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# ANNUAL BOARD REPORT

**January 2025**

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## BOARD MEMBERS

Jill Schurtz, Board Chair

Erin Leonard, Vice Chair

Cynthia Geiwitz

Danica Goshert

James Miley

Robin Ritter

Alex West Steinman

David Bergstrom, Interim Director  
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# Executive Summary

The Minnesota Secure Choice Retirement Program was created under Laws of Minnesota 2023, Chapter 46. The law is codified in Minnesota Statutes, Chapter 187. The Program was established to help employees save for retirement. Businesses with five or more employees, who do not already offer a retirement plan, will be required to participate in the Program.

Minnesota Statutes, Chapter 187.08, Subdivision 8, Section 10, requires the board to publish an annual report regarding the Minnesota Secure Choice Retirement Program. The law states:

“To publish an annual report regarding the plan outcomes, progress toward savings goals established by the board, statistics on the number of participants, participating employers, and covered employees who have opted out of participation, plan expenses, estimated impact of the Program on social safety net programs and penalties and violations, and disciplinary actions for enforcement, and deliver the report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic development and state government finance, the executive directors of the State Board of Investment and the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library.”



Oversight responsibilities of the Minnesota Secure Choice Retirement Program are vested in a seven-member Board of Directors. Appointments to the Board were finalized in January 2024. The Board held an organizational meeting on March 25, 2024. The names of the Board can be found on page 2 of this report.

Effective June 30, 2024, a \$5 million appropriation was deposited in an account to initially fund the Minnesota Secure Choice Program. The money was invested in the Invested Treasurer’s Cash (ITC) Pool and interest started accruing July 1, 2024.

By law, the Program cannot start until after January 1, 2025. It will take a considerable amount of time to establish the new Program. The Board is targeting the first quarter of 2026 as a realistic timeframe to make the Program available to employers.

# Introduction

In Minnesota, about 70% of employees have access to an employer sponsored retirement plan, which is among the highest in the country. However, according to AARP It is estimated that over 700,000 employees in Minnesota do not have access to an employer sponsored retirement program. Employer sponsored retirement plans make it easier for employees to save for retirement. Retirement savings not only help employees enjoy a more comfortable retirement, but also reduces the likelihood that employees will not rely as heavily on public assistance Programs.



In 2022, the Social Security Administration estimates that 46 million Americans rely on Social Security for 90% or more of their income. The average Social Security benefit is about \$1,700 month. Social Security was not designed to replace 100% of retirement income – retirees are expected to supplement their retirement with savings.

The key components of the Minnesota Secure Choice Retirement Program are listed below:

- The Minnesota Secure Choice Program will offer a Roth IRA and a Traditional IRA.
- Employers with five or more employees are required to participate in the Program unless they offer their own retirement plan.
- Employees may opt out of contributing to the Program.
- Each eligible employer’s responsibility will be to withhold employee contributions and send them to the record keeper selected by the Minnesota Secure Choice Board. The record keeper will offer several automated ways to help employers withhold and remit contributions.
- There is no cost to the employer, other than the cost of withholding and remitting contributions on behalf of the employee. Employer contributions are not allowed.

Eligible employees will automatically be enrolled in the Program but can opt out if they choose. The Minnesota Secure Choice Board, with advice from the State Board or Investment Executive Director, will offer several investment choices. And will establish a default investment fund.

# Progress Report

Since the Minnesota Secure Choice Retirement Program will not be up and running until the first quarter of 2026, there is no data regarding the plan outcomes and savings rate. However, the Board has made progress toward establishing a state agency and beginning the implementation phase of starting the Program.

The Board was named in January 2024 and held an organizational meeting on March 25, 2024. Jill Schurtz, the State Board of Investment Executive Director, was elected Chair. Erin Leonard, the Minnesota State Retirement System Executive Director, was elected Vice Chair.

The \$5 million appropriation was deposited in the Secure Choice Retirement Program account as of June 30, 2024, and the money was invested in the Invested Treasurer's Cash (ITC) pool and has earned interest starting on July 1, 2024.

Dave Bergstrom was hired as an Interim Executive Director in October 2024. The Interim Executive Director's role will be to assist the Board in hiring a permanent executive director, establishing a state agency, creating a website, and making initial policy decisions regarding the Program.

On November 1, 2024, the Board leased space in the Minnesota Pollution Control Building, 520 Lafayette Road, St. Paul, MN, 55155.

Minnesota IT Services (MNIT) set up a secure Local Area Network (LAN) and Wide Area Network (WAN) for the agency.

MNIT is currently working with the agency to host and develop a web site for MN Secure Choice. A landing page has been developed and it is expected that the web site will be operational by January 2025.

At their December 6, 2024, meeting, the Board approved the following:

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- **Fiscal Year 2025 Operating Budget.**

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  - **Timeline for phasing in employer enrollment based on the number of employees.**

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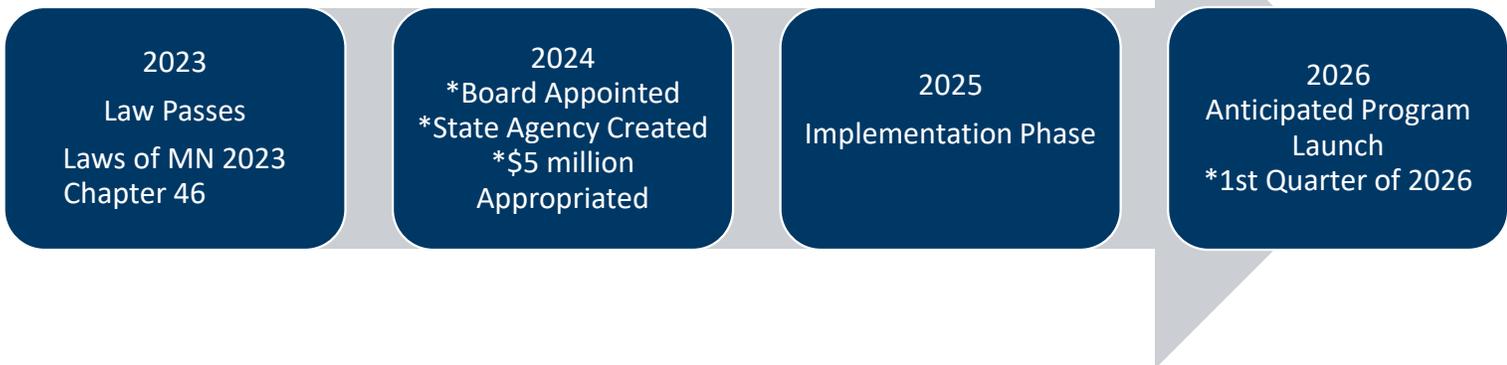
  - **A compliance policy which establishes penalties for employers who do not fulfill their legal participation requirements. The policy has been remitted to the Legislative Commission on Pensions and Retirement for consideration during the 2025 Legislative Session.**

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  - **A plan and timeline to hire a permanent Executive Director.**

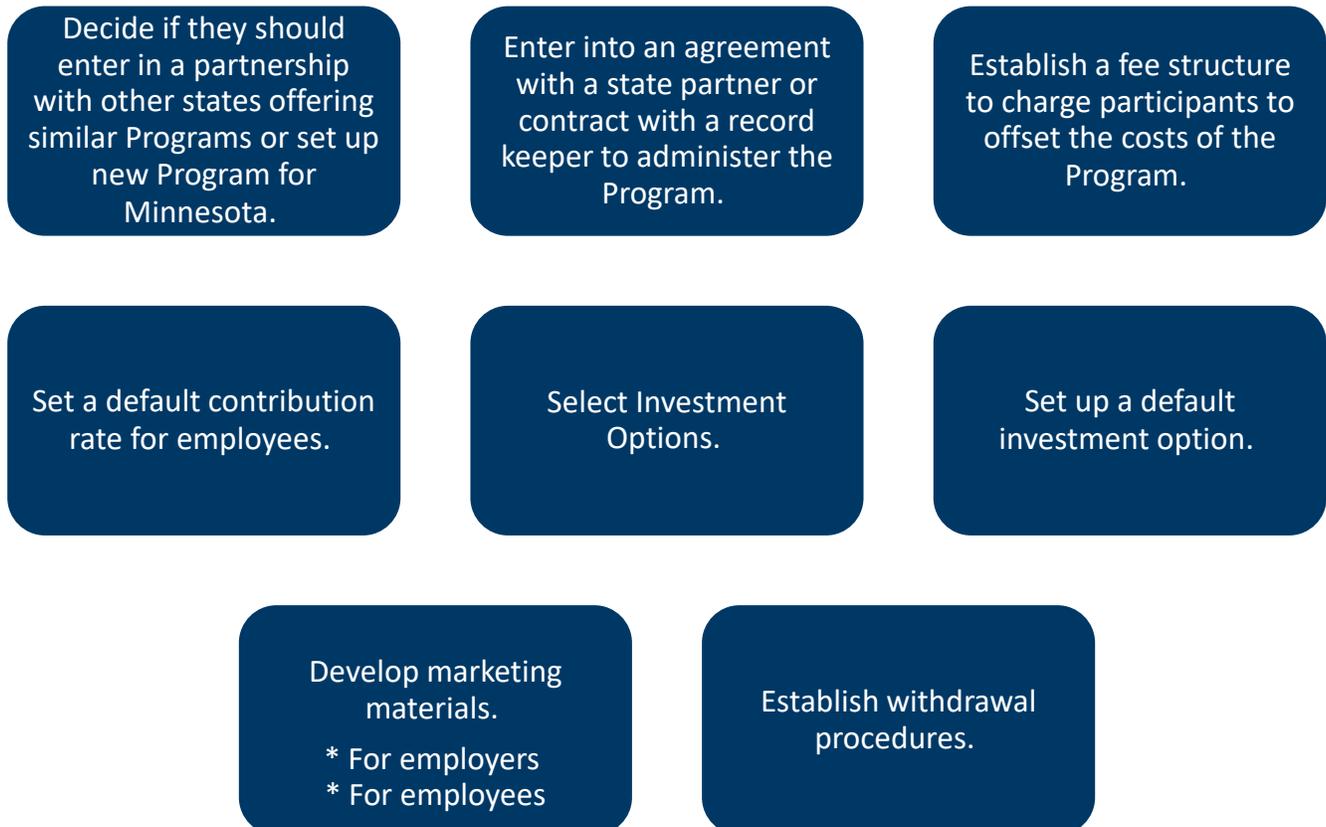
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# Timeline



## Next Steps

The Minnesota Secure Choice Retirement Program Board of Directors will have many important decisions to make in 2025. Highlighted below are some of the key decisions:



# Program Data

Once the Minnesota Secure Choice Retirement Program is up and running, the annual report will include data regarding the Program to be provided to chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic development, Minnesota Management and Budget, the Executive Director of the State Board of Investment, the Executive Director of the Legislative Commission on Pensions and Retirement, and the Legislative Reference Library. Once established, the following data will be provided:

<p style="text-align: center;">Required by Minnesota Statutes, Chapter 187.08 Subdivision 8, section 10</p>	Total Plan Assets	
	Number of participating Employers	
	Number of participating Savers	
	Average Contribution	
	Number of participants who have opted out of the Program	
	Plan Expenses	

The report will also include the following:

- Estimated impact of the Program on social safety net programs
- Penalties and violations for noncompliance and disciplinary actions for enforcement

If you have any questions about the Program, please contact Dave Bergstrom at:  
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 651-201-1975