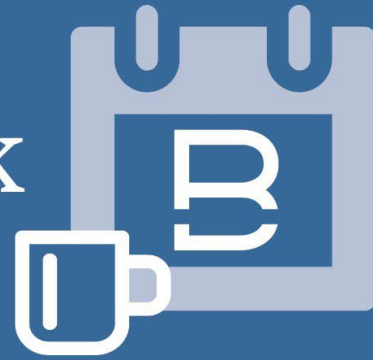


The Work Week

Bassford Remele Employment Practice Group



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Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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Preparing for the Minnesota Secure Choice Retirement Program

[Nicolas L. Hanson](#)

Recently, the Minnesota Star Tribune published an article describing a serious financial crisis involving the Chicago-based Christian Brothers Services, who provides and manages the pension plans of thousands of current and former employees from numerous Minnesota Catholic schools and dioceses. The article describes how the multiemployer pension plan is facing an \$800 million funding shortfall, forcing participating schools such as Cretin-Derham Hall and Hill-Murray to either dramatically increase their annual pension contributions or consider exiting the plan completely. Triggered by a failed hedge fund investment and compounded by demographic shifts as retirees now outnumber contributing employees, many current and former employees of various Minnesota Catholic schools are left with deep uncertainty about the security of their pensions.

Given the shocking development of the Christian Brothers Services pension dilemma, it's important for employers in Minnesota to remain informed about current retirement-related requirements and developments for the upcoming year. Specifically, employers should be aware of the new Minnesota Secure Choice Retirement Program, created by the Minnesota Legislature and set to begin on January 1, 2026.

The Minnesota Secure Choice Retirement Program was established by the Minnesota Legislature to promote saving for retirement among Minnesotans without access to a retirement savings plan through their employer. The Minnesota Secure Choice Retirement Program requires all employers in Minnesota with five or more employees, regardless of whether those employees work part time or full time, to take specific actions to facilitate retirement savings. Employers may either enroll in the Secure Choice program, which enables employees to save for retirement

through state-administered Roth IRA accounts, or they may file for an exemption if an existing qualified retirement plan is already in place. Qualified plans that satisfy this exemption include options such as a 401(k), 403(b), 457(b), SEP IRA, or SIMPLE IRA. The principal aim of the law is to address retirement insecurity among workers who do not currently have access to employer-sponsored retirement saving opportunities.

Vestwell, a private company, oversees the Minnesota Secure Choice Retirement Program for the state. As each group of employers reaches its scheduled enrollment period, Vestwell will contact the employer directly and provide login details for the program's secure online portal. The law splits employers into groups based on how many employees they have, with the largest employers first followed by smaller employers thereafter. Employers with one hundred or more workers are required to sign up between April and June of 2026. Those with fifty to ninety-nine employees go next, from July to December 2026. Employers with twenty-five to forty-nine employees register between January and June of 2027, and those with ten to twenty-four between July and December of 2027. The smallest covered employers, with five to nine employees, will register from January to June of 2028. If any employer wants to get started ahead of their assigned phase, there is also an early "soft launch" sign-up available to businesses of any size from January through March 2026. This structured timeline makes it clear when each Minnesota employer needs to act under the new retirement law.

Once an employer is notified, prompt action is required. The employer must either complete the Secure Choice enrollment and set up Roth IRA accounts for all covered employees or file for exemption with documentation that a qualifying plan is already in place. For organizations already providing comprehensive retirement benefits, documentation and a formal request for exemption must be submitted through the Vestwell portal.

It is important for employers to understand and follow all requirements of the Secure Choice Retirement Program to ensure compliance with the law, avoid penalties, and support their employees in building a secure financial future.

At Bassford Remele, we actively track emerging and upcoming legislative developments in employment law, with particular attention to workplace policy shifts influenced by recent state and federal regulatory changes. Feel free to reach out if you need assistance in this continually evolving landscape!

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