

HB4923



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4923

by Rep. Barbara Flynn Currie

SYNOPSIS AS INTRODUCED:

820 ILCS 80/45
820 ILCS 80/65
820 ILCS 80/80

Amends the Illinois Secure Choice Savings Program Act. Provides that an investment option may be a conservative fund rather than a conservative principal protection fund. Provides that the Illinois Secure Choice Savings Board may establish deadlines for payment of payroll deductions to the Fund. Provides for audits on a fiscal year basis rather than a calendar year basis and report by the following January rather than July. Requires the Treasurer to prepare annual reports on benefits provided by the Program and post the report on the Program website. Effective immediately.

LRB100 17357 JLS 32521 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Secure Choice Savings Program Act
5 is amended by changing Sections 45, 65, and 80 as follows:

6 (820 ILCS 80/45)

7 Sec. 45. Investment options.

8 (a) The Board shall establish as an investment option a
9 life-cycle fund with a target date based upon the age of the
10 enrollee. This shall be the default investment option for
11 enrollees who fail to elect an investment option unless and
12 until the Board designates by rule a new investment option as
13 the default as described in subsection (c) of this Section.

14 (b) The Board may also establish any or all of the
15 following additional investment options:

16 (1) a conservative ~~principal protection~~ fund;

17 (2) a growth fund;

18 (3) a secure return fund whose primary objective is the
19 preservation of the safety of principal and the provision
20 of a stable and low-risk rate of return; if the Board
21 elects to establish a secure return fund, the Board may
22 procure any insurance, annuity, or other product to insure
23 the value of individuals' accounts and guarantee a rate of

1 return; the cost of such funding mechanism shall be paid
2 out of the Fund; under no circumstances shall the Board,
3 Program, Fund, the State, or any participating employer
4 assume any liability for investment or actuarial risk; ~~the~~
5 ~~Board shall determine whether to establish such investment~~
6 ~~options based upon an analysis of their cost, risk profile,~~
7 ~~benefit level, feasibility, and ease of implementation;~~

8 (4) an annuity fund.

9 The Board shall determine whether to establish any of the
10 additional investment options based upon an analysis of its
11 cost, risk profile, benefit level, feasibility, and ease of
12 implementation.

13 (c) If the Board elects to establish a secure return fund,
14 the Board shall then determine whether such option shall
15 replace the ~~target date or~~ life-cycle fund as the default
16 investment option for enrollees who do not elect an investment
17 option. In making such determination, the Board shall consider
18 the cost, risk profile, benefit level, and ease of enrollment
19 in the secure return fund. The Board may at any time thereafter
20 revisit this question and, based upon an analysis of these
21 criteria, establish either the secure return fund or the
22 life-cycle fund as the default for enrollees who do not elect
23 an investment option.

24 (Source: P.A. 98-1150, eff. 6-1-15.)

1 Sec. 65. Payments. Employee contributions deducted by the
2 participating employer through payroll deduction shall be paid
3 by the participating employer to the Fund using one or more
4 payroll deposit retirement savings arrangements established by
5 the Board under subsection (h) of Section 30 of this Act,
6 either:

7 (1) on or before the last day of the month following
8 the month in which the compensation otherwise would have
9 been payable to the employee in cash; or

10 (2) by a ~~before such later~~ deadline prescribed by the
11 Board for making such payments, but not later than the due
12 date for the deposit of tax required to be deducted and
13 withheld relating to collection of income tax at source on
14 wages or for the deposit of tax required to be paid under
15 the unemployment insurance system for the payroll period to
16 which such payments relate.

17 (Source: P.A. 98-1150, eff. 6-1-15.)

18 (820 ILCS 80/80)

19 Sec. 80. Audit and reports.

20 (a) The Board shall annually submit an audited financial
21 report, prepared in accordance with generally accepted
22 accounting principles, on the operations of the Program during
23 each fiscal ~~calendar~~ year by January ~~July~~ 1 of the following
24 year to the Governor, the Comptroller, the State Treasurer, and
25 the General Assembly. The annual audit shall be made by an

1 independent certified public accountant and shall include, but
2 is not limited to, direct and indirect costs attributable to
3 the use of outside consultants, independent contractors, and
4 any other persons who are not State employees for the
5 administration of the Program.

6 (b) In addition to any other statements or reports required
7 by law, the Board shall provide periodic reports at least
8 annually to participating employers, reporting the names of
9 each enrollee employed by the participating employer and the
10 amounts of contributions made by the participating employer on
11 behalf of each employee during the reporting period, as well as
12 to enrollees, reporting contributions and investment income
13 allocated to, withdrawals from, and balances in their Program
14 accounts for the reporting period. Such reports may include any
15 other information regarding the Program as the Board may
16 determine.

17 (c) The State Treasurer shall annually prepare a report in
18 consultation with the Board that includes a summary of the
19 benefits provided by the Program each fiscal year, including
20 the number of enrollees in the Program, the percentage and
21 amounts of investment options and rates of return, and such
22 other information that is relevant to make a full, fair, and
23 effective disclosure of the operations of the Program and the
24 Fund. The report shall be made available on the Program website
25 by January of the following year.

26 (Source: P.A. 98-1150, eff. 6-1-15; 99-464, eff. 8-26-15.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.