



# OFFICE OF ILLINOIS STATE TREASURER

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FOR IMMEDIATE RELEASE:

October 12, 2022

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## Secure Choice Retirement Savings Program Passes \$90 Million Threshold

*Employers Encouraged to Leverage Public-Private Partnership*

**SPRINGFIELD** – Workers in Illinois who participate in the Secure Choice retirement savings program have set aside more than \$90 million of their own money for their retirement, Illinois State Treasurer Michael Frerichs said today.

The accomplishment signals a growing recognition that workers understand Social Security will not provide enough income after their working days are over and reflects data that shows workers are more likely to save for retirement if they can do so through workplace payroll deductions.

“While each person has their own American dream, each dream includes a retirement with dignity and confidence,” Frerichs said. “Secure Choice can help accomplish both.”

The Illinois General Assembly created Secure Choice in 2015 and declared employers must either offer a retirement savings program or participate in Secure Choice. In doing so, lawmakers assured employers they would not be responsible for investment decisions and barred them from contributing to a worker’s account. Lawmakers also assured workers that their accounts would travel with them if they changed employers.

Lawmakers also created a seven-member board to oversee the program; determined that investments would be managed by the private sector; and assigned implementation of the savings program to the Illinois State Treasurer’s Office. Based on recommendations from the board, and with consultations with lawmakers, the program launched in 2018.

Today, 109,000 workers, many of whom never thought they could save for retirement, have worked with 7,400 employers to set aside \$91 million.

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Enrollment was apportioned by employer size so as not to overwhelm employers. Wave one in 2018 included employers with 500 or more employees. Wave two in 2019 included employers with 100-499 employees and another wave that same year included employers with 25-99 employees. The deadline for wave four, employers with 16 or more employees, is Nov. 1, 2022. The deadline for wave five, employers with five or more employees, is Nov. 1, 2023. Eligible employers can register or report an exemption at [www.ilsecurechoice.com](http://www.ilsecurechoice.com) any time before their applicable deadline.

Secure Choice is critical because 40 percent of Illinois' private-sector workers do not have access to an employer-sponsored retirement plan and 23 percent of retirees rely upon Social Security for 90 percent of their retirement income. The employer component is key because workers are 15 times more likely to save for retirement if they can do so through payroll deductions, according to an AARP study.

The default option for program participants is to enroll in a target-date Roth IRA with a 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. Investments are held in a separate trust outside the Illinois Treasury.

“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.” said Keely Selko, Office Manager at the Dearborn in Chicago, an early Secure Choice participating employer.

### **About the Illinois Treasurer**

As Illinois State Treasurer, Michael Frerichs (FRAIR'-iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$52 billion. The portfolio includes \$26 billion in state funds, \$17 billion in retirement and college savings plans and \$9 billion on behalf of local and state governments. Frerichs' office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities to 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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