

Illinois Expands Mandatory Secure Choice Retirement Savings Program to Smaller Employers

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Governor Pritzker recently signed into law an expansion to Illinois's Secure Choice Retirement Savings Program (Program) that soon will require compliance with the Program by employers with five or more employees. Previously, the Program applied only to employers with 25 or more employees that had been operating in Illinois for at least two years and did not offer a qualified retirement plan. That 25-employee threshold has been reduced in steps to only five employees, but the other requirements remain.

We previously covered the original version of the Program [here](#). Briefly, employer obligations under the Program include:

- Distributing information regarding and provided by the Program,
- Facilitating employee enrollment in the Program, and
- Implementing and remitting employee payroll deduction contributions to the Program.

In addition to expanding the law to cover smaller employers, the revised Program also will include annual, automatic contribution increases up to 10% of wages. However, employees continue to have the right to opt out. The Program does not require employer contributions, nor does it extend fiduciary or other obligations set forth under the federal Employee Retirement Income Security Act of 1974 (ERISA) to employers that otherwise would not be subject to ERISA.

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As it did with its initial rollout, the Program will notify employers of their obligations and applicable deadlines. The first enrollment deadline, which will apply to employers with more than 15 employees and fewer than 25 employees, will occur no sooner than September 1, 2022. The second enrollment deadline for employers with between five and 15 employees will occur no sooner than September 1, 2023.

Small employers that will now be required to enroll employees in and remit contributions to the Program should familiarize themselves with the Program by visiting its **website**. Our benefits professionals also are happy to assist with any questions you may have, including those related to counting employees, signing up with the Program, implementing a separate retirement plan or implementing the contribution and remittance aspects of the Program.