



S.F. No. 2640 – Minnesota Caregiver Defined Contribution Retirement Fund Trust establishment provision (as proposed to be amended by the A-4 amendment)

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This summary is prepared for the State and Local Government Committee and focuses on the issues within the jurisdiction of the committee. It is not a thorough summary of the entire bill.

SF 2640, section 1, authorizes the establishment of a trust fund for retirement benefits for the providers of direct support services who are represented by SEIU Healthcare Minnesota and Iowa.

Section 1 [Minnesota Caregiver Retirement Fund Trust] (a) authorizes the state and an exclusive representative of direct support service providers to establish a joint labor and management trust to create, implement, and administer a retirement program for individual providers of direct support services who are represented by the exclusive representative.

(b) Requires the state to make contributions to the trust under a collective bargaining agreement. The state's contributions must be held in trust for paying the costs associated with creating, implementing, and administering a defined contribution or other individual account retirement program for direct support service providers working under a collective bargaining agreement and providing services under a medical assistance program for direct support services. Requires a board of trustees, appointed in equal numbers by the governor and the exclusive representative, to administer and jointly control the trust fund. The trust fund is not an agent of either the state or the exclusive representative.

(c) Authorizes a third-party administrator, financial management institution, or other appropriate entity, or a combination, to provide trust administrative, management, legal, and financial services to the board of trustees. The services must be paid from the money held in the trust.

(d) The state may purchase liability insurance for members of the board of trustees.

(e) Financial contributions to or participation in the management of the trust fund is not an unfair labor practice or a violation of state law.

(f) This section does not create a defined benefit retirement plan or program.

Sections 2 through 13 are not within the subject matter or budget jurisdiction of the State and Local Government committee. Section 14 is an appropriation to create the trust fund authorized under section 1.

Sections 2 to 9 increase medical assistance (MA) reimbursement for services provided by all personal care assistants and certain other similar direct care workers.

Sections 10 to 14 are appropriations and related language to fund aspects of the SEIU Healthcare Minnesota and Iowa collective bargaining agreement that are not related to medical assistance reimbursement.

Section 14 appropriates money in fiscal year 2026 from the general fund to the commissioner of human services for a vendor to create the trust fund authorized in section 1. This appropriation is onetime and is available under June 30, 2027.



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