

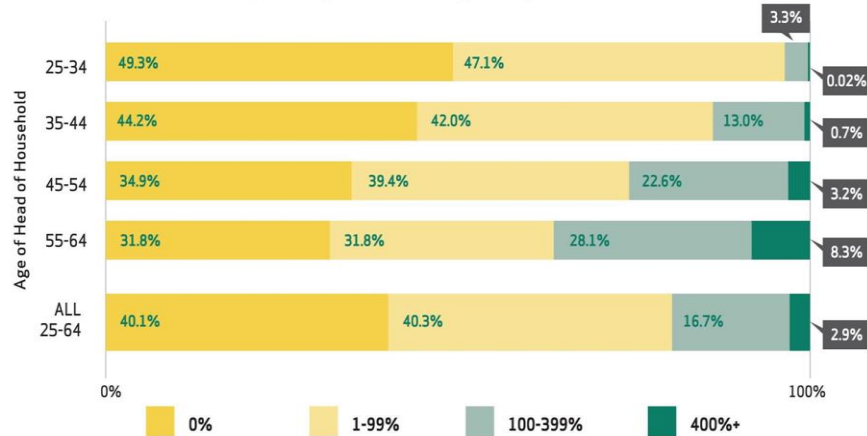
Illinois Secure Choice Savings Program

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Savings Gap

Figure 10: **Four out of Five Working Households Have Retirement Savings Less than One Times Their Annual Income**

Retirement account balance as a percentage of income among working households, 2010



Source: National Institute on Retirement Security - The Retirement Savings Crisis: Is it Worse Than We Think? | www.nirsonline.org

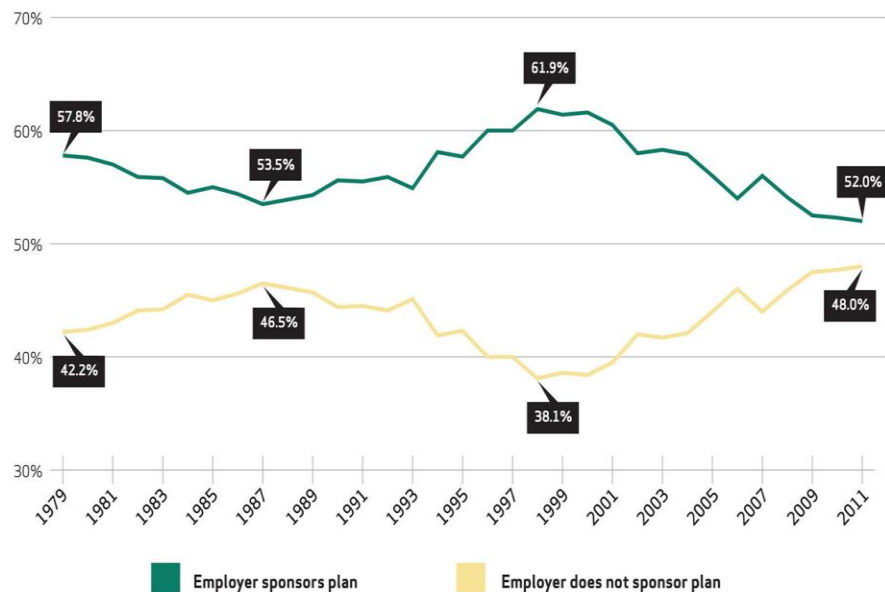
- 92% of working households fall short of retirement savings targets for their age and income based on retirement account assets
- Over half of the private sector workforce is expected to retire on Social Security alone.
- Median retirement account balance is \$3,000 for all working-age households

Access to Savings Accounts at Work and coverage

- 53.4% of private sector workers (2.5 million people) in Illinois lack access to an employment-based retirement plan
- Earnings only represent 6.2% of retirement income for households in the bottom 60 percent of incomes as of 2008
- Social Security benefits are replacing a smaller percentage of pre-retirement income

Figure 1: **Only Half of Private Sector Employees Have Access to Workplace Retirement Benefits—the Lowest Share Since 1979**

Private sector wage and salary workers age 25-64 by employer retirement plan sponsorship, 1979-2011



Illinois Secure Choice Savings Program

- Automatic enrollment
- 3% Employee contribution
- Employees can opt out, increase or decrease contribution rate
- Employers do not contribute or administer program
- Assets are pooled, invested
- Fund is held outside of the state treasury
- Board oversees the program, RFP process
- Accounts are portable