

Reminder: Secure Choice Savings Program Is Being Rolled Out in Illinois

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As we previously reported, Illinois is implementing the Illinois Secure Choice Savings Program (Program), under which private sector workers in Illinois who do not have access to an employer-sponsored retirement plan will be automatically enrolled in Individual Retirement Accounts (IRAs) to which an automatic after-tax contribution of 5% of gross wages will be made.

Employees have the option to opt-out of the Program. The Program has begun notifying large employers of the requirement to participate. Compliance will be required in three waves beginning: November 1, 2018, for employers with 500+ employees; July 2019, for employers with 100-499 employees; and November 2019, for employers with 25-99 employees. Employees of employers with fewer than 25 employees will not be automatically enrolled in the Program.

Rather than participating in the Program, employers can choose to offer employees a qualified retirement plan (e.g., a 401(k) plan), but doing so could come at a greater cost to employers. Employers that already offer a qualified retirement plan are exempt from the Program.

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