What is Illinois Secure Choice?

- Retirement savings program for Illinois workers without access to an employer-sponsored plan

- Enables workers to save through regular payroll deductions without onerous employer administrative costs and responsibilities

- Not intended to replace or compete with employer-sponsored plans
Which employers will be affected by Secure Choice?

Illinois employers with **25** or more employees and

That have been in business at least **2** years and

That **do not** offer a qualified retirement plan

Expect Secure Choice will impact **1.2 million** workers across Illinois.
How will Secure Choice work?

<table>
<thead>
<tr>
<th>PROGRAM MANAGER</th>
<th>EMPLOYERS</th>
<th>EMPLOYEES</th>
</tr>
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<tbody>
<tr>
<td>The program manager (Ascensus) does the day-to-day recordkeeping and investment management and communicates with the employer and worker about the program.</td>
<td>Employers without savings plans will <strong>automatically enroll</strong> their workers in Secure Choice, facilitate payroll deductions, and ensure <strong>timely remittance</strong> of employee contributions to the retirement plan provider.</td>
<td>Participation is completely voluntary—employees may opt out and back in at any time. Their payroll deductions are <strong>invested in a Roth IRA</strong>. The account belongs to the worker and are portable, so workers can take their Roth IRA with them from job to job.</td>
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</tbody>
</table>
Secure Choice Employer Role

Employers Will:
- Distribute informational material
- Enroll employees into Illinois Secure Choice
- Set up the payroll deduction process and remit employee contributions to the plan provider

Employers WILL NOT:
- Incur an annual/administrative fee
- Be considered a plan manager or fiduciary or be subject to ERISA
- Be required or able to make an employer contribution to the plan
- Be responsible for the same administrative requirements as with employer-sponsored plans
Administrative Features of Secure Choice

Overseen by a seven person Board (day-to-day management by private sector vendor)

Treasurer’s Office provides staff and organizational support to the Secure Choice Board

Start-up costs appropriated by the state must be paid back

Program must become self-sustaining

Total fees for participants capped at 75 basis points
Secure Choice Default Options

To help workers save, Secure Choice provides these standard savings elections:

- Roth IRA
- 5% Default contribution rate
- Default target date fund appropriate for your projected retirement date
Participants who elect to change the investment default can choose among the investment funds below:

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<th>INVESTMENT OPTION</th>
<th>INVESTMENT MANAGER/FUND</th>
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<tr>
<td>Target Retirement Date Funds</td>
<td>BlackRock LifePath® Index Series</td>
</tr>
<tr>
<td>Growth Fund</td>
<td>Charles Schwab / Schwab S&amp;P 500 Index Fund (Ticker: SWPPX)</td>
</tr>
<tr>
<td>Conservative Fund</td>
<td>Charles Schwab / Schwab U.S. Aggregate Bond Index (Ticker: SWAGX)</td>
</tr>
<tr>
<td>Capital Preservation Fund</td>
<td>State Street Global Advisors/ State Street Institutional Liquid Reserves Fund (Ticker: SSHXX)</td>
</tr>
</tbody>
</table>
Pilot employer and employee enrollment began in May

First contributions begin in July for Pilot participants ($13K and 180 participants contributing)

Wave rollout will begin in fall of 2018 and continue through fall of 2019
More Information

www.ILSecureChoice.com

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Onsite pilot registration for Fox & Hounds Salon and Spa in Bloomington, IL.