person's paycheck for remittance to the program, but only if the employer  
2.19 would otherwise be considered a covered employer.

2.20 Sec. 3. Minnesota Statutes 2025 Supplement, section 187.03, subdivision 6a, is amended  
2.21 to read:

2.22 Subd. 6a. **Enrollment window.** "Enrollment window" means:

2.23 (1) the period established by the board, according to a phase-in schedule approved under  
2.24 Laws 2023, chapter 46, section 10, subdivision 1, paragraph (b), that is applicable to each  
2.25 covered employer and during which the covered employer is first required to provide  
2.26 information to covered employees and enroll covered employees who do not elect to opt  
2.27 out of the program;

2.28 (2) the 21-day period beginning with a covered employee's first day of employment with  
2.29 a covered employer during which the covered employer is required to enroll the covered  
2.30 employee; or

3.1 (3) the 21-day period beginning on January 1 after the calendar year during which an  
 3.2 employer first becomes a covered employer.

3.3 Sec. 4. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision to  
 3.4 read:

3.5 Subd. 15. **Waiting period.** "Waiting period" means the 30-day period that begins on  
 3.6 the first day of the applicable enrollment period.

3.7 Sec. 5. Minnesota Statutes 2024, section 187.05, subdivision 1, is amended to read:

3.8 Subdivision 1. **Program established.** (a) The board must operate ~~an employee a~~  
 3.9 retirement savings program whereby contributions are made by employee payroll deduction  
 3.10 ~~contributions are transmitted~~ or, if a covered employee is not employed by a covered  
 3.11 employer, by direct payment on an after-tax or pretax basis ~~by covered employers~~ to  
 3.12 individual retirement accounts established under the program.

3.13 (b) The board must establish procedures for opening a Roth IRA, a traditional IRA, or  
 3.14 both a Roth IRA and a traditional IRA for each covered employee whose covered employer  
 3.15 transmits employee payroll deduction contributions ~~under~~ or, if a covered employee is not  
 3.16 employed by a covered employer, transmits payment to the program.

3.17 (c) Contributions must be made on an after-tax (Roth) basis, unless the covered employee  
 3.18 elects to contribute on a pretax basis.

3.19 Sec. 6. Minnesota Statutes 2025 Supplement, section 187.05, subdivision 1a, is amended  
 3.20 to read:

3.21 Subd. 1a. **Certification by employers that are not covered employers.** (a) Any entity  
 3.22 or person may file through the program web portal or, with the consent of the executive  
 3.23 director, by mail or email, a certification ~~with the executive director on a form prescribed~~  
 3.24 ~~by the executive director and provide documentation in support of the certification, as~~  
 3.25 ~~requested by the executive director,~~ stating that the entity or person is not a covered employer.  
 3.26 The certification must state that the entity or person is not a covered employer for one or  
 3.27 more of the following reasons:

3.28 (1) the entity or person has not been engaged for at least 12 months in a business, industry,  
 3.29 profession, trade, or other enterprise in Minnesota, whether for profit or not for profit;

3.30 (2) the entity or person does not employ five or more employees;

4.1 (3) the entity or person sponsors or contributes to or, in the immediately preceding 12  
4.2 months, sponsored or contributed to a retirement savings plan for its employees; or

4.3 (4) the entity is a political subdivision of the state or federal government.

4.4 (b) Within 30 days of receiving the certification, the executive director must accept the  
4.5 certification or issue a determination that the entity or person is a covered employer and  
4.6 subject to the requirements of section 187.07.

4.7 (c) The entity or person may appeal the executive director's determination by filing an  
4.8 appeal with the board of directors no later than 30 days after receipt of the determination.

4.9 (d) If necessary to determine compliance with program requirements, the executive  
4.10 director may request that an entity or person provide documentation in support of a  
4.11 certification filed under paragraph (a). If the entity or person does not provide supporting  
4.12 documentation within 30 days of the request or the documentation is inadequate, the executive  
4.13 director may reject the certification and require the entity or person to enroll its employees  
4.14 in the program.

4.15 Sec. 7. Minnesota Statutes 2025 Supplement, section 187.05, subdivision 4, is amended  
4.16 to read:

4.17 Subd. 4. **Contribution rate.** (a) The board may change the required employee  
4.18 contribution rates and the escalation schedule under section 187.07, subdivision 1.

4.19 (b) The board must provide all covered employers and covered employees with notice  
4.20 of a change in employee contribution rates or the escalation schedule at least six months in  
4.21 advance of the effective date of the change.

4.22 ~~(b) A covered employee must have the right, annually or more frequently as determined~~  
4.23 ~~by the board, to change the contribution rate, opt out or elect not to contribute, or cease~~  
4.24 ~~contributions.~~

4.25 Sec. 8. Minnesota Statutes 2024, section 187.05, is amended by adding a subdivision to  
4.26 read:

4.27 Subd. 9. **Covered employee right to begin contributing, change the contribution**  
4.28 **rate, or not contribute.** A covered employee must have the right, annually or more  
4.29 frequently as determined by the board, to:

4.30 (1) begin making contributions to the program by payroll deduction or, if not employed  
4.31 by a covered employer, by payment to the program;

- 5.1 (2) change the percentage of compensation being contributed to the program by payroll  
 5.2 deduction;
- 5.3 (3) elect not to contribute; or
- 5.4 (4) cease contributions.

5.5 Sec. 9. Minnesota Statutes 2024, section 187.06, subdivision 3, is amended to read:

5.6 Subd. 3. **Individual accounts established.** The trustee or custodian, as applicable, must  
 5.7 maintain an account for each covered employee who has made or is making employee  
 5.8 payroll deduction contributions with respect to each covered employee or, if the covered  
 5.9 employee is not employed by a covered employer, has made or is making payments to the  
 5.10 program until all assets in the account are distributed. Interest and Investment earnings on  
 5.11 the amount in the account are credited to the account, and investment losses and  
 5.12 administrative fees are deducted from the account.

5.13 Sec. 10. Minnesota Statutes 2025 Supplement, section 187.07, subdivision 1, is amended  
 5.14 to read:

5.15 Subdivision 1. **Requirement to enroll employees and begin payroll deduction**  
 5.16 **contributions.** (a) ~~Each~~ A covered employer must enroll its covered employees in the  
 5.17 program ~~and withhold~~ during the applicable enrollment window.

5.18 (b) The covered employer must begin withholding payroll deduction contributions from  
 5.19 the first paycheck of each covered employee's paycheck no later than 30 days after the  
 5.20 covered employee's first day of employment employee after the end of the covered employee's  
 5.21 waiting period, unless the covered employer has elected not to contribute.

5.22 ~~(b) Unless the board has approved a different rate or rates under section 187.05,~~  
 5.23 ~~subdivision 4, or a covered employee has elected a different contribution rate or not to~~  
 5.24 ~~contribute, the employee contribution rates and escalation schedule are:~~

- 5.25 ~~(1) five percent of pay for the covered employee's first year of participation;~~
- 5.26 ~~(2) six percent of pay for the covered employee's second year of participation;~~
- 5.27 ~~(3) seven percent of pay for the covered employee's third year of participation; and~~
- 5.28 ~~(4) eight percent of pay for the covered employee's fourth year of participation and each~~  
 5.29 ~~year thereafter.~~

5.30 (c) Paragraph (a) does not apply to a covered employer until the covered employer's  
 5.31 enrollment window has opened. ~~No later than 30 days after~~ By the end of the enrollment

6.1 window, the covered employer must have enrolled all covered employees, ~~except for any~~  
 6.2 ~~covered employee who has elected not to contribute.~~

6.3 ~~(d) The executive director must communicate annually by email or otherwise in writing~~  
 6.4 ~~to each covered employee:~~

6.5 ~~(1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in~~  
 6.6 ~~effect under section 408 and 408A, respectively, of the Internal Revenue Code; and~~

6.7 ~~(2) notice that it is the responsibility of the covered employee to reduce the covered~~  
 6.8 ~~employee's contribution rate from the rate under paragraph (b) as necessary to stay within~~  
 6.9 ~~the limit under section 408 or section 408A of the Internal Revenue Code that is applicable~~  
 6.10 ~~to the covered employee and the type of IRA to which the contributions are being credited.~~

6.11 Sec. 11. Minnesota Statutes 2024, section 187.07, is amended by adding a subdivision to  
 6.12 read:

6.13 Subd. 1a. **Default contribution rate and escalation schedule.** Unless the board has  
 6.14 approved a different rate or rates under section 187.05, subdivision 4, or a covered employee  
 6.15 has elected a different contribution rate or not to contribute, the employee contribution rates  
 6.16 and escalation schedule are:

6.17 (1) five percent of pay for the covered employee's first year of participation;

6.18 (2) six percent of pay for the covered employee's second year of participation;

6.19 (3) seven percent of pay for the covered employee's third year of participation; and

6.20 (4) eight percent of pay for the covered employee's fourth year of participation and each  
 6.21 year thereafter.

6.22 Sec. 12. Minnesota Statutes 2024, section 187.08, subdivision 1, is amended to read:

6.23 Subdivision 1. **Membership.** The policy-making function of the program is vested in a  
 6.24 board of directors consisting of seven members as follows:

6.25 (1) the executive director of the Minnesota State Retirement System or the executive  
 6.26 director's designee;

6.27 (2) the executive director of the State Board of Investment or the executive director's  
 6.28 designee;

6.29 (3) three members with relevant experience chosen by the Legislative Commission on  
 6.30 Pensions and Retirement, ~~one from each of the following experience categories;~~

7.1 ~~(i) executive or operations manager with substantial experience in record keeping 401(k)~~  
7.2 ~~plans;~~

7.3 ~~(ii) executive or operations manager with substantial experience in individual retirement~~  
7.4 ~~accounts; and~~

7.5 ~~(iii) executive or other professional with substantial experience in retirement plan~~  
7.6 ~~investments;~~

7.7 (4) a human resources or retirement benefits executive from a private company with  
7.8 substantial experience in administering the company's 401(k) plan, appointed by the governor;  
7.9 and

7.10 (5) a small business owner, a small business executive, or a nonprofit executive appointed  
7.11 by the governor.

7.12 Sec. 13. Minnesota Statutes 2024, section 187.08, subdivision 2, is amended to read:

7.13 Subd. 2. **Appointment.** (a) Members appointed by the governor must be appointed as  
7.14 provided in section 15.0597.

7.15 (b) The Legislative Commission on Pensions and Retirement is not required to consider  
7.16 a seat on the board as vacant if the incumbent provides notice to the chair of the board and  
7.17 executive director that the incumbent wishes to serve an additional term as permitted under  
7.18 subdivision 3. The executive director of the program must notify the secretary of state and  
7.19 the chair or executive director of the Legislative Commission on Pensions and Retirement  
7.20 that the incumbent wishes to serve an additional term. The secretary of state must not post  
7.21 a seat as vacant and accept applications if the chair of the board and the chair or executive  
7.22 director of the Legislative Commission on Pensions and Retirement accept the incumbent's  
7.23 request to serve an additional term.

7.24 Sec. 14. Minnesota Statutes 2025 Supplement, section 187.08, subdivision 3, is amended  
7.25 to read:

7.26 Subd. 3. **Membership terms.** (a) Board members serve for two-year terms, except:

7.27 (1) the executive directors of the Minnesota State Retirement System and the State Board  
7.28 of Investment serve indefinitely; and

7.29 (2) the initial term of the member who is an executive or other professional with  
7.30 substantial experience in retirement plan investments under subdivision 1, clause (3), ~~item~~

8.1 ~~(iii)~~, and the member who is a human resources executive under subdivision 1, clause (4),  
8.2 is three years.

8.3 (b) A board members' terms may be renewed, member may renew the member's term,  
8.4 but no member, other than the executive directors of the Minnesota State Retirement Systems  
8.5 and the State Board of Investment, may serve more than two consecutive terms. To serve  
8.6 an additional term, an incumbent must notify the chair of the board and the executive director  
8.7 that the incumbent wishes to serve an additional term.

8.8 Sec. 15. Minnesota Statutes 2024, section 187.08, subdivision 6, is amended to read:

8.9 Subd. 6. **Chair; quorum.** (a) The board ~~shall~~ must select elect a chair from among its  
8.10 members. The chair ~~shall serve~~ serves for a two-year term and may be reelected by the  
8.11 members for additional two-year terms. The board may select other officers as necessary  
8.12 to assist the board in performing the board's duties.

8.13 (b) A majority of the members, not including for this purpose any vacant member seat,  
8.14 constitutes a quorum. Approval of any item of board business is effective if approved by a  
8.15 simple majority vote of members present at a meeting.

8.16 Sec. 16. Minnesota Statutes 2024, section 187.08, subdivision 8, is amended to read:

8.17 Subd. 8. **Duties.** In addition to the duties set forth elsewhere in this chapter, the board  
8.18 has the following duties:

8.19 (1) to establish secure processes for enrolling covered employees in the program and  
8.20 for transmitting employee contributions to accounts in the trust;

8.21 (2) to prepare a budget and establish procedures for the payment of costs of administering  
8.22 and operating the program;

8.23 (3) to lease or otherwise procure equipment necessary to administer the program;

8.24 (4) to procure insurance in connection with the property of the program and the activities  
8.25 of the board, executive director, and other staff;

8.26 (5) to determine the following:

8.27 (i) any criteria for a covered employee other than employment with a covered employer  
8.28 under section 187.03, subdivision 5;

8.29 (ii) contribution rates and an escalation schedule under section 187.05, subdivision 4;

8.30 (iii) withdrawal and distribution options under section 187.05, subdivision 6; and

- 9.1 (iv) the default investment fund under section 187.06, subdivision 5;
- 9.2 (6) to keep annual administrative fees, costs, and expenses as low as possible:
- 9.3 (i) except that any administrative fee assessed against the accounts of covered employees  
9.4 may not exceed a reasonable amount relative to the fees charged by auto-IRA or defined  
9.5 contribution programs of similar size in the state of Minnesota or another state; and
- 9.6 (ii) the fee may be asset-based, flat fee, or a hybrid combination of asset-based and flat  
9.7 fee;
- 9.8 (7) to determine the eligibility of an employer, employee, or other individual to participate  
9.9 in the program and review and decide claims for benefits and make factual determinations;
- 9.10 ~~(8) to prepare information regarding the program that is clear and concise for  
9.11 dissemination to all covered employees and includes the following:~~
- 9.12 ~~(i) the benefits and risks associated with participating in the program;~~
- 9.13 ~~(ii) procedures for enrolling in the program and opting out of the program, electing a  
9.14 different or zero percent employee contribution rate, making investment elections, applying  
9.15 for a distribution of employee accounts, and making a claim for benefits;~~
- 9.16 ~~(iii) the federal and state income tax consequences of participating in the program, which  
9.17 may consist of or include the disclosure statement required to be distributed by retirement  
9.18 plan trustees or custodians under the Internal Revenue Code and the Treasury Regulations  
9.19 thereunder;~~
- 9.20 ~~(iv) how to obtain additional information on the program; and~~
- 9.21 ~~(v) disclaimers of covered employer and state responsibility, including the following  
9.22 statements:~~
- 9.23 ~~(A) covered employees seeking financial, investment, or tax advice should contact their  
9.24 own advisors;~~
- 9.25 ~~(B) neither a covered employer nor the state of Minnesota are liable for decisions covered  
9.26 employees make regarding their account in the program;~~
- 9.27 ~~(C) neither a covered employer nor the state of Minnesota guarantees the accounts in  
9.28 the program or any particular investment rate of return; and~~
- 9.29 ~~(D) neither a covered employer nor the state of Minnesota monitors or has an obligation  
9.30 to monitor any covered employee's eligibility under the Internal Revenue Code to make  
9.31 contributions to an account in the program, or whether the covered employee's contributions~~

10.1 ~~to an account in the program exceed the maximum permissible contribution under the~~  
 10.2 ~~Internal Revenue Code;~~

10.3 ~~(9) (8) to publish an annual financial report, prepared according to generally accepted~~  
 10.4 ~~accounting principles, on the operations of the program, which must include but not be~~  
 10.5 ~~limited to costs attributable to the use of outside consultants, independent contractors, and~~  
 10.6 ~~other persons who are not state employees and deliver the report to the chairs and ranking~~  
 10.7 ~~minority members of the legislative committees with jurisdiction over jobs and economic~~  
 10.8 ~~development and state government finance, the executive directors of the State Board of~~  
 10.9 ~~Investment and the Legislative Commission on Pensions and Retirement, and the Legislative~~  
 10.10 ~~Reference Library;~~

10.11 ~~(10) to publish an annual report regarding plan outcomes, progress toward savings goals~~  
 10.12 ~~established by the board, statistics on the number of participants, participating employers,~~  
 10.13 ~~and covered employees who have opted out of participation, plan expenses, estimated impact~~  
 10.14 ~~of the program on social safety net programs, and penalties and violations, and disciplinary~~  
 10.15 ~~actions for enforcement, and deliver the report to the chairs and ranking minority members~~  
 10.16 ~~of the legislative committees with jurisdiction over jobs and economic development and~~  
 10.17 ~~state government finance, the executive directors of the State Board of Investment and the~~  
 10.18 ~~Legislative Commission on Pensions and Retirement, and the Legislative Reference Library;~~

10.19 ~~(11) (9) to file all reports required under the Internal Revenue Code or chapter 290;~~

10.20 ~~(12) (10) to, at the board's discretion, seek and accept gifts, grants, and donations to be~~  
 10.21 ~~used for the program, unless such gifts, grants, or donations would result in a conflict of~~  
 10.22 ~~interest relating to the solicitation of service provider for program administration, and deposit~~  
 10.23 ~~such gifts, grants, or donations in the Secure Choice administrative fund;~~

10.24 ~~(13) (11) to, at the board's discretion, seek and accept appropriations from the state or~~  
 10.25 ~~loans from the state or any agency of the state;~~

10.26 ~~(14) (12) to assess the feasibility of partnering with another state or a governmental~~  
 10.27 ~~subdivision of another state to administer the program through shared administrative~~  
 10.28 ~~resources and, if determined beneficial, enter into contracts, agreements, memoranda of~~  
 10.29 ~~understanding, or other arrangements with any other state or an agency or a subdivision of~~  
 10.30 ~~any other state to administer, operate, or manage any part of the program, which may include~~  
 10.31 ~~combining resources, investments, or administrative functions;~~

10.32 ~~(15) (13) to hire, retain, and terminate third-party service providers as the board deems~~  
 10.33 ~~necessary or desirable for the program, including but not limited to the trustees, consultants,~~  
 10.34 ~~investment managers or advisors, custodians, insurance companies, recordkeepers,~~

11.1 administrators, consultants, actuaries, legal counsel, auditors, and other professionals,  
 11.2 provided that each service provider is authorized to do business in the state;

11.3 ~~(16)~~ (14) to interpret the program's governing documents and this chapter and make all  
 11.4 other decisions necessary to administer the program;

11.5 ~~(17)~~ (15) to conduct comprehensive employer and worker education and outreach  
 11.6 regarding the program that reflect the cultures and languages of the state's diverse workforce  
 11.7 population, which may, in the board's discretion, include collaboration with state and local  
 11.8 government agencies, community-based and nonprofit organizations, foundations, vendors,  
 11.9 and other entities deemed appropriate to develop and secure ongoing resources; and

11.10 ~~(18)~~ (16) to prepare notices for delivery to covered employees regarding the escalation  
 11.11 schedule and to each covered employee before the covered employee is subject to an  
 11.12 automatic contribution increase.

11.13 Sec. 17. Minnesota Statutes 2025 Supplement, section 187.11, is amended to read:

11.14 **187.11 OTHER STATE AGENCIES TO PROVIDE ASSISTANCE.**

11.15 (a) The board may enter into intergovernmental agreements with the commissioner of  
 11.16 revenue, the commissioner of labor and industry, the commissioner of employment and  
 11.17 economic development, and any other state agency that the board deems necessary or  
 11.18 appropriate to provide outreach, technical assistance, or compliance services. An agency  
 11.19 that enters into an intergovernmental agreement with the board pursuant to this section must  
 11.20 collaborate and cooperate with the board to provide the outreach, technical assistance, or  
 11.21 compliance services under any such agreement. The board, executive director, and program  
 11.22 staff must maintain the privacy of data obtained under any intergovernmental agreement if  
 11.23 required under chapter 13.

11.24 (b) For purposes of section 268.19, subdivision 1, paragraph (a), clause (20), "assisting  
 11.25 with communication with employers and to verify employer compliance with chapter 187"  
 11.26 means providing the executive director with at least the following information for employers,  
 11.27 to the extent available to the commissioner of employment and economic development:

11.28 (1) federal employer identification number;

11.29 (2) business name, address, mailing address, email address, and phone number;

11.30 (3) number of employees; and

11.31 (4) employer industry code.

12.1 (c) The commissioner of administration must ~~provide~~ assist the executive director in  
 12.2 identifying and leasing suitable office space for the executive director and program staff in  
 12.3 the Capitol complex for the executive director and staff of the program the city of St. Paul.

12.4 Sec. 18. Minnesota Statutes 2025 Supplement, section 187.12, subdivision 1, is amended  
 12.5 to read:

12.6 Subdivision 1. **Failure to enroll covered employees or distribute information.** (a)  
 12.7 The board may assess penalties against a covered employer that fails to comply with section  
 12.8 187.07, subdivision 1 ~~or 3 or both subdivisions 1 and 3, beginning with the second~~  
 12.9 ~~anniversary of the date on which the covered employer was first required to comply with~~  
 12.10 ~~section 187.07, subdivision 1 or 3, as applicable., paragraph (a), beginning with the second~~  
 12.11 anniversary of the last day of the applicable enrollment window or fails to comply with  
 12.12 section 187.07, subdivision 1, paragraph (b), beginning with the second anniversary of the  
 12.13 first paycheck after a covered employee's waiting period, as follows:

12.14 (b) ~~The board may assess the following penalties for a covered employer's failure to~~  
 12.15 ~~comply with section 187.07, subdivision 1 or 3:~~

12.16 (1) on the second anniversary, a penalty of \$100 per covered employee, not to exceed  
 12.17 \$4,000;

12.18 (2) on the third anniversary, a penalty of \$200 per covered employee, not to exceed  
 12.19 \$6,000;

12.20 (3) on the fourth anniversary, a penalty of \$300 per covered employee; and

12.21 (4) on each anniversary after the fourth anniversary, a penalty of \$500 per covered  
 12.22 employee.

12.23 (c) ~~If the covered employer fails to comply with section 187.07, subdivisions 1 and 3,~~  
 12.24 ~~the board must assess two times the penalties in paragraph (b).~~

12.25 (d) ~~The date on which a covered employer is first required to comply with section 187.07,~~  
 12.26 ~~subdivision 1, is the following:~~

12.27 (1) ~~for paragraph (a), on or before the 30th day after the first day of employment of a~~  
 12.28 ~~covered employee hired by the covered employer; and~~

12.29 (2) ~~for paragraph (b), on or before the 30th day after the end of the enrollment window~~  
 12.30 ~~applicable to the covered employer.~~

12.31 (e) ~~The date on which a covered employer is first required to comply with section 187.07,~~  
 12.32 ~~subdivision 3, is the following:~~

13.1 ~~(1) for paragraph (a), for a newly hired covered employee, no later than 14 days after~~  
 13.2 ~~the covered employee's first day of employment; and~~

13.3 ~~(2) for paragraph (b), no later than the 14th day prior to the date of the first paycheck~~  
 13.4 ~~from which employee contributions could be deducted for transmittal to the program.~~

13.5 Sec. 19. **[187.13] REQUIRED NOTICES.**

13.6 Subdivision 1. Notice to covered employees upon enrollment. (a) The board must  
 13.7 disseminate a notice regarding the program that is clear and concise to all covered employees  
 13.8 no later than seven days after a covered employee is enrolled by a covered employer.

13.9 (b) The information in the notice must include:

13.10 (1) the benefits and risks associated with participating in the program;

13.11 (2) procedures for enrolling in the program and opting out of the program, electing a  
 13.12 different or zero percent employee contribution rate, making investment elections, applying  
 13.13 for a distribution of employee accounts, and making a claim for benefits;

13.14 (3) the federal and state income tax consequences of participating in the program, which  
 13.15 may consist of or include the disclosure statement required to be distributed by trustees or  
 13.16 custodians under the Internal Revenue Code;

13.17 (4) how to obtain additional information on the program; and

13.18 (5) disclaimers of covered employer and state responsibility, including the following  
 13.19 statements:

13.20 (i) a covered employee seeking financial, investment, or tax advice should contact the  
 13.21 covered employee's advisors;

13.22 (ii) neither a covered employer nor the board, the program, or the state of Minnesota is  
 13.23 liable for decisions a covered employee makes regarding the covered employee's account  
 13.24 in the program;

13.25 (iii) neither a covered employer nor the state of Minnesota guarantees the accounts in  
 13.26 the program or any particular investment rate of return; and

13.27 (iv) neither a covered employer nor the state of Minnesota monitors or has an obligation  
 13.28 to monitor a covered employee's eligibility under the Internal Revenue Code to make  
 13.29 contributions to an account in the program or whether the covered employee's contributions  
 13.30 to an account in the program exceed the maximum permissible contribution under the  
 13.31 Internal Revenue Code.

14.1 Subd. 2. **Annual notice to covered employees.** The executive director must communicate  
 14.2 annually by email or other means in writing to each covered employee:

14.3 (1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in  
 14.4 effect under sections 408 and 408A of the Internal Revenue Code; and

14.5 (2) that it is the responsibility of the covered employee to reduce the covered employee's  
 14.6 contribution rate from the rate under section 187.07, subdivision 1, paragraph (b), as  
 14.7 necessary to stay within the limit under section 408 or 408A of the Internal Revenue Code  
 14.8 that is applicable to the covered employee and the type of IRA to which the contributions  
 14.9 are being credited.

14.10 **Sec. 20. [187.14] CONFIDENTIALITY OF DATA AND NONSOLICITATION.**

14.11 Subdivision 1. **Confidentiality of data.** Covered employee data, account owner data,  
 14.12 account data, and data on beneficiaries of accounts are private data. The program, executive  
 14.13 director, and program staff must not disclose private data on individuals, as defined in  
 14.14 section 13.02, to anyone other than the covered employee, account owner, or beneficiary,  
 14.15 except:

14.16 (1) pursuant to a court order;

14.17 (2) upon the written consent of the covered employee, account owner, beneficiary, or  
 14.18 other person who provides the data or is the subject of the data; or

14.19 (3) to a third party with which the program has contracted to perform administrative or  
 14.20 record-keeping functions, but only to the extent necessary to carry out the functions and  
 14.21 subject to the requirements of this subdivision as if the third party were the program.

14.22 Subd. 2. **Nonsolicitation restriction.** Neither program staff nor a third-party  
 14.23 administrator, record keeper, or any other vendor or consultant with which the program has  
 14.24 contracted may solicit a covered employee, an account owner, or a beneficiary for any  
 14.25 product or services not related to the program.

14.26 **Sec. 21. REPEALER.**

14.27 Minnesota Statutes 2025 Supplement, section 187.07, subdivision 3, is repealed.

14.28 **Sec. 22. EFFECTIVE DATE.**

14.29 Sections 1 to 21 are effective the day following final enactment.