

Support SB2400: Automatic IRA Program

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Providing Viable Retirement Options to Illinois Residents

The Automatic IRA Program will:

- Address growing asset poverty and retirement insecurity in Illinois by giving workers access to a savings tool that will help them build financially secure retirements.
- Automatically enroll workers in a portable employment-based retirement savings account:
 - Employees have three investment fund options
 - Default 3% employee contribution with the option to increase or decrease the investment rate at anytime
 - Employees can opt out of the program
- Apply to Illinois businesses that have been in existence for two or more years and employ ten or more individuals:
 - Businesses with existing plans are exempt
 - No required employer contribution
 - Employers will not be responsible for administering or managing the accounts
 - Employers are not financially responsible
- Pool the assets that will be professionally managed by an outside investor.
- Create a Board responsible for implementing, administering and monitoring the program.
- Ensure that start-up costs and ongoing administrative costs are covered by investment earnings from the fund.

Bottom Line:

Our state and nation face a fast approaching retirement crisis, due in large part to lack of access to retirement savings tools. The Automatic IRA Program provides a savings opportunity for Illinois workers, without significant cost, administrative burden, or legal liability to businesses.

Retirement Insecurity Among Illinois Workers

2.5
Million

2.5 million Illinois workers do not have access to a retirement plan through their employer.

60%

60% of low-wage workers do not have access to a retirement plan through their employer.

33%

For more than **one-third of retirees**, Social Security provides more than **90% of their income**.

Overreliance on Social Security

For nearly two-thirds of retirees, Social Security provides the majority of their cash income. For more than one-third, it provides more than 90% of their income. **For one-quarter, it is the sole source of retirement income.** This overreliance will cause more people to fall into poverty in their retirement years.

Questions:

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The Following Businesses & Business Associations Support SB2400:

Addus Healthcare
Ariel Investments
Cabrera Capital
Illinois Black Chamber of Commerce
National Association of Social Workers, Illinois (NASWIL)

The Following Organizations Support SB2400:

AARP Illinois
Action Now
AFSCME Council 31
Alzheimer's Association Greater Illinois Chapter
Apna Ghar
Asian American Institute
Center for Economic Progress
Chicago Jobs Council
Citizen Action
Greater Southwest Development Corporation
Heartland Alliance for Human Needs & Human Rights
Illinois AFL-CIO
Illinois Asset Building Group (IABG)
Illinois Coalition for Immigrant and Refugee Rights (ICIRR)
Illinois Maternal and Child Health Coalition
Legal Assistance Foundation of Metropolitan Chicago
Lutheran Advocacy Illinois
Mobile Homeowners Association of Illinois
North Side Community Federal Credit Union
National Association of Women Business Owners (NAWBO)
Partners in Community Building
Project IRENE
Protestants for the Common Good
Sargent Shriver National Center on Poverty Law
SEIU Healthcare
Women Employed
Woodstock Institute
Worker Center for Racial Justice
