

Senate Bill 2758: Illinois Secure Choice Savings Program

Diverse Support for Automatic Individual Retirement Accounts

SB2758 provides Illinois workers access to a retirement savings plan in the form of an Automatic Individual Retirement Account. The Heritage Foundation, in partnership with the Brookings Institution, first proposed the idea of an Automatic IRA in 2006. The Automatic IRA empowers workers to save and addresses the national retirement savings crisis in a market-oriented way, without burdening employers or the government.

Automatic IRAs have diverse support from elected officials, local and national organizations and media outlets from across the political spectrum including:

Chicago Tribune Editorial (April 8, 2014)

"We hope lawmakers of both parties appreciate how the Illinois Secure Choice Savings Program – Senate Bill 2758 at ilga.gov -- would live up to its lengthy title without costing the state money."

Chicago Sun-Times Editorial (February 17, 2014)

"Far too many workers, the numbers show, are locked out of the heart of America's retirement system: employment-based savings plans... One simple yet profoundly powerful solution is before the Illinois Legislature, and we urge legislators to support it. The bill holds tremendous promise for bolstering retirement savings, particularly for low-wage workers."

The State Journal-Register Editorial (April 8, 2014)

"States should step in now to empower an increasing number of low-wage workers to save for retirement. Without a plan, such as [SB2758], the wave of poverty among senior citizens that sweeps the country in the coming decades will be a hefty burden on the country's safety nets, including Social Security."

The New York Times Editorial (March 18, 2006)

"The best idea yet developed for making savings universal is an IRA that is funded with automatic direct deposits from a paycheck...[T]he automatic IRA would use a no-frills design and economies of scale to overcome the problem of high fees on small accounts."

President Barack Obama, State of the Union Address (2014)

"A Social Security check often isn't enough on its own... [Let's] offer every American access to an automatic IRA on the job, so they can save at work just like everyone in this chamber can."

Senator John McCain, Employee Benefits Presidential Candidate Questionnaire (2008)

"We should make it easier for people who work for small employers, for whom it is too costly to provide a pension plan, to save for their own retirement. Auto-IRAs are a natural way to achieve that. The goal is not to displace more and more company pensions, but rather that all workers have some way to easily save for retirement."

David C. John, Heritage Foundation WebMemo (February 5, 2010)

"[The Automatic IRA] is simple, cross-ideological, and practical solution to a serious problem."

David Certner, Director of Federal Affairs, AARP (February 14, 2006)

"The right proposal at the right time. Congress should act now to expand this successful payroll deduction mechanism..."

Martin Feldstein, Chairman of the Council of Economic Advisors to President Reagan (2008)

"I am a great enthusiast of automatic enrollment IRAs. I think as a policy, it's a no-brainer.... I can't imagine why there would be any significant opposition from political players on either side of the aisle."

Marketwatch.com, The Wall Street Journal (February 16, 2006)

"... a solution that is elegant in its simplicity...Lawmakers, employers and employees should be willing to forge any river and climb any mountain to make this proposal more than just another white paper."