

187.07 RESPONSIBILITIES OF COVERED EMPLOYERS.

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

(b) The covered employer must begin withholding payroll deduction contributions from the first paycheck of each covered employee after the end of the covered employee's waiting period, unless the covered employee has elected not to contribute.

(c) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. By the end of the enrollment window, the covered employer must have enrolled all covered employees.

Subd. 1a. **Default contribution rate and escalation schedule.** 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.

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. MS 2025 Supp [Repealed, 2026 c 106 art 9 s 22]

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; 2026 c 106 art 9 s 11,12