

HOUSE BILL NO. 5336

December 02, 2025, Introduced by Reps. Tisdell and McFall and referred to Committee on Government Operations.

A bill to create the secure retirement savings program to provide retirement savings options for certain employees; to provide for the powers and duties of certain governmental officers and entities; to require participation in the program by certain employers; to create the secure retirement savings program fund as a trust fund outside the state treasury consisting of employee retirement accounts; to establish the Michigan secure retirement administrative fund to pay program administrative expenses; to provide for civil fines; and to require the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "retirement savings
2 program act".

3 Sec. 2. As used in this act:

4 (a) "Board" means the secure retirement savings board created
5 in section 2 of the secure retirement savings board act.

6 (b) "Department" means the department of treasury.

7 (c) "Employee" means an individual who is 18 years of age or
8 older, is employed by an employer, and has wages allocable to this
9 state during the calendar year for purposes of the income tax act
10 of 1967, 1967 PA 281, MCL 206.1 to 206.847, or an individual who is
11 enrolled in the program.

12 (d) "Employer" means a person or entity engaged in a business,
13 industry, profession, trade, or other enterprise in this state,
14 whether for profit or not-for-profit, that employed 1 or more
15 employees at any time during the previous calendar year, has been
16 in business at least 730 days after the person's or entity's first
17 payroll, and has not offered a qualified retirement plan to any
18 employees, including, but not limited to, a plan qualified under
19 section 401(a), 401(k), 403(a), 403(b), 408(k), 408(p), or 457(b)
20 of the internal revenue code, 26 USC 401, 403, 408, and 457, in the
21 preceding 2 years.

22 (e) "Enrollee" means an employee who is enrolled in the
23 program.

24 (f) "Fund" means the secure retirement savings program fund
25 established under section 4.

26 (g) "Internal revenue code" means the internal revenue code of
27 1986.

28 (h) "IRA" means an individual retirement account under section

1 408 of the internal revenue code, 26 USC 408, or a Roth IRA under
2 section 408A of the internal revenue code, 26 USC 408A.

3 (i) "Participating employer" means an employer that provides a
4 payroll deposit retirement savings arrangement as provided for by
5 this act for its employees.

6 (j) "Payroll deposit retirement savings arrangement" means an
7 arrangement by which a participating employer allows enrollees to
8 remit payroll deduction contributions to the program.

9 (k) "Program" means the Michigan secure retirement savings
10 program established under section 3.

11 (l) "Wages" means any compensation within the meaning of
12 section 219(f)(1) of the internal revenue code, 26 USC 219, that is
13 received by an employee from an employer or, if authorized by the
14 board, self-employment, during the calendar year.

15 Sec. 3. A retirement savings program in the form of an
16 automatic enrollment payroll deduction IRA, known as the Michigan
17 secure retirement savings program, is established in the
18 department. The board shall administer the program for the purpose
19 of promoting greater retirement savings for private-sector
20 employees in a convenient, low-cost, and portable manner.

21 Sec. 4. (1) The secure retirement savings program fund is
22 established as a trust outside of the state treasury, with the
23 board as its trustee. The fund includes the individual retirement
24 accounts of enrollees, which must be maintained as individual
25 accounts. The fund consists of money received from enrollees
26 through automatic payroll deductions and contributions made under
27 this act. The fund must be operated in a manner determined by the
28 board so that the accounts of enrollees established under the
29 program meet the requirements for IRAs under the internal revenue

1 code.

2 (2) Money deposited in the fund is not property of this state,
3 and the fund must not be construed to be a department, institution,
4 or agency of this state. Money in the fund must not be commingled
5 with state money, and this state has no claim to or against, or
6 interest in, the money in the fund.

7 Sec. 5. The secure retirement administrative fund is created
8 as a separate trust fund in the state treasury. The department is
9 the administrator of the fund for auditing purposes. The board
10 shall use money in the secure retirement administrative fund to pay
11 for administrative expenses it incurs in the performance of its
12 duties under this act. The board shall use money in the secure
13 retirement administrative fund to cover administrative expenses it
14 incurs in the performance of its duties under this act. The secure
15 retirement administrative fund may receive grants or other money
16 designated for administrative purposes from this state; a unit of
17 federal or local government; or any other person, firm,
18 partnership, or corporation. Any interest or earnings attributable
19 to money in the secure retirement administrative fund must be
20 deposited into the secure retirement administrative fund. Money in
21 the fund at the close of the fiscal year must remain in the fund
22 and must not lapse to the general fund.

23 Sec. 7. The board, the individual members of the board, the
24 trustee appointed under section 8(b), any other agents appointed or
25 engaged by the board, and all persons serving as program staff
26 shall discharge their duties with respect to the program, including
27 in the selection of investment options available to enrollees,
28 solely in the interest of the program's enrollees and beneficiaries
29 as follows:

1 (a) For the exclusive purposes of providing benefits to
2 enrollees and defraying reasonable expenses of administering the
3 program.

4 (b) By investing with the care, skill, prudence, and diligence
5 under the prevailing circumstances that a prudent person acting in
6 a like capacity and familiar with those matters would use in the
7 conduct of an enterprise of a like character and with like aims.

8 (c) By using any contributions paid by enrollees into the
9 trust exclusively for the purpose of paying benefits to the
10 enrollees of the program, for the cost of administration of the
11 program, and for investments made for the benefit of the program.

12 Sec. 8. In addition to the other duties and responsibilities
13 stated in this act, the board shall do all of the following:

14 (a) Cause the program to be designed, established, and
15 operated in a manner that does all of the following:

16 (i) Accords with best practices for retirement savings
17 vehicles.

18 (ii) Maximizes participation, savings, and sound investment
19 practices.

20 (iii) Maximizes simplicity, including ease of administration for
21 participating employers and enrollees.

22 (iv) Provides an efficient product to enrollees by pooling
23 investment funds.

24 (v) Ensures the portability of benefits, including the ability
25 for enrollees to roll over funds into other retirement accounts and
26 roll over funds from other retirement accounts into program
27 accounts.

28 (b) Appoint a trustee to the fund in compliance with section
29 408 of the internal revenue code, 26 USC 408.

1 (c) Contract as necessary for the administration of the
2 program and fund, including, but not limited to, retaining and
3 contracting with investment managers, private financial
4 institutions, other financial and service providers, consultants,
5 actuaries, counsel, auditors, third-party administrators, and other
6 professionals.

7 (d) Conduct a review of the performance of any investment
8 vendor at least every 4 years, including, but not limited to, a
9 review of returns, fees, and customer service.

10 (e) Determine the number and duties of staff members needed to
11 administer the program and assemble the staff, including, as
12 needed, employing staff, appointing a program administrator, and
13 entering into contracts with the state treasurer to make employees
14 of the department available to administer the program.

15 (f) Cause money in the fund to be held and invested as pooled
16 investments with a view to achieving cost savings through
17 efficiencies and economies of scale.

18 (g) Design and establish the process for enrollment under
19 section 14, including the process by which an employee can opt not
20 to participate in the program, select a contribution level, select
21 an investment option, and terminate participation in the program.

22 (h) Evaluate and, if feasible, establish a process by which an
23 individual who is not considered an employee under the program,
24 including, but not limited to, a self-employed individual, or is an
25 employee of an employer that is not covered by the program may
26 voluntarily enroll in and make contributions to the program.

27 (i) Accept any grants, appropriations, or other money from
28 this state, any unit of federal, state, or local government, or any
29 other person, firm, partnership, or corporation solely for deposit

1 into the fund, whether for investment or administrative purposes.

2 (j) Evaluate the need for, and procure as needed, insurance
3 against any loss in connection with the property, assets, or
4 activities of the program, and indemnify as needed each member of
5 the board from personal loss or liability resulting from a member's
6 action or inaction as a member of the board.

7 (k) Make provisions for paying administrative costs and
8 expenses for the creation, management, and operation of the
9 program, including the costs associated with subdivisions (e), (g),
10 and (h), section 19(5), and section 2(2) of the secure retirement
11 savings board act. Subject to appropriation, this state may pay
12 administrative costs associated with the creation and management of
13 the program until sufficient assets are available in the fund for
14 that purpose. The board shall keep annual administrative expenses
15 as low as possible.

16 (l) Set minimum and maximum contribution levels in accordance
17 with limits established for IRAs in the internal revenue code.

18 (m) Facilitate education and outreach to employers and
19 employees.

20 (n) Facilitate program compliance with all applicable
21 requirements under the internal revenue code, including tax
22 qualification requirements or any other applicable law and
23 accounting requirements.

24 (o) Carry out the duties and obligations of the program in an
25 effective, efficient, and low-cost manner.

26 (p) Exercise any other powers reasonably necessary to
27 effectuate the program purposes and objectives.

28 (q) Deposit into the secure retirement administrative fund all
29 grants, gifts, donations, fees, and earnings from investments from

1 the fund that are used to recover administrative costs. All
2 expenses of the board must be paid from the Michigan secure
3 retirement administrative fund.

4 Sec. 9. The board shall prepare and adopt a written statement
5 of investment policy that includes a risk management and oversight
6 program. The investment policy must prohibit the board, program,
7 and fund from borrowing for investment purposes. The risk
8 management and oversight program must be designed to ensure that an
9 effective risk management system is in place to monitor the risk
10 levels of the program and fund portfolio, to ensure that the risks
11 taken are prudent and properly managed, to provide an integrated
12 process for overall risk management, and to assess investment
13 returns and risk to determine if the risks taken are adequately
14 compensated compared to applicable performance benchmarks and
15 standards. The board shall consider the statement of investment
16 policy and any changes in the investment policy at a public
17 hearing. The investment policy and changes to the investment policy
18 must be posted on the board's or department's website at least 30
19 days before implementation of the policy.

20 Sec. 10. (1) The board may engage an investment manager or
21 managers to invest the fund and any other assets of the program.
22 Money in the fund may be invested or reinvested by the state
23 treasurer or may be invested in whole or in part under contract
24 with private investment managers selected by the board. In
25 selecting the investment manager or managers, the board shall take
26 into consideration the investment manager's fees and charges to
27 reduce the program's administrative expenses.

28 (2) The investment manager or managers shall provide the
29 reports the board considers necessary for the board to oversee each

1 investment manager's performance and the performance of the fund.

2 Sec. 11. (1) The board may enter into intergovernmental
3 agreements with departments of this state to further the successful
4 implementation and operation of the program, and the departments
5 shall cooperate with the board.

6 (2) Each department of this state shall cooperate as requested
7 by the board in the performance of the board's duties under this
8 act, including, unless otherwise prohibited, the sharing of
9 relevant data as the parties mutually agree.

10 Sec. 12. Investment earnings and investment losses must be
11 allocated to individual program accounts as established by the
12 board. An enrollee's retirement savings benefit under the program
13 must be an amount equal to the balance in the individual's program
14 account. This state is not liable for any payment of benefits to
15 any enrollee in the program.

16 Sec. 13. (1) Before opening the program for enrollment, the
17 board shall design an employer information packet and an employee
18 information packet. The employer information packet and employee
19 information packet must include background information on the
20 program, appropriate disclosures for employees, and information
21 regarding the website described in section 14(7).

22 (2) The board shall provide for the contents of both the
23 employee information packet and the employer information packet.

24 (3) The employee information packet must include a disclosure
25 form. The disclosure form must explain, but not be limited to
26 explaining, all of the following:

27 (a) The benefits and risks associated with making
28 contributions to the program.

29 (b) The mechanics of how to make contributions to the program.

1 (c) How to opt out of the program.

2 (d) How to participate in the program with a level of employee
3 contributions other than the contributions described in section
4 14(3).

5 (e) The process for withdrawing retirement savings.

6 (f) How to obtain additional information about the program.

7 (g) That employees seeking financial advice should contact
8 financial advisors, that participating employers are not in a
9 position to provide financial advice, and that participating
10 employers are not liable for decisions employees make under this
11 act.

12 (h) That the program is not a qualified retirement plan.

13 (i) That the program fund is not guaranteed by this state.

14 (4) The employee information packet must also include a form,
15 including an electronic form, for an employee to note the
16 employee's decision to opt out of participation in the program or
17 elect to participate with a level of employee contributions other
18 than the contributions described in section 14(3).

19 (5) The board shall determine who will supply the employee
20 information packet to employees after the participating employer
21 registers for the program.

22 Sec. 14. (1) Except as otherwise provided in section 21, the
23 program must be implemented not later than 24 months after the
24 effective date of this act. Subsections (2) to (6) apply after the
25 board opens the program for enrollment.

26 (2) An employee who has not opted out of participation in the
27 program under the process under section 13(4) must be automatically
28 enrolled in the program.

29 (3) An enrollee may select a contribution level into the fund.

1 The level may be expressed as a percentage of wages or as a dollar
2 amount up to the deductible amount for the enrollee's taxable year
3 under section 408A(c) of the internal revenue code, 26 USC 408A. An
4 enrollee may change the enrollee's contribution level at any time,
5 subject to rules promulgated by the board. The board shall
6 establish default, minimum, and maximum employee contribution rates
7 and an escalation schedule to automatically increase each
8 enrollee's contribution rate annually until the contribution rate
9 is equal to the maximum contribution rate. The maximum default
10 contribution rate established by the board must not exceed 15% of
11 the enrollee's wages.

12 (4) An enrollee may change the enrollee's investment selection
13 among available options at any time, subject to rules promulgated
14 by the board.

15 (5) An employer retains the option to set up a qualified
16 retirement plan, such as a defined benefit plan, 401(k) plan,
17 Simplified Employee Pension Plan (SEP), or Savings Incentive Match
18 Plan for Employees (SIMPLE) plan, or a similar program offered by a
19 trade association or chamber of commerce instead of participating
20 in the program.

21 (6) An enrollee may terminate the enrollee's participation in
22 the program at any time in a manner prescribed by the board.

23 (7) The board shall establish and maintain a website designed
24 to assist employers in identifying private sector providers of
25 qualified retirement plans that can be set up by the employer
26 rather than participating in the program under this act. The board
27 shall provide public notice of the availability of and the process
28 for inclusion on the website before it becomes publicly available.
29 The website must be available to the public before the board opens

1 the program for enrollment, and the website address must be
2 included on any website posting or other materials regarding the
3 program offered to the public by the board.

4 (8) The board shall establish an implementation timeline that
5 requires that employers enroll their employees in the program. The
6 timeline must include the date by which an employer must begin
7 enrollment of its employees in the program and the date by which
8 enrollment must be complete. The board shall adopt the
9 implementation timeline at a public meeting of the board and shall
10 publicize the implementation timeline. The board shall provide
11 advance notice to employers of their enrollment date and the amount
12 of time to complete enrollment.

13 Sec. 15. (1) Employee contributions deducted by the
14 participating employer through payroll deduction must be paid by
15 the participating employer to the program fund using 1 or more
16 payroll deposit retirement savings arrangements established by the
17 board, by 1 of the following times:

18 (a) On or before the last day of the month following the month
19 in which the compensation otherwise would have been payable to the
20 employee in cash.

21 (b) Before a later deadline prescribed by the board for making
22 the payments, but not later than the due date for the deposit of
23 tax required to be deducted and withheld relating to collection of
24 income tax at source on wages or for the deposit of tax required to
25 be paid under the employment security insurance system for the
26 payroll period to which the payments relate.

27 (2) If a participating employer or its agent willfully fails
28 to remit any portion of an employee contribution in the time period
29 specified in this subsection, the employer and all agents

1 responsible for the nonremission are guilty of a misdemeanor
2 punishable by a fine of not more than \$5,000.00.

3 Sec. 16. (1) This state has no duty and is not liable to a
4 party for the payment of any retirement savings benefits accrued by
5 an enrollee under the program. Any financial liability for the
6 payment of retirement savings benefits in excess of money available
7 under the program must be borne solely by the entities with whom
8 the board contracts to provide insurance to protect the value of
9 the program.

10 (2) A state board, commission, or agency, or any officer,
11 employee, or member of a state board, commission, or agency is not
12 liable for any loss or deficiency resulting from particular
13 investments selected under this act, except for any liability that
14 arises out of a breach of fiduciary duty under section 7.

15 Sec. 17. (1) A participating employer is not liable for an
16 employee's decision to participate in, or opt out of, the program
17 or for the investment decisions of the board or of any enrollee.

18 (2) A participating employer is not a fiduciary, and is not
19 considered to be a fiduciary, with regard to the program. A
20 participating employer has no responsibility for the
21 administration, investment, or investment performance of the
22 program. A participating employer is not liable as to investment
23 returns, program design, or benefits paid to enrollees.

24 Sec. 18. (1) By July 1 of each year after the program begins
25 operating, the board shall submit to the governor and the standing
26 committees of the senate and house of representatives concerned
27 with retirement issues a report prepared by the board, including,
28 at a minimum, a summary of the benefits provided by the program,
29 including the number of enrollees in the program; the percentage

1 and amounts of investment options and rates of return; and any
2 other information that is relevant to make a full, fair, and
3 effective disclosure of the operations of the program and the fund.

4 (2) The board shall provide, at least annually, a report to
5 each enrollee of the contributions and investment income allocated
6 to, withdrawals from, and balances in the enrollee's program
7 account for the reporting period. The board may also include any
8 other information regarding the program as the board may determine.

9 Sec. 19. (1) An employer that fails without reasonable cause
10 to enroll an employee in the program within the time prescribed
11 under section 14 is subject to a penalty equal to the following:

12 (a) Two hundred fifty dollars for each employee for each
13 calendar year or portion of a calendar year during which the
14 employee neither was enrolled in the program nor had opted out of
15 participation in the program.

16 (b) For each calendar year beginning after the date a penalty
17 has been assessed with respect to an employee, \$500.00 for any
18 portion of that calendar year during which an employee who has not
19 opted out of participation in the program under the process
20 described in section 13(4) is not enrolled in the program.

21 (2) After determining that an employer is subject to penalty
22 under this section for a calendar year, the board shall issue a
23 notice of proposed assessment to the employer, stating the number
24 of employees for which the penalty is proposed under subsection
25 (1)(a) and the number of employees for which the penalty is
26 proposed under subsection (1)(b) for the calendar year, and the
27 total amount of fines proposed.

28 (3) Not later than 30 days after receiving an order from the
29 board to pay a fine under this section, an employer may request a

1 hearing to review the order by filing a written request with the
2 board. The board shall conduct the review as a contested case under
3 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
4 to 24.328. The decision of the board becomes final as follows:

5 (a) If no further action for review of the decision is taken
6 under the administrative procedures act of 1969, 1969 PA 306, MCL
7 24.201 to 24.328, on the date on which the time for requesting the
8 review has expired.

9 (b) If a timely action for review of the decision is taken
10 under the administrative procedures act of 1969, 1969 PA 306, MCL
11 24.201 to 24.328, on the date all proceedings in court for the
12 review of the assessment have terminated or the time for further
13 appeal has expired.

14 (4) As soon as practicable after the penalties specified in a
15 notice of proposed assessment are no longer subject to

16 administrative or judicial review as set forth in subsection
17 (3)(b), the board shall notify the employer liable for any unpaid
18 portion of the assessment, stating the amount due and requiring
19 payment. If an employer neglects or refuses to pay the entire
20 liability shown on the notice not later than 10 days after the
21 notice is issued, the unpaid amount is a lien in favor of this
22 state on all property and rights to property, whether real or
23 personal, belonging to the employer, and the provisions of the
24 income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847,
25 regarding liens, levies, and collection actions for unpaid
26 liabilities, including the periods for taking any action, apply to
27 the unpaid amount.

28 (5) Civil fines collected under this act and fees collected
29 under subsection (6) must be deposited into the secure retirement

1 administrative fund. The board may, subject to appropriation, use
2 money in the secure retirement and administrative fund to cover
3 expenses it incurs in performing its duties under this act.

4 (6) The board may enter into an agreement with the department
5 or another state agency to fulfill the enforcement duties under
6 this section. The department may charge the board a reasonable fee
7 for its costs in performing under an agreement under this
8 subsection to be paid out of the secure retirement and
9 administrative fund.

10 (7) Solely for purposes of any provision of state law allowing
11 the department or any other agency of this state to offset an
12 amount owed to a taxpayer against a tax liability of that taxpayer
13 or allowing the department to offset an overpayment of tax against
14 any liability owed to this state, a penalty assessed under this
15 section is considered to be a tax liability of the employer and any
16 refund due to an employer is considered to be an overpayment of tax
17 of the employer.

18 (8) Except as provided in this subsection, all information
19 received by the board or department from returns filed by an
20 employer or from any investigation conducted under this act must be
21 accorded the same confidentiality as facts or information obtained
22 in connection with the administration of a tax. This information is
23 exempt from disclosure under section 28(1)(f) of 1941 PA 122, MCL
24 205.28, and is exempt from disclosure under the freedom of
25 information act, 1976 PA 442, MCL 15.231 to 15.246. The information
26 may be used for official purposes within the board or department or
27 in accordance with official procedures for collecting penalties
28 assessed under this act. This subsection does not prohibit the
29 board or treasurer or any authorized delegate from publishing or

1 making available to the public reasonable statistics concerning the
2 operation of this act in which the contents of returns are grouped
3 into aggregates in a way that the specific information of any
4 employer is not disclosed. This subsection does not prohibit the
5 board or treasurer or any authorized delegate from divulging
6 information to an authorized representative of the employer or to
7 any person in accordance with a request or authorization made by
8 the employer or by an authorized representative of the employer.

9 (9) This section applies 9 months after the board notifies the
10 state treasurer that the program has been implemented. On receipt
11 of notification from the board, the department shall immediately
12 post on its website a notice stating the date that this section
13 becomes operative. The notice must include a statement that as an
14 alternative to enrolling employees in the program, employers may
15 sponsor a qualified plan, including, but not limited to, a defined
16 benefit plan, 401(k) plan, Simplified Employee Pension Plan (SEP),
17 or Savings Incentive Match Plan for Employees (SIMPLE) plan. The
18 board shall provide a link to the website described in section
19 14(7).

20 Sec. 21. If the board does not obtain adequate money to
21 implement the program within the time frame set forth under section
22 14, the board may delay the implementation of the program and the
23 dates that sections dependent on an operating program begin to
24 apply must be correspondingly extended.

25 Sec. 22. The department may enter into agreements with other
26 states that offer an auto-IRA retirement program at the request of
27 the board to achieve greater mutual bargaining power and reduce the
28 costs of plan administration and plan operations. The department,
29 on behalf of the board, may, for any purpose consistent with the

1 board's fiduciary duty to participants, enter into agreements with
2 other states that offer auto-IRA retirement programs. As used in
3 this section, "auto-IRA retirement program" means a state-
4 facilitated retirement savings plan involving payroll deduction
5 IRAs for workers whose employers do not offer a qualified
6 retirement plan.

7 Enacting section 1. This act does not take effect unless
8 Senate Bill No. ____ (request no. S03485'25) or House Bill No. 5335
9 (request no. H03485'25) of the 103rd Legislature is enacted into
10 law.