



# FACTS ABOUT IL SECURE CHOICE



## Overview

Illinois' auto-IRA program currently requires established employers with 25 or more employees and no retirement plan to automatically enroll their workers, who are allowed to opt out. In 2022, Illinois is expanding the requirement to cover firms with 5 to 24 employees. Illinois was the first state to pass legislation establishing an auto-IRA, in 2015, and the second to go "live," in 2018.

To date, Illinois has 2,886 participating employers and 95,717 worker accounts (see Table 1).

TABLE 1. OVERVIEW OF ILLINOIS SECURE CHOICE

Design	Rollout	Status (as of October 31, 2021)
⇒ Mandated for employers in operation for 2+ years with 25+ employees and no retirement plan	⇒ Rollout to employers in progress ⇒ Rollout to workers in progress	⇒ 2,886 employers facilitating payroll contributions ⇒ 95,717 workers with a funded account
⇒ 5% default contribution rate, no auto-escalation	⇒ Registration deadline passed, but some firms have yet to set up payroll deductions.	⇒ \$79.5 million in assets
⇒ Annual penalty of \$250 per eligible employee		

Source: Illinois Secure Choice, Office of the State Treasurer (2021).

## Employers

So far, 2,886 employers in Illinois have set up their payroll systems to process deductions to Illinois Secure Choice (see Table 2 on the next page). Unlike California, where not all employers are required to register for the program yet, Illinois (and Oregon) require all employers currently subject to the mandate to be registered. At this point, not all firms that have registered have completed setting up their payroll systems.

Employers subject to the mandate that do not comply must pay an annual fine of \$250 per eligible employee if noncompliance extends 90 days or more after the notice. The program is also open to employers who are not subject to the mandate and self-employed individuals who wish to participate.

TABLE 2. NUMBER OF ILLINOIS SECURE CHOICE EMPLOYERS WITH PAYROLL SET UP

Period	Employers
2021-Q1	2,806
2021-Q2	2,837
2021-Q3	2,868
2021-October	2,886

Source: Illinois Secure Choice performance dashboards, Office of the State Treasurer (2021).

## Employees

To date, the number of employees with assets in Illinois Secure Choice has reached 95,717. Given the very early stage of the program, average account balances are modest. Contributions made in the first 90 days are invested in a money market fund; after that point, the account balance and future contributions are defaulted into a target-date fund. As of the most recent month, 34 percent of eligible workers chose to opt out of participating (see Table 3).

TABLE 3. SELECTED ILLINOIS SECURE CHOICE EMPLOYEE OUTCOMES

Period	Number of accounts (with balances)	Average account balance	Reported opt-out rate <sup>a</sup>
2021-Q1	85,355	\$652	35%
2021-Q2	90,403	742	34
2021-Q3	94,326	781	34
2021-October	95,717	831	34

<sup>a</sup> The participation rate is not necessarily equal to one minus the opt-out rate. For more discussion on participation rates, see [Quinby et al. \(2019\)](#).

Source: Illinois Secure Choice performance dashboards, Office of the State Treasurer (2021).

## Assets

The program, which is intended to eventually become financially self-sufficient, had assets under management of \$79.5 million by the end of October 2021 (see Table 4 on the next page). To pay for its operating costs, Illinois Secure Choice charges an annual fee of 0.75 percent on program assets.

TABLE 4. ASSETS IN ILLINOIS SECURE CHOICE

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Period	Assets (in millions)
2021-Q1	\$55.7
2021-Q2	67.1
2021-Q3	73.7
2021-October	79.5

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Source: Illinois Secure Choice performance dashboards, Office of the State Treasurer (2021).

**Related links:**

[Illinois Secure Choice performance dashboards \(Office of the State Treasurer\)](#)

[Illinois Secure Choice program website](#)

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