



ANNUAL BOARD REPORT

January 2026



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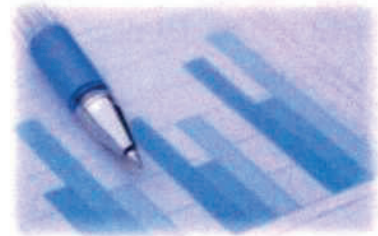
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Executive Summary

The Minnesota Secure Choice Retirement Program was created under Laws of Minnesota 2023, Chapter 46. The law is codified in Minnesota Statutes, Chapter 187. The Program was established to help employees save for retirement. Employers with five or more employees conducting business in Minnesota, who do not already offer a retirement plan, are required to participate in the Program.

Minnesota Statutes, Chapter 187.08, Subdivision 8, Section 10, requires the board to publish an annual report regarding the Minnesota Secure Choice Retirement Program. The law states:

“To publish an annual report regarding the plan outcomes, progress toward savings goals established by the board, statistics on the number of participants, participating employers, and covered employees who have opted out of participation, plan expenses, estimated impact of the Program on social safety net programs and penalties and violations, and disciplinary actions for enforcement, and deliver the report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic development and state government finance, the executive directors of the State Board of Investment and the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library.”



Oversight responsibilities of the Minnesota Secure Choice Retirement Program are vested in a seven-member Board of Directors. Appointments to the Board were finalized in January 2024. The Board held an organizational meeting on March 25, 2024. The names of the Board can be found on page 2 of this report.

Effective June 30, 2024, a \$5 million appropriation was deposited in an account to initially fund the Minnesota Secure Choice Program. The money was invested in the Invested Treasurer’s Cash (ITC) Pool and interest started accruing July 1, 2024. As of December 31, 2025, the Program had \$4,518,563 of operating funds available.

By law, the Program cannot start until after January 1, 2025. The Board made substantial progress during 2025 in preparing the operations and governance of the Program for a January 2026 launch. The Program is scheduled to open to the public on January 20th, 2026.

Introduction



In Minnesota, about 70% of employees have access to an employer sponsored retirement plan, which is among the highest in the country. However, according to AARP it is estimated that over 700,000 employees in Minnesota do not have access to an employer sponsored retirement program. Employer sponsored retirement plans make it easier for employees to save for retirement. Retirement savings not only help employees enjoy a more comfortable retirement but also reduces the likelihood that employees will not rely as heavily on public assistance programs.

According to a November 2025 report by The Senior Citizens League, 21.8 million seniors rely solely on Social Security for their retirement income. The average Social Security benefit as of December 2024 is \$1,975 per month. Social Security was not designed to replace 100% of retirement income – retirees are expected to supplement their retirement with savings.

The key components of the Minnesota Secure Choice Retirement Program are listed below:

- The Minnesota Secure Choice Program will offer a Roth IRA and a Traditional IRA.
- Employers, both businesses and nonprofits, with five or more employees receiving Minnesota taxable wages are required to participate in the Program unless they offer their own retirement plan.
- Employees may opt out of contributing to the Program.
- Eligible employers are required to withhold employee contributions and send them to the record keeper selected by the Minnesota Secure Choice Board. The record keeper offers automated processes to integrate with employers' payroll reporting systems to streamline the process.
- There is no cost to the employer, other than the cost of withholding and remitting contributions on behalf of the employee. Employer contributions are not allowed.

Eligible employees will automatically be enrolled in the Program by their employers but can opt out if they choose.

The Minnesota Secure Choice Retirement Board, with advice from the Minnesota State Board of Investment, will offer a variety investment of choices including a default investment fund.

Progress Report

Data regarding the plan outcomes and savings rate will not be available until after the Program launch on January 20, 2026. In preparation of this launch date, the Board made significant progress in developing the Program and agency structure in 2025.

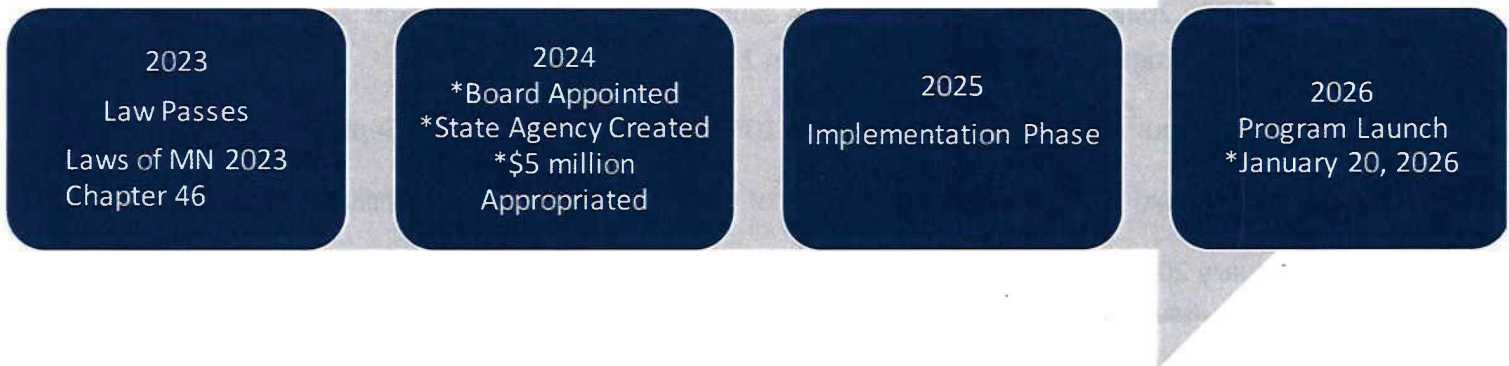
The Board held four meetings in 2025: January 10th, April 9th, June 17th, and September 24th.

Notable operational and governance outcomes of the 2025 Board meetings include the following:

- January 2025 meeting
 - ❖ Issuance of an RFP for a Program record keeper
 - ❖ Issuance of an RFP for an operational consultant
 - ❖ Established a committee to select a record keeper and evaluate a partnership
 - ❖ Established default contribution and escalation rates
- April 2025 meeting
 - ❖ Awarded contract for operation consulting to AKF Consulting
 - ❖ Approved FY2026 operating budget
- June 2025 meeting
 - ❖ Selected a partnership with the State of Colorado and awarded a contract to Vestwell as the Program record keeper
- September 2025 meeting
 - ❖ Approved the Program launch date of January 1, 2026, and a phased approach employer enrollment compliance schedule
 - ❖ Approved the Program fee structure
 - ❖ Appointed Chad Roberts as Executive Director

In 2025, Program staff made significant operational progress toward the January 2026 launch of the Program. These advancements include the development of social media sites, the development of a Board website, creating initial marketing and public relations materials, finalizing a contract with the record keeper, finalizing a contract with the State of Colorado and the Partnership for a Dignified Retirement, finalizing a contract with an operational consultant, establishing relationships with employer organizations such as the National Federation of Independent Businesses and the Minnesota Chamber of Commerce, developing the Program record keeper portal, cleaning and preparing employer and employee data received from DEED, initiating discussions with DHS and in-home care providers, and developing a Program launch plan.

Timeline



Next Steps

The Minnesota Secure Choice Retirement Program Board of Directors will have many milestones to achieve in 2026. Highlighted below are some of the key objectives:



Program Data

Initial data received from DEED for the launch of the program identified 43,504 employers employing 1,375,227 employees that the Program will be sending communications to with the January 2026 launch.

Once the Minnesota Secure Choice Retirement Program is operational, the annual report will include data regarding the Program to be provided to chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic development, Minnesota Management and Budget, the Executive Director of the State Board of Investment, the Executive Director of the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library. Once established, the following data will be provided:

<p style="text-align: center;">Required by Minnesota Statutes, Chapter 187.08 Subdivision 8, section 10</p>	Total Plan Assets
	Number of participating Employers
	Number of participating Savers
	Average Contribution
	Number of participants who have opted out of the Program
	Plan Expenses

The report will also include the following:

- Estimated impact of the Program on social safety net programs
- Penalties and violations for noncompliance and disciplinary actions for enforcement

If you have any questions about the Program, please contact Chad Roberts, Executive Director at:
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