

**187.07 RESPONSIBILITIES OF COVERED EMPLOYERS.**

Subdivision 1. **Requirement to enroll employees.** (a) Each covered employer must enroll its covered employees in the program and withhold payroll deduction contributions from each covered employee's paycheck no later than 30 days after the covered employee's first day of employment, unless the covered employee has elected not to contribute.

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

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

(c) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 30 days after the end of the enrollment window, the covered employer must have enrolled all covered employees, except for any covered employee who has elected not to contribute.

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

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

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

Subd. 2. **Remitting contributions.** Notwithstanding section 181.06, a covered employer must remit payroll deduction contributions withheld from the paycheck of each covered employee to the program as soon as practicable after the deduction is taken and no later than 30 days after the date of each paycheck.

Subd. 3. **Distribution of information.** (a) Covered employers must provide information prepared by the board to all covered employees regarding the program. The information must be provided to each covered employee no later than 14 days after the covered employee's first day of employment.

(b) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 14 days before the date of the first paycheck from which employee contributions could be deducted for transmittal to the program, the covered employer must provide the information prepared by the board regarding the program to all covered employees of the covered employer.

Subd. 4. **No fiduciary responsibility.** Except for the responsibilities described in subdivisions 1 to 3, a covered employer has no obligations to covered employees and is not a fiduciary for any purpose under the program or in connection with the Secure Choice trust. Covered employers are not responsible for the administration, investment performance, plan design, or benefits paid to covered employees.

Subd. 5. **Employer liability.** A covered employer is not liable to a covered employee for damages alleged to have resulted from a covered employee's participation in or failure to participate in the program.

Subd. 6. **Enforcement.** (a) As described under section 187.12, the board may impose:

(1) statutory civil penalties against any covered employer that fails to comply with subdivision 1 or 3; and

(2) statutory civil or criminal penalties against any covered employer that fails to comply with subdivision 2.

(b) At the request of the board, the attorney general shall enforce the penalties imposed by the board against a covered employer. Proceeds of such penalties, after deducting enforcement expenses, must be deposited in the Secure Choice administrative fund and are appropriated to the program.

(c) The board must provide written warnings to any covered employer that fails to comply with subdivision 1 or 3 or both subdivisions 1 and 3 for the first two years of noncompliance. If the covered employer has not complied with subdivision 1 or 3 during the two-year period after the date on which the covered employer was first required to comply with subdivision 1 or 3, as applicable, the board must assess penalties.

**History:** 2023 c 46 s 5; 2025 c 37 art 9 s 8-11

**NOTE:** This section, as added by Laws 2023, chapter 46, section 5, is effective the day after the Secure Choice retirement program board of directors opens the Secure Choice retirement savings program for enrollment of covered employees. Laws 2023, chapter 46, section 14.