



March 9, 2023

Dear Members of the State and Local Government Finance and Policy Committee,

The Minnesota Council of Nonprofits (MCN) is the largest statewide association of nonprofits in the country, representing over 2,300 member organizations across the state. MCN's membership organizations provide services to millions of Minnesotans, including low-income seniors with little retirement savings.

Nonprofit employees were the last employees included in the Social Security system and it was not until 1983 that nonprofit employers were required to contribute to their employees' Social Security accounts. Since that time there has been a broad effort to encourage nonprofit employers to contribute to employee retirement.

Minnesota nonprofits employ 14% of the state's workforce, over 390,000 people.

Like many other sectors, larger nonprofits are the most likely to provide a retirement savings plan. Regrettably, about half of small nonprofits with budgets under \$500,000 do not offer retirement saving plans, according to our 2022 Salary and Benefits survey. Most nonprofits are small – about 60% of MCN's member nonprofits have a budget under \$700,000. (Every two years, MCN publishes the Minnesota Nonprofit Salary and Benefits Survey, which reports on the extent to which organizations provide a retirement savings plan for their employees.)

Such small nonprofits do not have dedicated HR staff, so the technical aspects of creating retirement plans are beyond their management capacity. Secure Choice would provide nonprofit employees access to a retirement plan, with extremely small work on the part of the employer.

For MCN, our support for the Minnesota Secure Choice Retirement Program Act is twofold:

- First, there is strong interest within the nonprofit sector to make sure that nonprofit employees have adequate retirement, and
- Second, broad support to make sure all Minnesotans have access to effective means to save for retirement, whether or not it is provided by their employer.

The Minnesota Secure Choice Retirement Program Act would help address a serious need of nonprofit employers and employees by minimizing the barriers and increasing access to retirement plans at work. If you have any questions, please contact Ileana Mejia at 651-757-3072 or imejia@minnesotanonprofits.org. Thank you for your continuing partnership as we work together to serve the communities of Minnesota.

Sincerely,

Handwritten signature of Ileana Mejia in black ink.

Ileana Mejia
Public Policy Advocate

Handwritten signature of Marie Ellis in black ink.

Marie Ellis
Public Policy Director