

Illinois Secure Choice Savings Program Act

1. The Illinois Secure Choice Savings Program Act ("Act") [820 ILCS 80/1 through 80/95] was effective June 1, 2015.
2. The Act requires most employers in Illinois to offer a retirement program or provide employees a payroll deposit retirement savings arrangement provided for by the Act as of July 1, 2017, although as of July 21, 2017, the Act has not been implemented.
3. The Act applies to Illinois employers who:
 1. At no time during the previous calendar year employ fewer than 25 employees in Illinois.
 2. Have been in business for at least two (2) years.
 3. Have not offered to employees a qualified retirement plan, including but not limited to, a plan qualified under Internal Revenue Code ("Code") Sections 401(a), 401(k), 403(a), 403(b), 408(k), 408(p) or 457(b) in the previous two (2) years.
4. The retirement savings program is in the form of an automatic enrollment payroll deduction Roth IRA (Individual Retirement Account) under Code Section 408A known as the Illinois Secure Choice Savings Program ("Program") [Act Section 10].
5. The function of the employer will be limited to providing a payroll withholding option to allow the employee to contribute to the trust fund established under the Program.
6. The purpose of the Program is to promote "greater retirement savings for private-sector employees in a convenient, low-cost, and portable manner" [Act Section 10].

ADDITIONAL INFORMATION ON THE ACT

1. The employer cannot contribute to the Program on behalf of employees.
2. The Act does not require the employer to have a separate plan.
3. A "small employer" can participate in the Program if it notifies the Illinois Secure Choice Saving Board established under the Act ("Board") that it is interested in participating.
4. A "small employer" is a person or entity engaged in a business, industry, profession or trade, or other enterprise in Illinois whether for-profit or not-for-profit which:
 1. Employed less than 25 employees at any one time in Illinois throughout the previous calendar year, or
 2. Has been in business less than two (2) years, or
 3. Has met the requirements of both A and B.
 4. Under the Program, the level of contribution of the employee would be 3% of compensation. However, employees can elect to participate at a different level or opt out of the Program.
5. The Illinois Secure Choice Savings Program Fund ("Fund") is established by the Act as a trust outside of the State of Illinois Treasury with the Board as its trustee.
6. The Fund shall include the individual retirement accounts of enrollees.

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7. The Fund shall consist of moneys received from enrollees and participating employers pursuant to automatic payroll deductions and contributions to savings made under the Act.
8. Amounts deposited in the Fund shall not constitute property of the State of Illinois.

MANAGEMENT OF THE PROGRAM

1. The Program shall be administered by the Board.
2. The Board is composed of the State Treasurer, State Controller and the Director of the Management and Budget Office of the Governor and four additional representatives appointed by the Governor.
3. The Board shall:
4. Appoint a Trustee to the IRA Fund ("Fund") required under Code Section 408A.
5. Explore and establish investment options.
6. Make and enter into contracts necessary for the administration of the Program and Fund.
7. Engage an Investment Manager.
8. Conduct a review of the performance of any investment vendors every four (4) years.