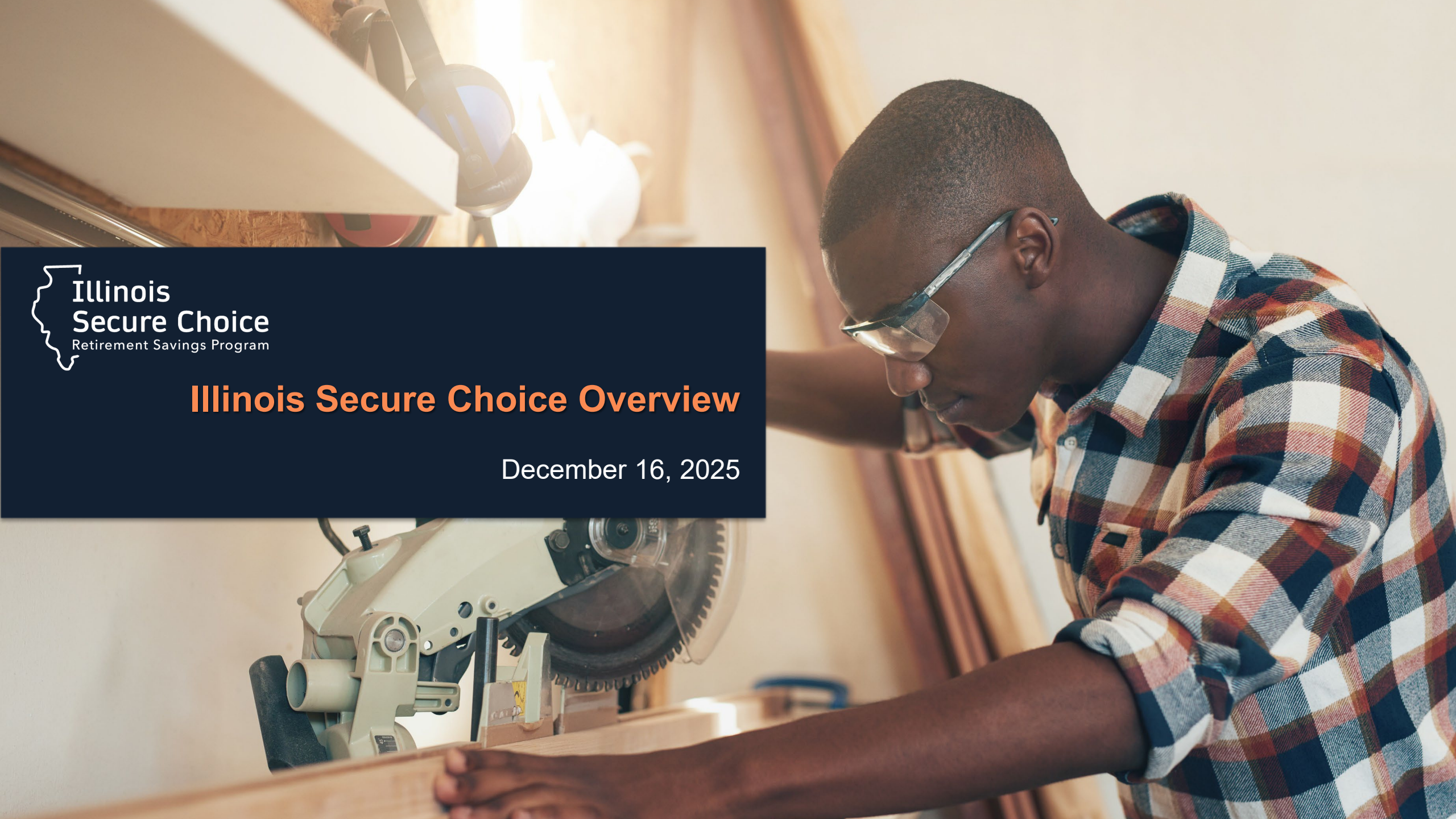




Illinois Secure Choice Overview

December 16, 2025



Agenda



Michael W. Frerichs
ILLINOIS STATE TREASURER

1. Provide an overview of the Illinois State Treasurer's Office
2. Discuss the Illinois Secure Choice retirement savings program and the underlying state law
3. Explain how an employer facilitates the Illinois Secure Choice program
4. Review options for program participants
5. Highlight where to find program resources and support
6. Field your questions

Illinois State Treasurer's Office



Michael W. Frerichs
ILLINOIS STATE TREASURER

- In Illinois, the Treasurer is the state's Chief Investment and Banking Officer and actively manages approximately \$60 billion.
- The office also helps people save for college and trade school, removes barriers to saving for a dignified retirement, helps people with disabilities save for future needs, protects residents from predatory companies, invests in neighborhoods, and makes capital available to farmers and entrepreneurs.
- The office operates the state's largest consumer-protection initiative, the missing money I-Cash program, which has returned more than \$2 billion since the current treasurer was elected.
- Learn more at www.illinoistreasurer.gov



"I strongly believe the state treasury must invest in people. That is why we provide tools so individuals can invest in themselves."

-Illinois State Treasurer
Michael Frerichs

The Retirement Savings Crisis



Michael W. Frerichs
ILLINOIS STATE TREASURER



Nearly **half** of working-age families have **nothing** saved in retirement accounts.¹



Illinois is projected to face **\$8.8 billion in costs** from 2021-2040 due to insufficient retirement savings.²



Workers are **15X** more likely to save for retirement if they have access to a payroll deduction savings plan at work.³



43% of Illinois private-sector employees work for businesses that do not offer a retirement plan.⁴

¹Economic Policy Institute, *The State of American Retirement Savings*.

²Pew Charitable Trusts "State Automated Retirement Programs Would Reduce Taxpayer Burden From Insufficient Savings", May 2023; <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/05/11/state-automated-retirement-programs-would-reduce-taxpayer-burden-from-insufficient-savings> (accessed June 1, 2023)

³AARP's Public Policy Institute

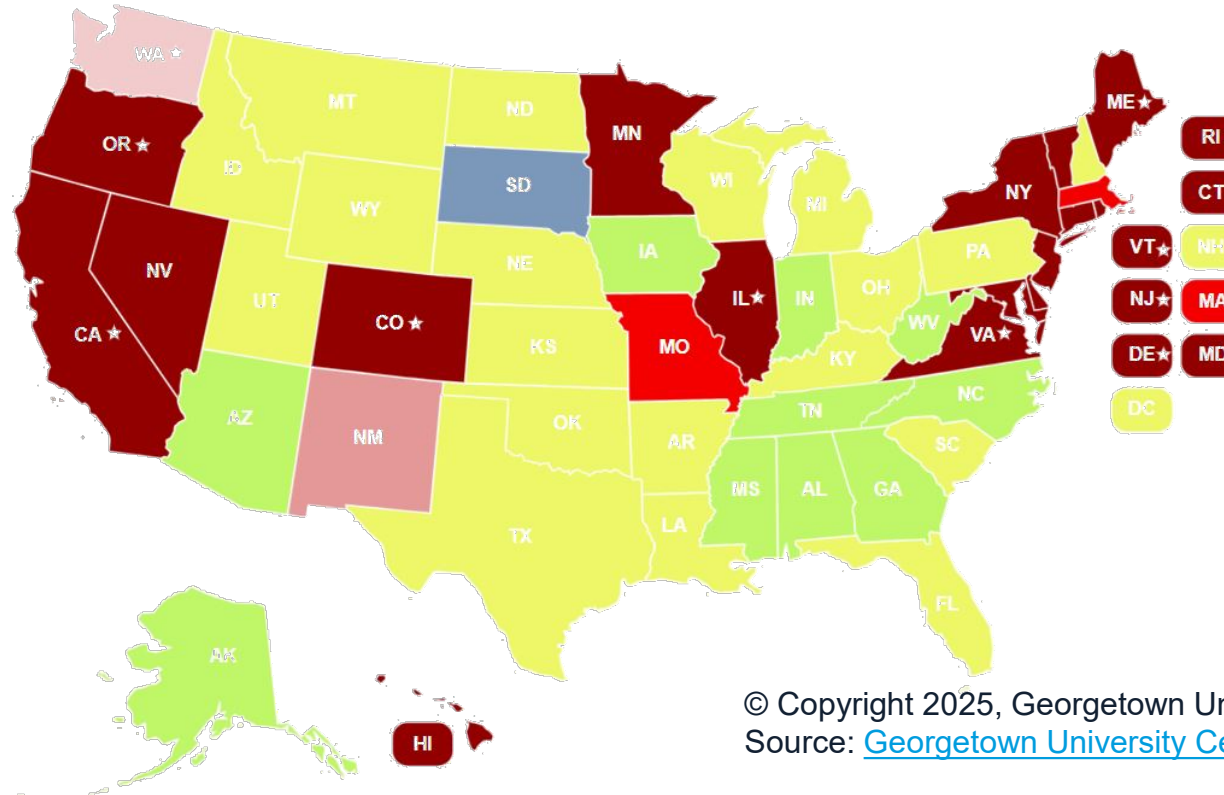
⁴[State Program Fact Sheets – Georgetown Center for Retirement Initiatives](#) © Copyright 2025, Georgetown University

The Illinois Secure Choice Savings Program Act



Michael W. Frerichs
ILLINOIS STATE TREASURER

- A **state law** enacted in 2015 that requires certain businesses to either sponsor their own qualified retirement plan or facilitate the Illinois Secure Choice program as a way for employees to save for retirement at work
- Illinois was the **first state to enact** this type of retirement savings legislation and the **second state to launch** a state-facilitated retirement savings program for private-sector workers
- There are now **20 states** that have enacted legislation (shown in red and pink)



What is Illinois Secure Choice?



Michael W. Frerichs
ILLINOIS STATE TREASURER

- A state-facilitated retirement savings program created as part of the [Illinois Secure Choice Savings Program Act](#) that is a simple and convenient way to save
- Participating employees save a portion of their pay in an Individual Retirement Account (IRA) through payroll deduction facilitated by their employer
- The Program is overseen by a seven-member public board chaired by the Illinois State Treasurer and administered by a private-sector financial services firm, Ascensus
- Participant funds are kept in a trust outside of the State Treasury and are managed by professional investment managers
- Key features:

Voluntary for Employees

Employees may opt out or opt back in at any time

Simple Options

- Automatic enrollment at work
- Use default or custom settings

Portable

Participant keeps their account even if they change jobs

Which employers are covered?



Michael W. Frerichs
ILLINOIS STATE TREASURER

Non-Governmental Employers Operating in Illinois



Do not offer or
contribute to a qualified
retirement plan



≥ 5 Illinois employees in every
quarter of previous year






≥ 2 years in
business

- An employee, for purposes of determining average employee count, is anyone reported on **Schedule P of Form IL-941** as having Illinois withholdings
 - Form IL-941 is the **quarterly withholding income tax return** filed to the Illinois Department of Revenue

Which employees are eligible?



Michael W. Frerichs
ILLINOIS STATE TREASURER

Employees		
 Have wages allocable to Illinois	 Aged 18 or older	 Social Security Number or Individual Taxpayer Identification Number (ITIN)

- The employee's state of residence is not a factor, just that they have Illinois wages
- An employee can be full-time, part-time, temporary, or seasonal
 - An employee is eligible upon hire, but an employer may wait up to 120 days to add the employee
- A business owner who is considered an employee of the business is eligible to participate

Individuals can self-enroll



Michael W. Frerichs
ILLINOIS STATE TREASURER

- Illinois Secure Choice is also open for **self-enrollment** for individuals who have earned income and are otherwise eligible to open an IRA and who would like to enroll separately from an employer
 - For instance, individuals who work for an employer that does not facilitate Illinois Secure Choice or individuals who are self-employed
- Self-enrolled participants can self-fund their accounts or request that their employer facilitate payroll deductions
- Interested individuals can visit saver.ilsecurechoice.com to sign up

Illinois Secure Choice Retirement Savings Program

Registration

An easier way to save for retirement

I received a notice

My employer is facilitating Illinois Secure Choice and I am setting up my account or opting out. ⓘ

Access code (XXXXXX)

Can't locate your access code?

Continue

I want to sign myself up

I am self-employed or do not work for an employer registered with Illinois Secure Choice.

What you'll need:

- ✓ Your contact information
- ✓ Your bank information

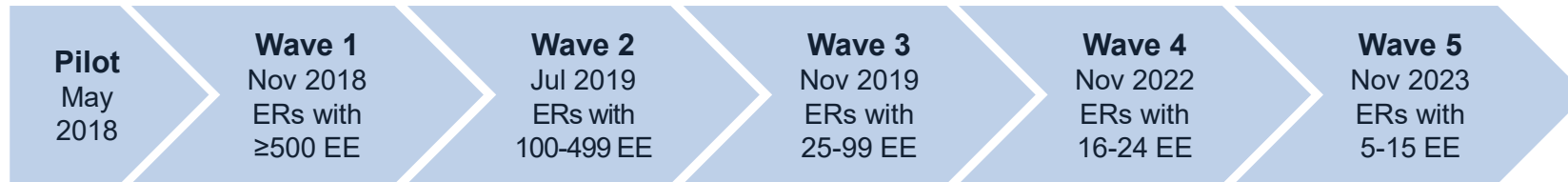
Sign up

Annual employer deadline



Michael W. Frerichs
ILLINOIS STATE TREASURER

- Covered employers have been onboarded over time based on employer size since the Program launched in 2018.



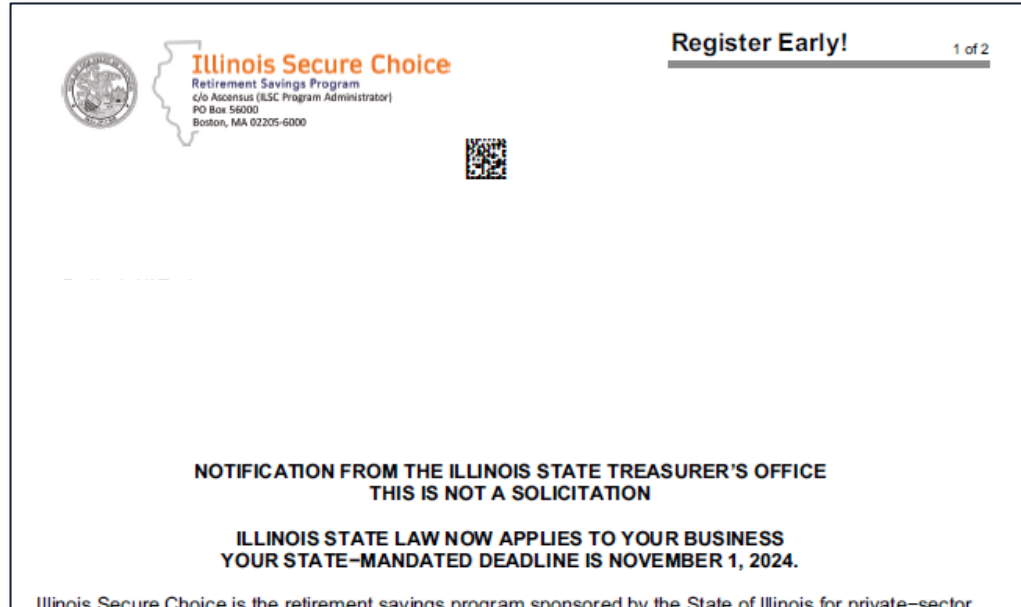
- In 2025, we welcomed employers that had at least 5 Illinois employees in every quarter of 2024 and that were newly covered by the state law ahead of a registration/exemption deadline of November 1, 2025
 - Employers contacted by the Program that have a qualified retirement plan in place would request an exemption
- Employers with fewer than 5 Illinois employees
 - Such employers are not subject to the Program Act and are not required to register for Illinois Secure Choice. Non-mandated employers may choose, but are not required, to facilitate payroll deductions for employees who opt in on their own as individual participants and subsequently request that their employer facilitate deductions.

Notifications to employers



Michael W. Frerichs
ILLINOIS STATE TREASURER

- The Program will reach out to employers covered by the state law **starting in late July** of any given calendar year ahead of a November 1 registration/exemption deadline
- Some employers do not receive notifications as they are exempted by the Program due to qualified plan information available from the US Department of Labor (Form 5500)
- The Program utilizes direct mail (using addresses provided by the Illinois Department of Revenue) and email (when valid email addresses are available from the same data source)





- Per statute, noncompliant employers are subject to penalties assessed by the Illinois Department of Revenue (IDOR)
 - \$250/employee for the first calendar year of noncompliance
 - \$500/employee for any subsequent year of noncompliance
- IDOR does not take action immediately following a November 1 annual deadline
 - In 2025, IDOR's focus was on calendar year 2023 and employers from previous onboarding waves with deadlines before 2023 and who were still noncompliant as of early 2025
- The IDOR process
 - Issuance of a **Notice of Proposed Assessment**
 - Informs the taxpayer of noncompliance with the Program Act, that they have 120 days to come into compliance, and the amount of the proposed penalty
 - After 120 days, issuance of a **Notice of Assessment**
 - If the taxpayer fails to remit payment in the period outlined in the Notice of Assessment, issuance of a **Notice Before Collection Action**

What are a facilitating employer's responsibilities?



Michael W. Frerichs
ILLINOIS STATE TREASURER

- ☑ Register by state-required deadline
- ☑ Set up account
- ☑ Submit and maintain employee roster
- ☑ Submit employee contributions every pay period
- ☒ Employers will not:
 - Incur any program fees
 - Have any fiduciary responsibility
 - Be allowed to make an employer contribution
- ☒ Employers must not:
 - Encourage or discourage participation in Illinois Secure Choice
 - Provide advice about investment options, taxes, or participation in the program
 - Manage investment options
 - Process distributions
 - Manage changes that an employee must make (example: change address, add beneficiary)

Employer welcome and registration



Michael W. Frerichs
ILLINOIS STATE TREASURER

- Covered employers will receive a welcome notification via a mailed letter and/or email
- The communication will include a Secure Choice Access Code which an employer would enter, along with FEIN, at employer.ilsecurechoice.com

Here is what you need to get started.

- 1 **Let us show you how it works.** We recommend you start by familiarizing yourself with the program. Join a [webinar](#) or review the employer website and learn about your business requirements and how the program works.

Learn More

- 2 **Register your company.** It only takes a few minutes to register and a few simple steps each pay period to facilitate Illinois Secure Choice.

Register

- Federal Employer ID Number (FEIN)
- Unique Access Code: **ABC123**

Illinois Secure Choice Retirement Savings Program

Get started with Illinois Secure Choice

Illinois Secure Choice helps Illinois workers save for retirement with support from their employers. By law, eligible Illinois employers must register and facilitate the program by specific deadlines.

Begin company registration or request an exemption

Enter your federal EIN/TIN and Illinois Secure Choice access code so that we can locate your company record. We will guide you to register for Illinois Secure Choice or request an exemption.

Federal EIN / TIN ⓘ Access code ⓘ

XX-XXXXXXX

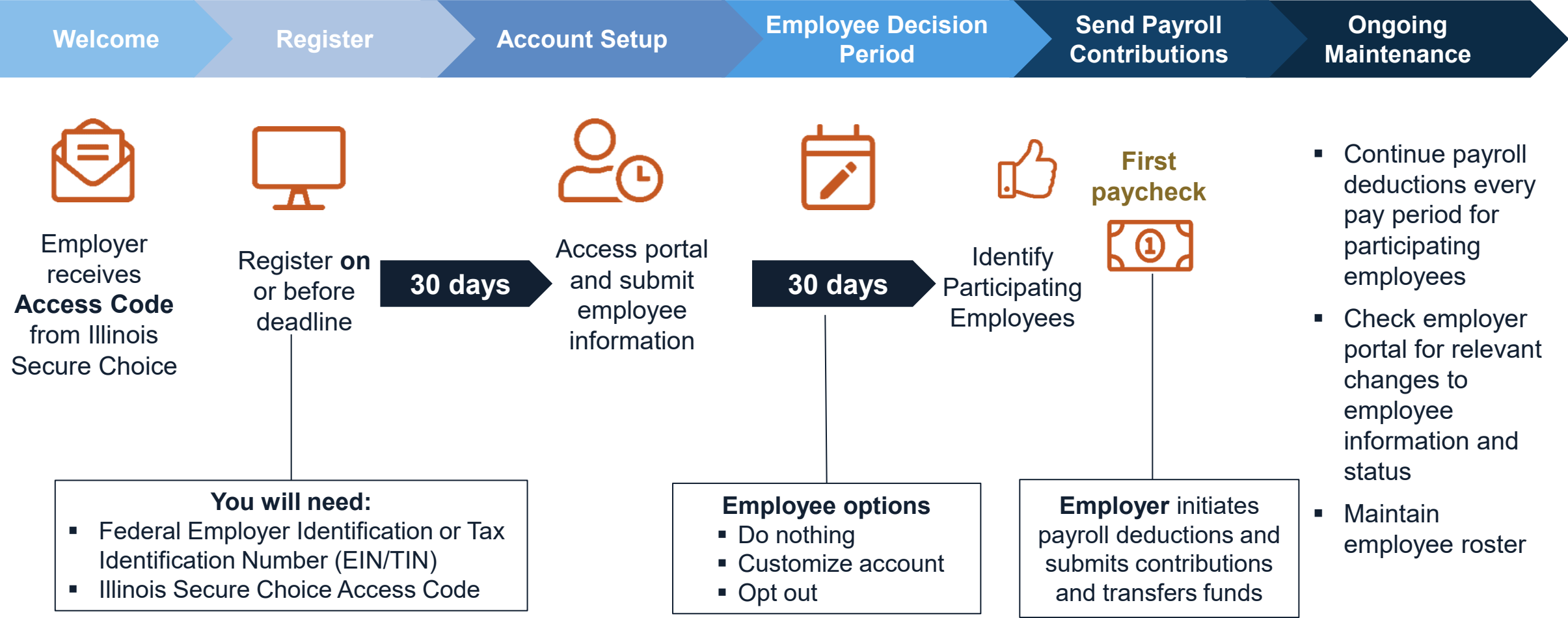
Request

Get started

Employer program facilitation timeline



Michael W. Frerichs
ILLINOIS STATE TREASURER



Employer portal



Michael W. Frerichs
ILLINOIS STATE TREASURER



Illinois
Secure Choice
Retirement Savings Program

Dashboard

Employees Add +

Contributions

Administrators

Payroll Provider

Messages 0

Help Center

Company Details

Bank Information

My Profile

Log out

ABC ORGANIZATION

Illinois Secure Choice was designed with employers like you in mind. It is easy to set up and only takes a few minutes each pay period to help your employees save for retirement.



Portal Updates

No updates were made to the employer portal this month. ...

Take the next step

Follow these steps to set up your account and submit employee contributions for the first time. Each activity must be completed by specific deadlines.

Step 1

Register your company

Complete

Step 2

Add employee information

Add your employee information within 30 days of registering for Illinois Secure Choice.

Add employees

Due

[Learn more](#)



Wait for employee enrollment

Your employees have 30 days to opt out or change their contribution rate. While you wait, tell your employees that your company is joining Illinois Secure Choice and prepare to add deductions in your payroll system.

Step 3

Set up deductions in payroll

Illinois Secure Choice support

We have compiled resources for employers to make facilitating Illinois Secure Choice as easy as possible.

Frequently asked questions



Program overview



Employer resources



Contact Us

Inform your employees

Use this template communication to inform your employees that your company is facilitating Illinois Secure Choice.

Communicating with your employees



- The employer portal is the site through which an employer will complete administrative tasks
- An employer can name delegates to help with administration
- An employer can also name a payroll provider who will be involved in the process

Employees control their participation



Michael W. Frerichs
ILLINOIS STATE TREASURER

Participants are **automatically enrolled** into the standard default options and can make changes at any time (contribution rate*, fund option, or opting out altogether).

Default Account Type



Roth IRA

funded with
after-tax contributions

Default Contribution Rate



5%

with automatic escalation of
1% each year up to 10%

Default Investment Option



Target Date Fund

appropriate for the saver's
projected retirement date

*Participant contributions are subject to IRS annual contribution limits. For 2026, those limits are:

- \$7,500 (under age 50)
- \$8,600 (age 50 or older)

Participant investment options

Participants who elect to change the investment default can choose among the investment funds below:

Investment Option	Investment Fund/Manager
Target Retirement Date Funds	BlackRock LifePath® Index Series
Growth Fund	Charles Schwab / Schwab S&P 500 Index Fund
Conservative Fund	Charles Schwab / Schwab U.S. Aggregate Bond Index
Capital Preservation Fund	State Street U.S. Government Money Market Fund



Website

www.ilsecurechoice.com

Employers

- Program Details
- Registration & Portal Access
- Frequently Asked Questions

Savers

- Program Details
- Portal Access
- Forms
- Retirement Calculator
- Investment Information

Service Team

Client Services

(855) 650-6913 (Employers)
(855) 650-6914 (Savers)

clientservices@ilsecurechoice.com

Hours:

8:00 am to 8:00 pm CT, M-F

Multilingual support available

Training & Support

Recorded Webinars

Employers:

- [Employer Program Overview](#)
- [How to Add Employees](#)
- [How to Submit Contributions](#)

Savers:

- [Saver Program Overview](#)

Field Representative

- Raissa.Nketcha@ascensus.com



The Illinois Secure Choice Savings Program (“IL Secure Choice” or the “Program”) is an automatic enrollment payroll deduction retirement savings program overseen by the Illinois Secure Choice Savings Board (“Board”). Ascensus College Savings Recordkeeping Services, LLC (“ACSR”) is the program administrator. ACSR and its affiliates are responsible for day-to-day program operations. Participants saving through IL Secure Choice beneficially own and have control over their IRAs, as provided in the Program Description available at saver.ilsecurechoice.com. IL Secure Choice is not sponsored by the employer, and therefore the employer is not responsible for the Program or liable as a Program sponsor. Employers are not permitted to endorse the Program or encourage or advise employees on whether to participate, how much (if any) to contribute, or provide investment help.

IL Secure Choice offers investment options selected by the Board. For more information on IL Secure Choice’s investment options go to saver.ilsecurechoice.com. Account balances in IL Secure Choice will vary with market conditions. Investments in IL Secure Choice are not guaranteed or insured by the Board, the State of Illinois, the Federal Deposit Insurance Corporation or any other organization.

IL Secure Choice is a completely voluntary retirement program. Participants may opt out at any time or reduce or increase the amount of payroll contributions. If a participant opts out, they can later opt back into IL Secure Choice.

Saving through an IRA will not be appropriate for all individuals. Employer facilitation of IL Secure Choice should not be considered an endorsement or recommendation by a participating employer of IL Secure Choice, IRAs, or the investment options offered through IL Secure Choice. IRAs are not exclusive to IL Secure Choice and can be obtained outside of the Program and contributed to outside of payroll deduction. Contributing to an IL Secure Choice IRA through payroll deduction offers some tax benefits and consequences. However, not everyone is eligible to contribute to a Roth IRA and a participant should consult their tax or financial advisor if they have questions related to taxes or investments. Employers do not provide financial advice and employees should not contact an employer for financial advice. Employers should refer all questions about the Program to IL Secure Choice.

The IL Secure Choice mark and IL Secure Choice logo are registered trademarks of the Board and may not be used without permission.