

Office of the Illinois State Treasurer
Michael W. Frerichs

Request for Proposals
Illinois Secure Choice Program Administrator
370-200-25-020

Addendum 1
May 2, 2025

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. But for the removal of identifying information, the questions listed herein are intended to be accurate representations of the questions received; as such, any errors in usage or spelling have not been corrected. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Illinois Secure Choice Program Administrator 370-200-25-020 (“RFP”) published by the Treasurer on April 9, 2025.

1. Why is the search being conducted at this time?

This RFP is being issued due to the current contract’s December 17, 2026 expiration, with that contract having been awarded December 18, 2017.

2. Which firm currently provides the services and are they invited?

Ascensus College Savings Recordkeeping Services, LLC (“Ascensus”). Ascensus is allowed to submit a Proposal in response to this RFP.

3. BACKGROUND / A, page 5: Why are 20K ERs not active? Registered employers: 27,453 Employers submitted payroll in last 90 days: 7,757.

Employers that are registered but that have not submitted payroll fall into one of the following categories:

- a. They did not understand that there were additional steps in the onboarding process beyond registration,
- b. They registered but presently have a qualified retirement plan and do not understand that they should report an exemption, or
- c. They have completed the onboarding process but have no employees enrolled in Secure Choice and thus no payroll contributions to remit.

4. SCOPE OF WORK / A2, page 6: Can “documents” be disseminated electronically?

The “Documents” referenced may be disseminated electronically for Employees with valid email addresses as long as Employees have not elected paper delivery and electronic delivery is done in accordance with applicable regulations and guidance.

5. SCOPE OF WORK / A6, page 6: What are the parameters to be listed as “non-compliant”?

An Employer in any of the following situations would be viewed as noncompliant:

- a. It has failed to either register for Secure Choice or report an exemption, and its applicable deadline has passed,
- b. It has registered but failed to add Employee information within 30 days of registration, and/or
- c. It has Employees who are enrolled in Secure Choice, but the Employer has failed to remit Employee contributions to Secure Choice to fund Participant accounts.

6. SCOPE OF WORK / A11, page 7: Are the Annual Employer Reports need to the 27K registered employers?

The Annual Employer Reports reference information that an Employer should be able to access regarding their Participants and Participant contributions that can be filtered by date range. The Annual Employer Reports data should be made available electronically for ease of Employer use.

7. Recordkeeping and Custodial Services / 3g: Generate annual account statements – Are you open to Quarterly statements?

The annual account information can be included as part of the final quarterly statement of the calendar year.

8. Recordkeeping and Custodial Services / 3j, page 9: How many employers are currently using checks?

A total of 399 unique Employers submitted contributions by check in 2024. In the most recent 90-day period, 282 Employers submitted contributions by check.

9. Background and Experience / 13, page 17: Would we receive ongoing list of newly eligible ERs?

To be clear, it appears this question relates to Section III.B.9 of the RFP. However, please note the following:

The Treasurer receives employer data from the Illinois Department of Revenue (“IDOR”) in early April each year that includes information from quarterly withholding income tax returns filed by employers for the previous calendar year. The Treasurer uses this annual data file to identify Employers that are newly covered by the Act and thus should be included in the current year’s annual onboarding wave. Those Employers will be onboarded by November 1st of that year. The Treasurer will provide the Contractor a file that specifies what information the Contractor will need to update in its platform, including Employers that should be placed in the current year’s onboarding wave as well as changes to existing Employers in the platform based on the Treasurer’s analysis of the annual file data alongside other data sets from IDOR and other sources (for instance, exemptions that should be marked for Employers whose IDOR withholding accounts have closed).

10. Appendix A Reporting Requirements / Employer Detail Report: What is Secure Choice “wave”?

Secure Choice has been rolled out to Employers in staggered groups that the Treasurer calls “employer onboarding waves”. Each wave is a group of Employers to which official Program communications are issued informing them that they are covered by the Act and detailing what their requirements and deadlines for action are. When Secure Choice launched in 2018, Employers covered by the Act were split into waves based on employee count.

Wave Name	Wave Deadline	Employee Count
Wave 1	November 1, 2018	500 or more
Wave 2	July 1, 2019	100 to 499
Wave 3	November 1, 2019	25 to 99
Wave 2020	November 1, 2020	25 or more
Wave 2021	November 1, 2021	25 or more
Wave 4	November 1, 2022	16 to 24
Wave 5	November 1, 2023	5 to 15
Wave 2024	November 1, 2024	5 or more
Wave 2025	November 1, 2025	5 or more

Please note that each year, based on data provided by IDOR, there are Employers that emerge as either newly covered by the Act (for instance, because those Employers had not previously been operating in Illinois for a sufficient duration, or did not previously meet the employee count requirements, as outlined in the Act) or as having an exemption from the Act that is no longer valid (for instance, that their business was closed but has since re-opened). Thus, every year, there will be a new annual wave of Employers that must take action by November 1st of that year.

11. Appendix A Reporting Requirements / Quarterly Program Summary: Please clarify full withdrawal “rate”?

The full withdrawal rate is calculated as the number of Participant accounts with a full withdrawal divided by the number of payroll-contributing Participant accounts.

Payroll-contributing Participant accounts are Participant accounts that are associated with a registered Employer and that received an initial contribution, regardless of current account balance.

12. For the Capital Preservation / 90-Day Holding Vehicle, can you please confirm if there is a preference to have a MWVD broker dealer associated with this investment?

Can you please confirm if the Illinois State Treasurer’s Office is a client to any of the following MWVD broker dealers given the requirement for a prospective investor to be a client in some capacity in order to invest in the specific share class that is similar to the share class currently being utilized for the U.S. Government Money Market Fund: Great Pacific Shares, Mischler Financial Group, Penserra, or Tigress?

The Treasurer and Board are open to considering all investment vehicles, including ETFs and Separately Managed Accounts, in addition to mutual fund vehicles, to provide the best possible investment options for the Program. Currently the investment line-up utilizes the State Street

Institutional U.S. Government Money Market Fund – Cabrera Capital Markets Class (Ticker: CAHXX).

The Treasurer does have an approved broker dealer list provided [here](#), which includes the specific broker dealers listed in this question. To be clear, however, the Treasurer welcomes opportunities to utilize, wherever possible, businesses owned by or under the control of MWVD Persons and would welcome Proposals that similarly utilize such businesses. Please include information on your use of businesses owned by or under the control of MWVD Persons in your responses to the “Equity, Diversity, and Inclusion” questions in Section IV.B of the RFP.

13. The RFP notes that the current contract for administrative services expires on December 17, 2026. What is the expected or hoped for conversion date in 2026? What is the earliest date the Treasurer’s Office would plan to convert?

In the event a conversion is required, the Treasurer expects a streamlined conversion to occur as close to the expiration of the existing agreement as possible. The earliest date of any planned conversion will be dependent on the parties involved and any necessary negotiations.

14. Could you provide a general sense of how many new employers you expect in each annual wave? In regards to your state data, could you give an estimate on the usual breakdown of employer records that include email addresses vs those that don’t?

Since the threshold for Employers was decreased to five (5) employees through a statutory change in 2021, there has only been one annual wave; the wave named “Wave 2024” that had a deadline of November 1, 2024. At the time that the first official Program communication was issued to Employers in Wave 2024 (late July of 2024, approximately 100 days before the deadline), there were around 6,600 Employers in the wave. Of those Employers, approximately 67% had email addresses.

At this point in time, the Treasurer does not have a comparable count for Wave 2025 Employers, but preliminary data from IDOR suggests that Wave 2025 could be 20-30% larger than Wave 2024.

15. What are the monthly call volumes for the existing employer line and employee line? Does the program currently utilize additional modes of communication for client services assistance, including IVR, email, or chat? What is the usage for those additional features?

From January-April 2025, average monthly call volume has been 5,520 (3,851 calls to the Employee line; 1,669 calls to the Employer line), with a monthly low of 4,819 calls and a monthly high of 6,710 calls. The Program currently uses interactive voice response (“IVR”) as an option for Employee opt-outs, with 2,551 opt-outs completed in this manner for January-April 2025. Callers can also hear estimated wait time as well as utilize a call-back feature. For the first quarter of 2025, there were 3,873 call-back requests. Email support is also available, with 702 emails handled in the first quarter of 2025. Chat is not currently utilized.

16. For the Scoring portion of the RFP (Section VI.B) – How does the Treasurer’s Office intend to compare scores for those entities that submit stand alone Program Management and Investment Management bids versus entities that submit a combined Program Administration bid, given that the individual points by category differ across the three options?

Please recall that Section IV.A.3 of the RFP requests that in the “Narrative” included within the Proposal, the Respondent must “identify to which services the Respondent is responding (Program Manager, Investment Manager, or Program Administrator).” The Treasurer intends to score all Proposals separately for each of the three services for which any individual Respondent states its intention to be included. That is, if a Respondent submits a Proposal for all three services, it will receive three separate, total scores.

17. Is selection of a bidder from either stand-alone category (Program Management or Investment Management) only possible if there is a strong option for each one?

The Treasurer will evaluate the Proposals as stated in the response to Question #16 and as described in the RFP, and will determine based on that evaluation, as stated at the end of Section I of the RFP, whether it will seek to “award one or more Agreements as a result of this RFP.”

18. For Appendix B, Cost Proposal, will the Treasurer’s Office consider cost proposals that also include a flat fee paid by the Office alongside saver/participant fees (similar to the current structure)? If so, how should that annual flat fee be identified on Appendix B?

A Respondent may propose an alternative fee structure only in addition to, and not in place of, the Cost Proposal format included in Appendix B. Respondent’s alternative may take any form provided it (i) is clearly identified as an alternative proposed structure and (ii) makes clear all intended fees proposed within that alternative fee structure.