

ILLINOIS SECURE CHOICE BOARD

**Meeting of Thursday, October 30, 2018
James R. Thompson Center
100 West Randolph, 16th Floor, Chicago, Illinois**

MEETING MINUTES

The October 30, 2018 meeting of the Illinois Secure Choice Board (“Board”) was called to order by Mr. Diaz at 3:00p.m. CT with the presence of a quorum.

BOARD MEMBERS PRESENT

Fernando Diaz, *Designee for the Illinois State Treasurer*

John Gay, *Designee for the Illinois State Comptroller*

Curt Clemons Mosby, *Designee for the Illinois Governor’s Office of Management and Budget (via videoconference)*

Miriam Martinez, *Board Member*

David Marzahl, *Board Member*

David Rappaport, *Rappaport Reiches Capital Management, LLC - Co-Managing Partner*

John Rauschenberger, *Technology & Manufacturing Association – Executive Vice-President and General Manager (via conference call)*

TREASURER’S STAFF

Joe Aguilar, *Director of Due Diligence & Investment Analysis*

Barbara Delano, *Assistant General Counsel*

Courtney Eccles, *Director of Secure Choice*

Ashlee Gabrysch, *Deputy Director of Secure Choice*

Rodrigo Garcia, *Deputy Treasurer & Chief Investment Officer*

Christopher Flynn, *Assistant General Counsel*

Sara Meek, *Deputy Director for Legislative Affairs*

Catherine Shannon, *Chief Legislative and Policy Officer*

Laura Williams, *Director of Policy*

APPROVAL OF BOARD MEETING MINUTES

Board members reviewed the July 26, 2018 Board Meeting Minutes, which were provided in advance of the meeting. There was no discussion, and no additional changes were proposed.

A motion was made by Ms. Martinez, seconded by Mr. Rauschenberger to approve the July 26, 2018 Board Meeting Minutes. The motion carried unanimously.

STAFF UPDATES

Courtney Eccles gave an update of the administrative rules, which were finalized in September. Ms. Eccles noted that staff worked with members of the administrative rules committee, ensuring there were no questions and concerns.

Ms. Eccles provided a budget update, reviewing the report that had been sent to Board members in advance of the meeting.

Ms. Eccles gave an update on the Secure Choice legislation that was amendatorily vetoed by Governor Rauner. Ms. Eccles noted that discussions around pursuing a veto override for the bill during veto session are ongoing and a decision will be made whether to move the bill this session or refile the technical change bill next session.

Ms. Eccles provided the calendar for the next year of quarterly board meetings, which will be held the second Thursday of February, May, August, and November.

February 14, 2019

May 16, 2019

August 15, 2019

November 14, 2019

STATE AND FEDERAL LANDSCAPE - SEGAL MARCO

Ms. Wendy Carter of Segal Marco Advisors provided an update on the retirement landscape, including updated statistics on individual saving behavior and retirement security innovation. Ms. Carter noted the growing attention being paid to state sponsored retirement program and the evolution and activity happening in the space. Ms. Carter also provided status updates for the state sponsored retirement programs and where they are in their implementation, legislation, and feasibility study progress. Ms. Carter updated the board on federal legislation regarding multiple-employer plans.

DISCUSSION – SECURE CHOICE QUARTERLY REPORT – PROGRAM

Ms. Eccles provided an update on pilot program saver and employer statistics, including employers registered and enrolled, participating savers and their deferral rates, opt-outs, and calls and emails handled by client services in both English and Spanish. Ms. Eccles noted that the early numbers were tracking OregonSaves' numbers at a similar point of rollout. Ms. Eccles also provided a reminder of the registration and enrollment process for employers.

DISCUSSION – SECURE CHOICE QUARTERLY REPORT – INVESTMENTS

Joe Aguilar provided an overview of the overall performances of the Secure Choice investment funds. Mr. Aguilar noted that fund performance for all underlying funds were in alignment with their benchmarks. Mr. Aguilar noted that the equity allocation helped with the performance of the Blackrock Target Date Funds. Rodrigo Garcia offered to provide the board with more or different investment detail if desired going forward.

WAVE ONE PROGRAM IMPLEMENTATION - ASCENSUS

Matt Golden of Ascensus gave an update on the status of the program implementation. Mr. Golden then gave an update on the key accomplishments since the last board meeting, with most data points updated as of October 25th. Mr. Golden noted that as of this point in time, 56 Wave 1 employers have registered for the program. Mr. Golden then provided a reminder of how employers are notified about the program through USPS, email, and calls as dependent on the existing and viable contact information.

Mr. Golden noted that from a trends' standpoint, Secure Choice is tracking OregonSaves, but because of the difference between Illinois' and Oregon's Wave One compositions, the comparison was not exact. Mr. Golden noted the work being done to integrate with payroll providers to lessen the effort necessary from employers.

Mr. Golden also provided an update on client services' activity. He noted the uptick in calls as a result of the Wave 1 employers that had completed their employee uploads. Mr. Golden also indicated that there had also been an increase in Spanish language calls.

Mr. Golden then walked the board through updates made to the employer portal as a result of the lessons learned from the pilot, including removing functionality that allowed employers to opt out their employees from the program. Mr. Golden noted that pop-out messaging had been added to the saver portal, that would allow a final nudge to savers before they opt out. Mr. Golden provided an update on future changes to the online portal, including enhancing an employer's ability to search and sort their saver data.

Mr. Golden provided a brief update of the activity and work completed by the two Illinois field representatives. Mr. Golden noted that once an employer registers, client services sends out the contact information for the field representatives who can meet with employers onsite and assist them one-on-one.

DISCUSSION – MARKETING, COMMUNICATIONS, AND OUTREACH UPDATES

Ashlee Gabrysch provided an overview of the work being done on two videos being produced through funding by AARP featuring two pilot employers. Ms. Gabrysch also noted that the Secure Choice Launch Event, in partnership with AARP, taking place in November would feature both videos and encouraged board member and stakeholder attendance.

Ms. Eccles gave an update on a multi-state meeting hosted by the State Treasurer's Office (STO) to convene staff from other states in the process of rolling out state sponsored retirement plans.

DISCUSSION – LEGAL UPDATES

Christopher Flynn noted that the \$10M insurance policy to cover the board, which had been approved at the July Board Meeting, had been secured through Mesirow. Mr. Flynn reiterated that the insurance policy is additional coverage alongside the protections already provided to the Board under state law.

Mr. Flynn noted that a letter had been received by the Erisa Industry Committee (ERIC) raising an issue regarding the employer exemption process. Mr. Flynn noted that a call between the STO and ERIC had been scheduled for later in the week.

PUBLIC COMMENT

There was no public comment.

OLD AND NEW BUSINESS

Ms. Eccles raised one old business item. Ms. Eccles reminded the board about the survey work that was being planned by John Scott and Pew Charitable Trusts and noted that a data sharing agreement would be executed in the near future.

ADJOURNMENT

With no further business, a motion was made by Mr. Rauschenberger, seconded by Mr. Gay to adjourn the meeting. The motion carried unanimously.