

1.1 A bill for an act
1.2 relating to retirement; Minnesota Secure Choice Retirement Program; adding
1.3 penalties for noncompliance; providing criminal penalties; proposing coding for
1.4 new law in Minnesota Statutes, chapter 187.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[187.012] PENALTIES FOR NONCOMPLIANCE.**

1.7 **Subdivision 1. Failure to enroll covered employees or distribute information. (a)**
1.8 **The board must assess penalties against a covered employer that fails to comply with section**
1.9 **187.07, subdivision 1 or 3 or both subdivisions 1 and 3, beginning with the second**
1.10 **anniversary of the date on which the covered employer was first required to comply with**
1.11 **section 187.07, subdivision 1 or 3, as applicable.**

1.12 **(b) The board must assess the following penalties for a covered employer's failure to**
1.13 **comply with section 187, subdivision 1 or 3:**

1.14 **(1) on the second anniversary, a penalty of \$100 per covered employee, not to exceed**
1.15 **\$4,000;**

1.16 **(2) on the third anniversary, a penalty of \$200 per covered employee, not to exceed**
1.17 **\$6,000;**

1.18 **(3) on the fourth anniversary, a penalty of \$300 per covered employee; and**

1.19 **(4) on each anniversary after the fourth anniversary, a penalty of \$500 per covered**
1.20 **employee.**

1.21 **(c) If the covered employer fails to comply with both subdivisions 1 and 3, the board**
1.22 **must assess two times the penalties in paragraph (b).**

2.1 (d) The date on which a covered employer is first required to comply with section 187.07,
2.2 subdivision 1, is the following:

2.3 (1) for paragraph (a), on or before the 30th day after the first day of employment of a
2.4 covered employee hired by the covered employer; and

2.5 (2) for paragraph (b), on or before the 30th day after the end of the enrollment window
2.6 applicable to the covered employer.

2.7 (e) The date on which a covered employer is first required to comply with section 187.07,
2.8 subdivision 3, is the following:

2.9 (1) for paragraph (a), for a newly hired covered employee no later than 14 days after the
2.10 covered employee's first day of employment; and

2.11 (2) for paragraph (b), no later than the 14th day prior to the date of the first paycheck
2.12 from which employee contributions could be deducted for transmittal to the program.

2.13 Subd. 2. **Notice and waiver.** Before assessing a penalty under subdivision 1, the board
2.14 must provide the covered employer with a written notice informing the covered employer
2.15 of the amount of the penalty and that the penalty will not be assessed if:

2.16 (1) the covered employer cures the violation no later than 30 days after the date of the
2.17 notice; or

2.18 (2) the board waives the penalty at the request of the covered employer due to extenuating
2.19 circumstances.

2.20 Subd. 3. **Failure to remit contributions.** (a) If the executive director has reason to
2.21 believe, based on communication from a covered employee or another source, that a covered
2.22 employer has failed to comply with section 187.07, subdivision 2, by not remitting payroll
2.23 deduction contributions withheld from the paycheck of one or more covered employees
2.24 within 30 days after the deduction is withheld, the executive director must make a written
2.25 demand to the covered employer requiring the covered employer to immediately remit to
2.26 the program the withheld contributions plus interest at the annual rate specified in section
2.27 356.59, subdivision 2, for the period beginning with the tenth day after the contribution was
2.28 deducted from the covered employee's paycheck to the date the contribution is remitted to
2.29 the program.

2.30 (b) Any covered employer that willfully and intentionally fails to remit a payroll deduction
2.31 contribution within ten days after demand from the executive director is guilty of a
2.32 misdemeanor.

3.1 (c) If the executive director issues a written demand to a covered employer under
3.2 paragraph (a) for a second time, the executive director must assess a penalty of \$250 for
3.3 each employee contribution withheld but not transmitted to the program.

3.4 Subd. 4. **Action; damages.** (a) A covered employee or the attorney general, upon referral
3.5 from the board, may bring a civil action against a covered employer for a failure to enroll
3.6 covered employees, distribute information, or remit contributions under section 187.07,
3.7 subdivisions 1 to 3. A covered employer who is found to have violated these subdivisions
3.8 is liable to the program for the civil penalties provided for in this section. A covered employer
3.9 who is found to have violated these subdivisions is liable for compensatory damages and
3.10 other appropriate relief including but not limited to injunctive relief.

3.11 (b) The attorney general, upon referral from the board, may bring a criminal action
3.12 against a covered employer for the misdemeanor of not remitting contributions under section
3.13 187.07, subdivision 2.

3.14 (c) An action brought under paragraph (a) or (b) may be filed in the district court of the
3.15 county in which a violation is alleged to have been committed, where the covered employer
3.16 resides or has a principal place of business, or any other court of competent jurisdiction.

3.17 (d) In an action brought under paragraph (a) or (b), the court must order a covered
3.18 employer who is found to have committed a violation to pay to the program or covered
3.19 employee, as appropriate, reasonable costs, disbursements, witness fees, and attorney fees.

3.20 **EFFECTIVE DATE.** This section is effective upon enactment in the 2025 regular or
3.21 special session of a bill styled as H.F. No./S.F. No., also referred to as revisor number
3.22 25-04680, section 8, or its equivalent.