



**What is Illinois Secure Choice:** Illinois Secure Choice is a mandated state-wide retirement savings program for employers who meet the eligibility criteria. The program was designed to enable employees to contribute to their own retirement if their employer does not offer its own retirement plan.

**Eligibility:** Companies who are required to sign up for Illinois Secure Choice meet *all* of the following criteria:

- Have 5 or more IL employees
- Have been in business longer than 2 years
- Do not offer a qualified retirement plan

#### **IL Secure Choice Characteristics:**

- Individual Roth IRA equivalents for employees
- Automatic enrollment at 5%, with automatic annual escalators up to 10%
- No loans permitted
- Rollout in waves based on number of employees for the company:
  - 25+ employees should already be enrolled
  - 16 – 24 employees: November 1, 2022
  - 5 – 15 employees: November 1, 2023
- Straightforward registration and no immediate cost for employers

#### **IL Secure Choice Limitations:**

- Companies still need to dedicate time and resources to the administration of the program
- Lower contribution caps than traditional retirement plans
- Limited investment options
- Lack of plan oversight
- No tax benefit for employers
- Severe potential penalties for:
  - Not registering timely (\$250 per employee for first year, \$500 for second)
  - Not remitting deductions timely

An employer is not required to sign up for Illinois Secure Choice if it has or implements a qualified retirement plan. At Porte Brown, we take the time to get to know you and your company's goals, and we can help design a plan that is better suited to helping you achieve them. If you have any questions please call 847-956-1040 or reach out to us via our website at [www.portebrown.com/contact-us](http://www.portebrown.com/contact-us).



[www.portebrown.com](http://www.portebrown.com)