

ILLINOIS SECURE CHOICE SAVINGS BOARD

**Meeting of Thursday, November 20, 2025
Held In-Person & Remotely by Videoconference**

MEETING MINUTES

The November 20, 2025 meeting of the Illinois Secure Choice Savings Board (“Board”) was called to order by Mr. Diaz shortly after 3:00 p.m. CT with the presence of a quorum.

BOARD MEMBERS PRESENT

Fernando Diaz, *Designee for the Illinois State Treasurer* (In-person)

John Williams, *Designee for the Illinois State Comptroller* (In-person)

Curt Clemons-Mosby, *Designee for the Illinois Governor’s Office of Management and Budget*

Roderick Bashir, *Board Member* (In-person)

Erica Marquez Avitia, *Board Member* (In-person)

Staci Mayall, *Board Member* (In-person)

Lotika Pai, *Board Member*

TREASURER’S OFFICE STAFF

Erica Tremble, *Assistant General Counsel* (In-person)

Joe Aguilar, *Chief Investment Officer* (In-person)

Ismael Vega, *Director, Public Market Investments* (In-person)

David Elliott, *Senior Investment Analyst, Public Market Investments* (In-person)

Matt Kisling, *Deputy Director of Legislative Affairs and Outreach*

Austin Stadelman, *Policy Advisor, Legislative and Policy*

Christine Cheng, *Executive Director of Secure Choice* (In-person)

Deanna Verduin, *Deputy Director of Secure Choice*

APPROVAL OF BOARD MEETING MINUTES

Board members reviewed the August 14, 2025 Board Meeting Minutes, which were provided in advance of the meeting. There was no discussion, and no additional changes were proposed.

A motion was made by Mr. Bashir, seconded by Ms. Marquez Avitia to approve the August 14, 2025 Board Meeting Minutes. The motion carried unanimously via roll call.

Board members reviewed the October 2, 2025 Special Board Meeting Minutes, which were provided in advance of the meeting. There was no discussion, and no additional changes were proposed.

A motion was made by Mr. Bashir, seconded by Ms. Marquez Avitia to approve the October 2, 2025 Board Meeting Minutes. The motion carried unanimously via roll call.

PRESENTATION – FY25 AUDIT

Greg Walker of Landmark PLC presented an overview of the independent auditor's report and stated a clean opinion was issued on the financial statements. He noted that only the contributions submitted to the program were audited, and an audit was not done at the employer level. Mr. Walker then reviewed a summary of the financial statements stating that it was another great year for the program with a fiduciary net position increase of \$72.8M, or 37.9%, from June 30, 2024, to June 30, 2025. Additionally, both contributions and distributions increased, and the Program Fund experienced net investment income of \$30.3M. He also noted that administrative fees decreased due to the fee decrease that occurred in the fiscal year ending June 30, 2024.

Mr. Walker stated that changes to both the investment options and underlying funds that occurred in fiscal year 2025 were tested during the audit. These changes included discontinuing Target Date Retirement Fund 2025 and adding Target Date Retirement Fund 2075, as well as related changes to their underlying funds.

Mr. Walker then reviewed three major audit procedures for the financial statements including confirming investments with each investment manager, reconciling contributions and distributions between Ascensus (the recordkeeper) and BNY Mellon (the custodian), and testing administrative

fees. There were no differences in any of the three areas. He then reviewed three audit procedures for participants including the 90-day testing option, employer confirmations, and distribution requests.

STAFF UPDATES

Ms. Cheng provided Q3 2025 program updates stating that there were approximately 162,000 funded accounts and \$300M in assets at the end of the quarter. Funded accounts were up 3% quarter over quarter and year over year, and assets were up 10% quarter over quarter and 35% year over year. She added that Q3 was a busy time with the onboarding of employers from the annual wave prior to the November 1 deadline, and, as in 2024, the Treasurer's Office supplemented communications to the Wave 2025 employers. Additionally, the Treasurer's Office continued to work with enforcement employers to help them reach full compliance. Currently the resolution rate is 85% across all three years of enforcement action. She added that Treasurer Frerichs conducted on-site visits with a few Secure Choice employers, and the videos of the visits are available on the Treasurer's Office YouTube page. Ms. Cheng then provided an update on the program administrator request for proposal (RFP) stating that conversations have continued with the two finalists, Marquette Associates for investment manager and Vestwell for program manager, and the Treasurer's Office will keep the Board updated on a timeline for transition. She also stated that the evaluation process has concluded and an announcement is forthcoming for the legal services RFP.

Next, Mr. Stadelman provided a legislative update regarding the Secure Choice legislation, SB 1441, which provides explicit language that participants may have both a Roth IRA and a Traditional IRA for the federal Saver's Match. The initiative also updates the Board duties to specify that the Board can assess the feasibility of agreements with other governmental agencies, including other states, to achieve greater economies of scale and enhance program quality and can enter into these agreements if determined beneficial. It also specifies that penalties can be assessed if employers do not remit contributions for participating employees, and that employers are not required to enroll employees until they have been employed with them for 120 days. Mr. Stadelman shared that the team is now in the process of working with the Joint Committee for Administrative Rules (JCAR) to adopt the rules that reflect the statutory changes and that the team is awaiting a JCAR hearing scheduled for December 17, 2025. The expectation is that the rules will be adopted by year end. He added that there are no Secure Choice legislative initiatives scheduled for 2026.

Mr. Diaz noted that the Treasurer's Office is working with an outside firm on a rebrand of Illinois Secure Choice. The approval of the rebrand is tentatively scheduled for the 2026 Q1 Board meeting.

Ms. Cheng reviewed FY26 year-to-date expenditures for the program, sharing that they are in line with expectations. Mr. Bashir then asked about the current number of participating employers, and Ms. Cheng stated there are over 25,000 registered and approximately 7,800 of those that are remitting contributions during any given 90-day period.

DISCUSSION – SECURE CHOICE QUARTERLY REPORT

Carrie Bickerstaff of Ascensus provided a quarterly report starting with the program metrics for Wave 2025. She noted that the deadline was November 1, 2025, the current employer response rate is 63.1%, and 74% of registered employers have uploaded employees with an increasing number of employers submitting payroll. There are 3,500 remaining employers that will receive a post-deadline letter by the end of November. Ms. Bickerstaff then provided an enforcement update stating that enforcement activity to date has resulted in almost 1,000 employers submitting payroll with more than \$12 million in total payroll contributions. She also noted that the program recently reached a milestone of \$300M in assets. Additionally, on January 1, 2026, the next auto-escalation action will occur for savers and should lead to a higher average deferral rate next quarter. Communications will be sent to notify both employers and savers of the auto-escalation action.

Ms. Bickerstaff then reviewed product and technology updates stating that downloadable saver transaction history was made available last week, and saver investment performance reporting will soon be available in the saver portal. Product updates for employers include the ability to filter for participating employees directly in the portal and the ability to make mass updates of employee statuses for more efficient roster maintenance. She then highlighted upcoming product and technology priorities including the A.I. chatbot, additional reporting, and a new compliance and fraud solution. The timing of these initiatives is fluid as the conversion process will take precedent.

Ms. Bickerstaff next reviewed the remaining 2025 marketing activities including the Q4 statement for savers, updating operational emails, and web updates including 2026 IRS updates. She also noted the Wave 2025 communications schedule with post-deadline communications now being sent to employers. Finally, Ms. Bickerstaff reviewed web metrics stating that there was an increase in employer activity in Q3. Mr. Bashir then asked if there is a primary reason provided when a saver makes a distribution, and Ms. Cheng stated the reasons offered to a saver requesting a distribution align to how the Form 1099 should be coded rather than to specific personal reasons. She added that there is data that can be provided to the Board.

Raissa Nketcha of Ascensus provided a Q3 Field Team update stating that the Field Team conducted 51 one-on-one employer meetings bringing the 2025 year-to-date total to 231 meetings. She then provided metrics for the Webinar Support Program. For Q3, there were 18 participants for two saver and two employer webinars and nearly 1,800 registrants since the inception of the program. She noted that 50-60% of registrants take action after attending a live webinar; however, data cannot be tracked for the recorded webinars. Ms. Nketcha also confirmed that the recorded webinars are embedded on the website in response to an inquiry from Mr. Diaz. Ms. Nketcha then reviewed the 2025 priorities for the Field Team which include providing onboarding support to newly registered employers, assisting enforcement employers, and identifying additional success stories and testimonials.

Finally, Ms. Bickerstaff presented Q3 Client Services metrics stating that service level agreements were met with an average speed to answer of 1 minute, 10 seconds, and an abandon rate of 4.40%. She noted that call volume was approximately 11% higher than in Q3 2024, and that a significant number of client service representatives have been added to support the higher call volumes due to Wave 2025 and California's program expansion. Ms. Bickerstaff added that participant satisfaction scores have been above the 85% goal every month in 2025.

David Smith of Marquette Associates then provided a 2025 Q3 market update, initially noting that the quarter had positive returns across fixed income and equities. Inflation came down as the result of higher interest rates but continued to stay above the 2% target. The stickiness of inflation in combination with possibly stagnating job growth has caused the Federal Reserve to pause on additional rate cuts. The U.S. economy expanded faster than expected with GDP growth driven by personal consumption. Mr. Smith discussed the "K-shape recovery" - a bifurcation is being seen wherein the 10% of the population that accounts for 50% of the spending is not impacted by unemployment or interest rates, and by contrast, the lower part of the population has experienced a decrease in spending. The unemployment rate increased to 4.4%; however, that rate is still relatively low. Fixed income performance was positive in Q3 with the Bloomberg Aggregate Bond Index up 6.1% which is important for those more heavily invested in fixed income. Mr. Smith added that U.S. equities also performed well in Q3 with the market achieving new all-time highs with the Magnificent 7 driving 72% of the earnings growth and 41% of the return of the S&P 500. Non-U.S. equities were also positive in Q3 and significantly outperformed U.S. equity due in large part to the decline of the U.S. dollar.

Mr. Vega then reviewed program performance noting that the returns of the Target Date Funds were reflective of their risk profile. The individual growth fund outperformed the 2075 Target Date Retirement Fund due to the domestic market outperforming the international market. He noted that the 2050 to 2075 BlackRock Target Date Funds' performance as well as the Target Date

Retirement Fund's performance are among the top decile compared with their peers. The 2030 and 2035 Target Date Retirement Funds' performance is in the middle of the pack.

APPROVAL OF INVESTMENT POLICY STATEMENT

Mr. Aguilar stated that with the upcoming conversion, the investment team is reviewing the annual studies as well as evaluating all investment options. Statute outlines which options can be offered (Target Date Funds, Individual Funds, Money Market Funds); however, in 2026, the investment team will evaluate the landscape, underlying fund managers, and the investment lineup. A recommended lineup will be presented to the Board, but in the meantime the investment team welcomes feedback and thoughts on areas of focus from the Board. Ms. Marquez Avitia asked if there might be any additional diversification in the lineup. Mr. Aguilar replied that while the team would like to offer a more expansive lineup, the statute for Secure Choice specifies what can be offered. Mr. Diaz added that while analysis will occur in the future and no changes are being recommended at this time, the Investment Policy Statement must be reviewed and approved annually. Therefore, the Investment Policy Statement is presented for approval without any changes.

A motion was made by Mr. Bashir, seconded by Mr. Williams to approve the current Investment Policy Statement without any changes. The motion carried unanimously via roll call vote.

PUBLIC COMMENT

There was no public comment.

OLD AND NEW BUSINESS

Mr. Diaz noted that proposed 2026 Board meeting dates will be shared with the Board in the near term. Ms. Tremble provided a reminder that required training needs to be completed by year end.

ADJOURNMENT

With no further business, Mr. Diaz adjourned the meeting.