

What is MN Secure Choice Retirement?

State-facilitated retirement program for private employers established by the Legislature in 2023

A way for private employees who do not have access to an employer-sponsored retirement plan to save for retirement

Information Needed From Another State Agency

FEIN

Employer Business Name

Physical Address

Mailing Address

Employer Contact Name

Employer Contact Email Address

Number of Employees

Employer Industry (NAICS code)

Employer Status (if applicable)

Employer Contact Phone Number

Keep it
secure –
we will!



Sharing
data is
the world
we live in

- All retirement plans
- Banking
- Governmental transactions
- 15 other states are receiving the information from another state agency.

Recommended Penalties for Non-compliance

Required under laws of MN 2023, chapter 187.10 sec.12

Why Impose Penalties?

Increases Enrollment

Vendors and Partnerships are more likely to respond to RFP

Reduces the cost of the Program

What Causes Penalties to be Imposed?

Employer doesn't enroll in program

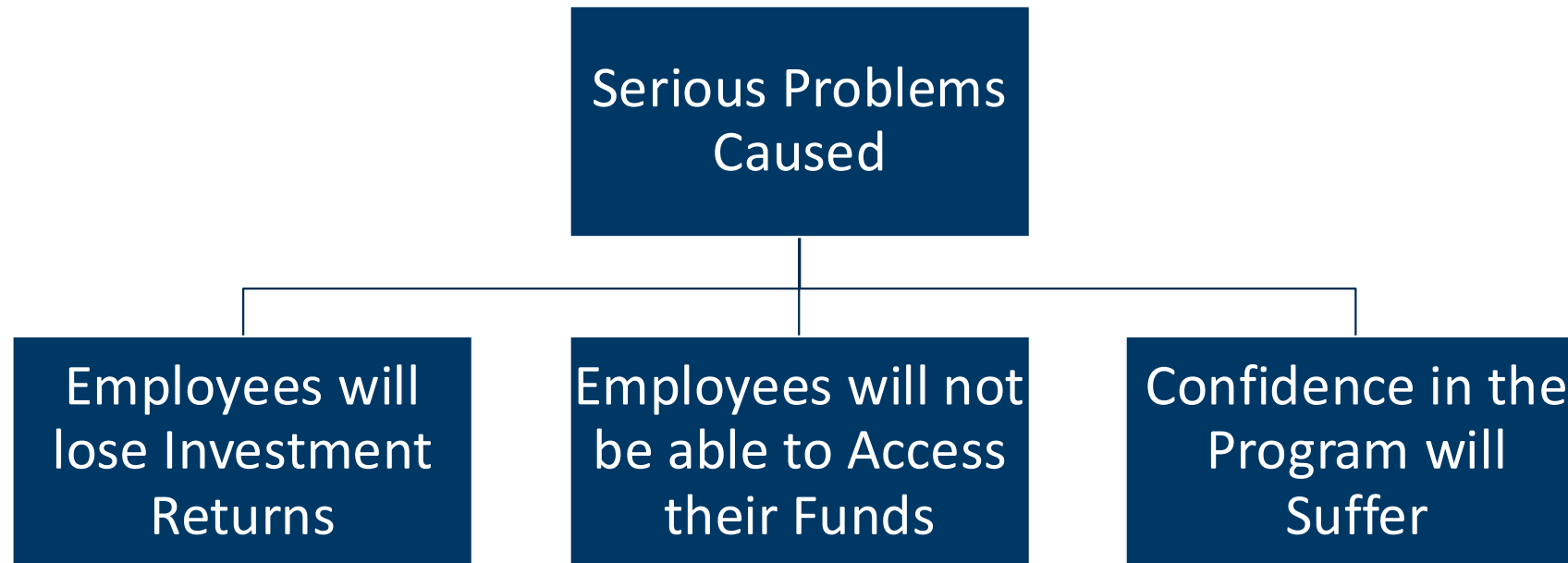
Employer fails to provide information to employees

Proposed Penalties for Non-compliance

| Period | Action |
|----------------------------------|--|
| 1 month prior to open enrollment | Notify employer of upcoming enrollment window. |
| Months 1 – 6 | Employer is reminded about their open enrollment window. |
| Months 7 – 18 | Written notices of non-compliance to employer. |
| Months 19 – 24 | Contact employer and send certified letters explaining that penalty will be imposed after the 24-month period. |
| ➤ Penalty Imposed | Impose penalty of \$100 per employee with a maximum penalty of \$4,000*. |
| Months 25 – 36 | Continue to contact employer and warn of upcoming penalty. |
| ➤ Penalty Imposed | Impose penalty of \$200 per employee with maximum penalty of \$6,000*. |
| Months 37 – 48 | Continue to contact employer and ward of upcoming penalty. |
| ➤ Penalty Imposed | Impose penalty of \$300 per employee with no maximum penalty. |
| Each ongoing year | Continue to contact employer and ward employer of upcoming penalty. |
| ➤ Penalty Imposed | Impose penalty of \$500 per employee with no maximum penalty. |

*Penalty will not be imposed if employer complies within 30-days of receipt of penalty letter.

Proposed Penalties for Contributions Withheld but not Remitted



Proposed Penalties for Contributions Withheld but not Remitted

When Should Payrolls Be Remitted?

- Usually within a few days of when employee receives their paycheck
- Employers will have 30-days after an employee is paid to remit deductions to the Recordkeeper
- The MN Secure Choice staff will contact employers immediately if they don't remit contributions within 30 days
- Employers will have 10 additional days to remit contributions

Proposed Penalties for Contributions Withheld but not Remitted

Penalties

If remitted within 10 days of being contacted, employer will make up contributions, plus 7% annual interest

If an employer willfully or intentionally refuses to remit contributions after 10 days of being contacted, it could be considered wage theft and could be considered a misdemeanor

By law, the Attorney General would have the right to enforce these penalties

If Employers fail to remit contributions with a 30-day period for a second time, a financial penalty of \$250 per employee will be assessed