



OFFICE OF ILLINOIS STATE TREASURER

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Treasurer Frerichs Celebrates \$1 Million in New Retirement Savings After Launch of Secure Choice

Employers Encouraged to Register in Advance of Upcoming Deadline

SPRINGFIELD – Illinois now has more people saving for their retirement thanks to the Secure Choice Program. Just months after the program launched, more than \$1 million in retirement savings has been amassed by approximately 9,000 employees at Illinois businesses that were not previously offering their employees a way to save, Illinois State Treasurer Michael Frerichs announced today.

Secure Choice officially launched last fall with the first of three enrollment waves. Wave one included Illinois employers with 500 or more employees that were required to register and auto-enroll their workers in the program by November 2018. Nearly 100 businesses joined the program through wave one and thousands more are expected to join later this year.

“In a matter of months since our official launch, thousands of employees are already making contributions into their own retirement accounts and together have already saved over one million dollars for their futures,” Treasurer Frerichs said. “Many of these workers are first-time savers and proud to build a nest egg towards their retirement. We are excited about the success of Secure Choice and encourage employers to get signed up.”

Enrollment for wave two is now open for employers with 100-499 employees. The deadline to register for wave two is July 2019. The wave three deadline is for employers with 25-99 employees is November 2019. Employers required to enroll in Secure Choice must meet their respective enrollment deadline, however, all eligible businesses can register employees early.

“The margins are incredibly slim in a restaurant, so most can’t afford to offer a plan. Secure Choice doesn’t cost the employer anything and makes saving painless for employees. The fact that they can take their account with them from job to job is great,” said Keely Selko, Office Manager at the Dearborn Tavern in Chicago. “This is a program that’s easy to implement and anything I can do to help my employees both professionally AND personally is a win-win.”

Half of Illinois' private-sector workers do not have access to an employer-sponsored retirement plan and one-third of retirees rely upon Social Security for 90 percent of their retirement income. It is estimated that when fully implemented, Secure Choice will give 1.2 million private-sector workers the ability to save for retirement at work. Research conducted by AARP shows that workers are 15 times more likely to save if payroll deductions are offered.

Program participants are enrolled in a default target-date Roth IRA with a default five percent contribution rate. Participants can choose to change their contribution level or fund option at any time. Accounts are owned by individual participants and are portable from job-to-job. The program is held in a separate trust outside of the Illinois Treasury.

Secure Choice is overseen by a seven person, bi-partisan board with the Treasurer serving as chairman. The program is managed on a day-to-day basis by Ascensus, a private-sector financial services firm. Investment managers for the fund options include BlackRock, Charles Schwab and State Street Global Advisors. More information for the program can be found at www.ilsecurechoice.com or by calling 855-650-6913.

About the Illinois Treasurer

As Illinois State Treasurer, Frerichs is the state's Chief Investment Officer and actively manages approximately \$30 billion. The portfolio includes \$13 billion in state funds, \$11 billion in college savings plans and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$42 to the state for every \$1 spent in operations. Frerichs' office protects consumers by safeguarding more than \$2 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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