



ILLINOIS SECURE CHOICE PRIVATE SECTOR RETIREMENT SAVINGS

September 14, 2017

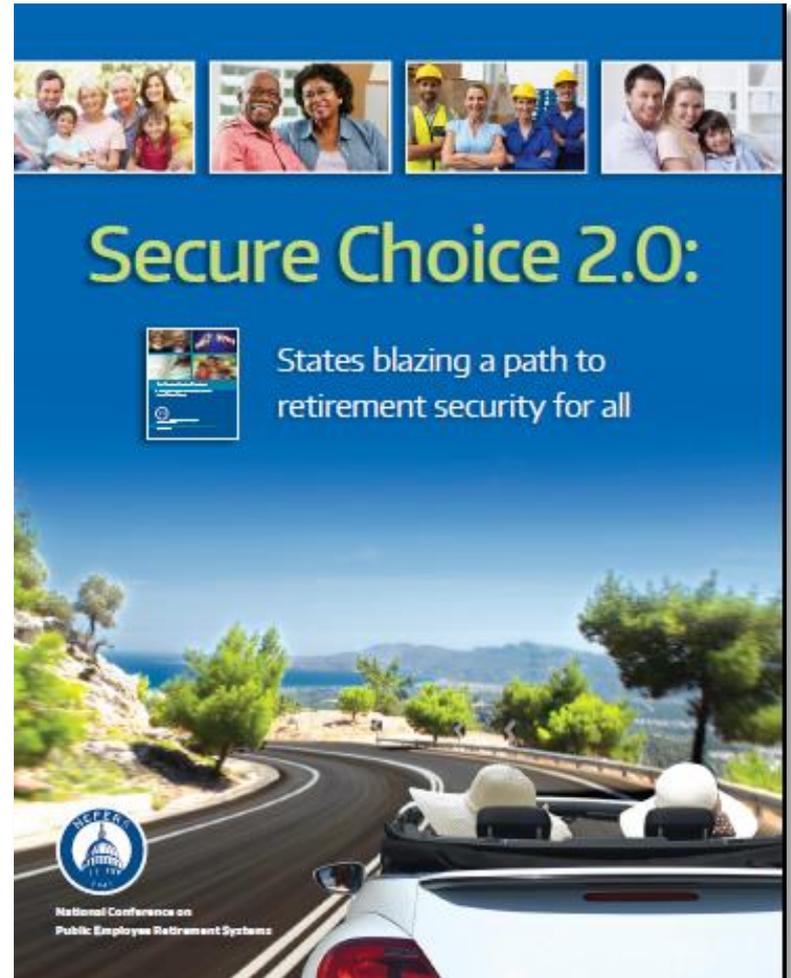
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Where Have We Been

- NCPERS Secure Choice 2.0
 - Retirement security remains a concern
 - Evolution from cash balance to DC
 - Reduction of demand for social services in retirement years
- Repeal of safe-harbor regulations
- Discontinuance of the MyRA
- State and local governments continue to be the incubator for innovation
- Retirement security is still front and center



How a MEP Program Differs from an IRA Program

State MEP Program	State IRA Program
Contribution Limit: \$18,000 or (if age 50+) \$24,000	Contribution Limit: \$5,500 or (if age 50+) \$6,500
Covered by ERISA.	Generally not covered by ERISA.
Restrictions on employee access to funds to prevent leakage and premature spending of retirement assets.	Payable on demand allowing individuals access to their funds at any time.
Employer participation is voluntary , reduced burdens may prompt many undecided employers who don't offer a plan to jump in.	Employer participation is generally mandatory if the employer is a certain size and does not already have a retirement plan.
Non-discrimination testing applies to ensure rank and file are benefiting.	No testing is required.

Ascensus

Status Update

Out of the Gate

OregonSaves

In the Starting Blocks

Washington Vendor Marketplace

- Vendor registration has started
- Go live target is 2017

Massachusetts MEP

- Voluntary 401k MEP (subject to ERISA)
- Non-profit employers with <20 employees and no plan
- Using existing DC plan record keeper

Illinois Payroll IRA

- Mandatory for employers with >25 employees and no plan
- Service provider hired
- Go live target is 2018

California Payroll IRA

- Mandatory for employers with >5 employees and no plan
- Program start-up commencing—consultant hired
- Go live target is 2019

Connecticut Payroll IRA

- Program start-up commencing—Board has convened
- Go live target is 2018 or 2019

Putting on Their Shoes

Maryland Payroll IRA

- Program start-up commencing
- Search for an executive director search has begun

Vermont MEP

- Will conduct a feasibility study

New Jersey Vendor Marketplace

- No action reported

Watching and Waiting

- Interest still exists
- Repeal of the safe harbor regulations
- Potential for litigation

Program Design Objectives

Goal	Result
<ul style="list-style-type: none">• Maximize simplicity and minimize administrative costs	<ul style="list-style-type: none">• Simple design within fee parameters
<ul style="list-style-type: none">• Minimize ER cost and burden while managing as many required activities at the source as possible• Promote administrative efficiency by reducing variability• Maximize “customer” experience and use of technology while minimizing low-value person to person interactions	<ul style="list-style-type: none">• Employer activities will be simple and supported with access to customer service• Consistent program parameters• Participant service includes call support and state-located staff
<ul style="list-style-type: none">• Maximize positive outcomes through recognition of set-up and implementation effort and flexibility during the service procurement process	<ul style="list-style-type: none">• Streamlined process adapted for all employer types
<ul style="list-style-type: none">• Consider new solutions as by definition the ORSP necessitates a hybrid of retail and institutional capabilities	<ul style="list-style-type: none">• Employer portal created and streamlined employee processes
