



Treasurer Frerichs statement on U.S. Senate vote that hurts employers, workers saving for retirement

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Illinois' Secure Choice Plan Will Move Forward

SPRINGFIELD – Illinois State Treasurer Michael Frerichs today released the following statement after the U.S. Senate's vote to pass House Joint Resolution 66. The passage of the resolution weakens protections for employers who choose to offer Illinois' Secure Choice retirement savings plan to their workers.

Frerichs championed Secure Choice as an Illinois senator and fought for stronger federal safe harbor protections as state treasurer.

“Common sense was locked out of Congress today. Congress had a chance to help millions of Americans who lack retirement savings options. Congress had a chance to

protect employers from frivolous lawsuits. Instead, Congress again chose to stand with big money and Wall Street,” Frerichs said.

Frerichs urged President Donald Trump to reject this short-sighted decision.

In Illinois, the Secure Choice Program will go forward.

Illinois’ Secure Choice Program touches Illinois businesses with at least 25 employees, that have been in business for two or more years, and that do not currently provide a qualified savings plan. Employees from these businesses will be enrolled in a default target date Roth IRA with a default 3 percent payroll deduction, but could choose to change the contribution level or fund option at any time, or choose to opt-out of the program altogether. Accounts are owned by individual participant and will be portable from job-to-job. Employers can choose to offer a qualified private-market savings plan at any time.

Secure Choice is scheduled to launch in 2018. As many as 1.3 million workers are expected to participate.

Nationally, only half of working Americans save for retirement, according to the Survey of Income and Program Participation by the U.S. Census Bureau. Of those who do not save, 84 percent work for an employer that does not offer a retirement savings vehicle. A lack of retirement savings increases the likelihood that workers will be over-reliant on social security or retire into poverty, creating significant future burdens on state and federal social safety nets.

Advocates say the reason these workers do not have access to a retirement savings tool is because Wall Street and the financial services industry does not offer a product. Secure Choice was designed to fill this need.

For more information about Illinois’ Secure Choice Program, visit www.illinoistreasurer.gov.