

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Secure Choice Savings Program Act  
5 is amended by changing Sections 5 and 30 as follows:

6 (820 ILCS 80/5)

7 Sec. 5. Definitions. Unless the context requires a  
8 different meaning or as expressly provided in this Section,  
9 all terms shall have the same meaning as when used in a  
10 comparable context in the Internal Revenue Code. As used in  
11 this Act:

12 "Board" means the Illinois Secure Choice Savings Board  
13 established under this Act.

14 "Department" means the Department of Revenue.

15 "Director" means the Director of Revenue.

16 "Employee" means any individual who is employed by an  
17 employer, and who has wages that are allocable to Illinois  
18 during a calendar year under the provisions of Section  
19 304(a)(2)(B) of the Illinois Income Tax Act.

20 "Employer" means a person or entity engaged in a business,  
21 industry, profession, trade, or other enterprise in Illinois,  
22 whether for profit or not for profit, that (i) has employed at  
23 least 5 employees in the State during every quarter of the

1 previous calendar year, (ii) has been in business at least 2  
2 years, and (iii) is not offering or contributing to ~~has not~~  
3 ~~offered~~ a qualified retirement plan, including, but not  
4 limited to, a plan qualified under Section 401(a), Section  
5 401(k), Section 403(a), Section 403(b), Section 408(k),  
6 Section 408(p), or Section 457(b) of the Internal Revenue Code  
7 of 1986 ~~in the preceding 2 years~~. "Employer" does not include  
8 the federal government, the State, any county, any municipal  
9 corporation, or any of the State's units or instrumentalities.

10 "Enrollee" means any employee who is enrolled in the  
11 Program.

12 "Fund" means the Illinois Secure Choice Savings Program  
13 Fund.

14 "Internal Revenue Code" means Internal Revenue Code of  
15 1986, or any successor law, in effect for the calendar year.

16 "IRA" means a Roth or Traditional IRA (individual  
17 retirement account) under Section 408 or 408A of the Internal  
18 Revenue Code.

19 "Participating employer" means an employer or small  
20 employer that facilitates a payroll deposit retirement savings  
21 arrangement as provided for by this Act for its employees.

22 "Payroll deposit retirement savings arrangement" means an  
23 arrangement by which a participating employer facilitates  
24 payroll deduction contributions from enrollees to the Program.

25 "Program" means the Illinois Secure Choice Savings  
26 Program.

1 "Small employer" means a person or entity engaged in a  
2 business, industry, profession, trade, or other enterprise in  
3 Illinois, whether for profit or not for profit, that (i)  
4 employed less than 5 employees during any quarter of the  
5 previous calendar year, or (ii) has been in business less than  
6 2 years, or both items (i) and (ii), but that notifies the  
7 Board that it is interested in being a participating employer.

8 "Wages" means any compensation within the meaning of  
9 Section 219(f)(1) of the Internal Revenue Code that is  
10 received by an enrollee from a participating employer during  
11 the calendar year.

12 (Source: P.A. 101-353, eff. 8-9-19; 102-179, eff. 1-1-22.)

13 (820 ILCS 80/30)

14 Sec. 30. Duties of the Board. In addition to the other  
15 duties and responsibilities stated in this Act, the Board  
16 shall:

17 (a) Cause the Program to be designed, established and  
18 operated in a manner that:

19 (1) accords with best practices for retirement  
20 savings vehicles;

21 (2) maximizes participation, savings, and sound  
22 investment practices;

23 (3) maximizes simplicity, including ease of  
24 administration for participating employers and  
25 enrollees;

1           (4) provides an efficient product to enrollees by  
2           pooling investment funds;

3           (5) ensures the portability of benefits; and

4           (6) provides for the deaccumulation of enrollee  
5           assets in a manner that maximizes financial security  
6           in retirement.

7           (b) Appoint a trustee to the IRA Fund in compliance  
8           with Section 408 of the Internal Revenue Code.

9           (c) Explore and establish investment options, subject  
10          to Section 45 of this Act, that offer employees returns on  
11          contributions and the conversion of individual retirement  
12          savings account balances to secure retirement income  
13          without incurring debt or liabilities to the State.

14          (d) Establish the process by which interest,  
15          investment earnings, and investment losses are allocated  
16          to individual program accounts on a pro rata basis and are  
17          computed at the interest rate on the balance of an  
18          individual's account.

19          (e) Make and enter into contracts necessary for the  
20          administration of the Program and Fund, including, but not  
21          limited to, retaining and contracting with investment  
22          managers, private financial institutions, other financial  
23          and service providers, consultants, actuaries, counsel,  
24          auditors, third-party administrators, and other  
25          professionals as necessary.

26          (e-5) Conduct a review of the performance of any

1 investment vendors every 4 years, including, but not  
2 limited to, a review of returns, fees, and customer  
3 service. A copy of reviews conducted under this subsection  
4 (e-5) shall be posted to the Board's Internet website.

5 (f) In collaboration with the State Treasurer,  
6 determine ~~Determine~~ the number and duties of staff members  
7 needed to administer the Program and assemble such a  
8 staff, ~~including, as needed, employing staff, appointing a~~  
9 ~~Program administrator, and entering into contracts with~~  
10 ~~the State Treasurer to make employees of the State~~  
11 ~~Treasurer's Office available to administer the Program.~~

12 (g) Cause moneys in the Fund to be held and invested as  
13 pooled investments described in Section 45 of this Act,  
14 with a view to achieving cost savings through efficiencies  
15 and economies of scale.

16 (h) Evaluate and establish the process by which an  
17 enrollee is able to contribute a portion of his or her  
18 wages to the Program for automatic deposit of those  
19 contributions and the process by which the participating  
20 employer provides a payroll deposit retirement savings  
21 arrangement to forward those contributions and related  
22 information to the Program, including, but not limited to,  
23 contracting with financial service companies and  
24 third-party administrators with the capability to receive  
25 and process employee information and contributions for  
26 payroll deposit retirement savings arrangements or similar

1 arrangements.

2 (i) Design and establish the process for enrollment  
3 under Section 60 of this Act, including the process by  
4 which an employee can opt not to participate in the  
5 Program, select a contribution level, select an investment  
6 option, and terminate participation in the Program.

7 (j) Evaluate and establish the process by which an  
8 individual may voluntarily enroll in and make  
9 contributions to the Program.

10 (k) Accept any grants, appropriations, or other moneys  
11 from the State, any unit of federal, State, or local  
12 government, or any other person, firm, partnership, or  
13 corporation solely for deposit into the Fund, whether for  
14 investment or administrative purposes.

15 (l) Evaluate the need for, and procure as needed,  
16 insurance against any and all loss in connection with the  
17 property, assets, or activities of the Program, and  
18 indemnify as needed each member of the Board from personal  
19 loss or liability resulting from a member's action or  
20 inaction as a member of the Board.

21 (m) Make provisions for the payment of administrative  
22 costs and expenses for the creation, management, and  
23 operation of the Program, including the costs associated  
24 with subsection (b) of Section 20 of this Act, subsections  
25 (e), (f), (h), and (l) of this Section, subsection (b) of  
26 Section 45 of this Act, subsection (a) of Section 80 of

1 this Act, and subsection (n) of Section 85 of this Act.  
2 Subject to appropriation, the State may pay administrative  
3 costs associated with the creation and management of the  
4 Program until sufficient assets are available in the Fund  
5 for that purpose. Thereafter, all administrative costs of  
6 the Fund, ~~including repayment of any start up funds~~  
7 ~~provided by the State,~~ shall be paid only out of moneys on  
8 deposit therein. However, private funds or federal funding  
9 received under subsection (k) of Section 30 of this Act in  
10 order to implement the Program until the Fund is  
11 self-sustaining shall not be repaid unless those funds  
12 were offered contingent upon the promise of such  
13 repayment. The Board shall keep investment fees ~~total~~  
14 ~~annual expenses~~ as low as possible, but in no event shall  
15 they exceed 0.25% ~~0.75%~~ of the total trust balance. The  
16 Board may charge administrative fees, established by rule,  
17 that shall be consistent with industry standards.

18 (n) Allocate administrative fees to individual  
19 retirement accounts in the Program on a pro rata basis.

20 (o) Set minimum and maximum contribution levels in  
21 accordance with limits established for IRAs by the  
22 Internal Revenue Code.

23 (o-5) Select a default contribution rate for Program  
24 participants within the range of 3% to 6% of an enrollee's  
25 wages.

26 (o-10) Establish annual, automatic increases to the

1 contribution rates based upon a schedule provided for in  
2 rules up to a maximum of 10% of an enrollee's wages.

3 (p) Facilitate education and outreach to employers and  
4 employees.

5 (q) Facilitate compliance by the Program with all  
6 applicable requirements for the Program under the Internal  
7 Revenue Code, including tax qualification requirements or  
8 any other applicable law and accounting requirements.

9 (q-5) Verify employee eligibility for auto-enrollment  
10 in accordance with the Internal Revenue Code and  
11 applicable Federal and State laws. The verification shall  
12 include the rejection of any enrollee under 18 years of  
13 age.

14 (r) Carry out the duties and obligations of the  
15 Program in an effective, efficient, and low-cost manner.

16 (s) Exercise any and all other powers reasonably  
17 necessary for the effectuation of the purposes,  
18 objectives, and provisions of this Act pertaining to the  
19 Program.

20 (t) Deposit into the Illinois Secure Choice  
21 Administrative Fund all grants, gifts, donations, fees,  
22 and earnings from investments from the Illinois Secure  
23 Choice Savings Program Fund that are used to recover  
24 administrative costs. All expenses of the Board shall be  
25 paid from the Illinois Secure Choice Administrative Fund.  
26 The Board may enter into agreements with other



1 governmental entities, including other states or their  
2 agencies and instrumentalities, to enable residents of other  
3 states to participate in the Program.

4 (Source: P.A. 101-353, eff. 8-9-19; 102-179, eff. 1-1-22.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.