



Advancing Economic Security
and Community Prosperity



June 25, 2021

The Honorable J.B. Pritzker
Office of the Governor

Dear Governor Pritzker:

The undersigned organizations urge you to sign House Bill 117, Secure Choice Expansion, into law. The bill received bipartisan support in the House and the Senate. HB 177 will expand upon the existing Secure Choice Retirement Savings Program by:

1. Including employers with five or more employees in the program (previously 25 or more)
2. Allowing the Board to establish auto-escalation to enable workers to gradually increase their savings rate without having to proactively make changes each year, and
3. Extending the grace period for penalties

If you sign HB117 into law, the Illinois Secure Choice program will follow established best practices in retirement savings and will allow hundreds of thousands more Illinoisans to save for their futures.

The Illinois Asset Building Group (IABG), a project of Heartland Alliance, has long-advocated for retirement security in Illinois. Over the past decade, IABG has addressed the retirement savings crisis. In 2015, our coalition led the charge for Illinois to become the first state to enact legislation that automatically enrolls private-sector workers without access to an employment-based retirement program into the Secure Choice program. Before this program, over 2.5 million workers in Illinois lacked access to an employment-based retirement program.

We know that the program has worked for Illinoisans. After the program's official launch in 2018, Illinois Secure Choice has enrolled more than 85,000 participants who have cumulatively saved more than \$55 million for retirement. Even through the pandemic, the program grew month to month and provided frontline and lower-income workers across the state a crucial savings safety net. A public program like Secure Choice can help bridge the retirement savings gap, all while putting no additional burden on small businesses.

In 2019, Illinois firms employing fewer than 20 employees experienced the largest gains in net new jobs of any other sized business. Now with pandemic recovery, small businesses are facing unprecedented challenges attracting and retaining employees. Secure Choice can help level the playing field and support their economic recovery by lowering the enrollment threshold for the program from 25 employees to five, as Small Business Majority's research shows that nearly two-thirds of Illinois small business owners believe their own employees will not have enough money to cover their basic living expenses in retirement.

If signed into law, HB 117 will better serve thousands more employers and hundreds of thousands more employees to prepare for a dignified retirement. Illinois will join California and Oregon, who have 5-employee and 1-employee threshold respectively, in offering the program to more citizens. Allowing for auto-escalation will also give workers the chance to increase their savings rate without monitoring it closely year-to-year, considered best practice for retirement planning nationally. Employees will continue to have the option to opt-out of the program or set their own savings rate. Expanding the grace period around penalties will allow employers to come into compliance at any time during the calendar year, rather than penalizing them for a partial year of non-compliance.

The undersigned organizations see this bill as an opportunity for more Illinoisans to prepare for their futures and better realize a retirement free from financial strain. By enacting this legislation, Illinois has a chance to enable far more Illinoisans to achieve financial inclusion in the present and financial stability in retirement. As such, we urge you to sign this crucial piece of legislation that improves upon the existing Secure Choice Program. Thank you, and please feel free to reach out to Amy Eisenstein, aeisenstein@heartlandalliance.org, 630-878-9701, with any questions.

Sincerely,

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Heartland Alliance

Housing Action Illinois

Illinois Asset Building Group

Legal Action Chicago

LISC Chicago

POWER-PAC Illinois

SEIU Healthcare IL-IN

Shriver Center on Poverty Law

Small Business Majority

Women Employed

Woodstock Institute