

Illinois Secure Choice Savings Board

Meeting of Thursday, February 25, 2026

Held In-Person & Remotely by Videoconference

MEETING MINUTES

The February 25, 2026 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 (In person)*

Roderick Bashir, *Board Member*

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

Staci Mayall, *Board Member*

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*

David Elliott, *Senior Investment Analyst, Public Market Investments*

Catherine Shannon, *Deputy Treasurer*

Sara Meek, *Chief Legislative and Policy Officer (In person)*

Yolanda Williams, *Deputy Director of Legislative Affairs*

Karen Craven, *Chief of Communications & Marketing (In person)*

Matt Lowe, *Director of Marketing & Content*

Christopher Williams, *Special Assistant to Deputy Treasurer*

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

Deanna Verduin, *Deputy Director of Secure Choice*

Jaimee Niles, *Manager of Secure Choice*

Approval of Board Minutes

Board members reviewed the November 20, 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 Ms. Pai, seconded by Ms. Marquez Avitia to approve the November 20, 2025 Board Meeting Minutes. The motion carried unanimously via roll call.

Staff Updates

Ms. Cheng provided Q4 2025 program updates stating that there were approximately 167,000 funded accounts and \$311M in assets at the end of the quarter. Funded accounts were up 3% quarter over quarter and 7% year over year, and assets were up 7% quarter over quarter and 38.8% year over year. She noted that both strength of contributions and market performance

contributed to the growth in assets. Ms. Cheng provided an enforcement update stating that approximately 2,700 employers were referred to the Illinois Department of Revenue (IDOR) at the end of January. Those employers had a deadline of November 1, 2023. Additionally, this wave of employers was divided into two batches for enforcement due to the volume of employers as well as the work with The People Lab at Harvard. The People Lab created a pre-enforcement letter to non-responsive employers utilizing two different treatments in addition to the original pre-enforcement letter that has been sent by the Treasurer's Office in the past. These letters were mailed on February 19, 2026. The People Lab will gather data in the coming months, but the hope is that these letters illicit a response so that fewer employers are referred to IDOR in March. Ms. Cheng added that conversion activities during Q4 included meetings with Vestwell and Marquette Associates and preparatory work for the conversion on June 13. She also stated that due to the increase in employers in enforcement and additional outreach efforts required, a new employee has been added to the Secure Choice team, Aaron Sweeney.

Mr. Diaz thanked both Vestwell and Ascensus for the work being done in preparation for the conversion and for the communications that will be sent to employers and employees. He added that a press conference will be scheduled in the spring, but the date has not yet been determined. Once that date is confirmed, information will be sent to Board members.

Next, Ms. Meek provided a legislative update regarding the Secure Choice legislation, stating that Public Act 104-100 took effect on August 1, 2025. Additionally, the administrative rules were passed through the Joint Committee for Administrative Rules (JCAR) and adopted on January 15, 2026. She noted that this legislation 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 entities, 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. Ms. Meek added that there are no Secure Choice legislative initiatives scheduled for 2026.

Ms. Cheng reviewed FY26 year-to-date expenditures for the program, sharing that they are in line with expectations.

Discussion – Secure Choice Quarterly Report

Troy Montigney of Ascensus provided a quarterly report starting with an enforcement update. He noted that more than \$14M in payroll contributions have resulted from compliance outreach and formal enforcement action. In 2026, the first batch of enforcement began in January with employers from Wave 5 who had already registered and/or added employees. To date, 2.6% of those employers have taken action. Mr. Montigney then reviewed saver data stating that assets are nearing \$325M and 30-day contribution activity exceeded \$7.6M in Q4. He also noted that the number of web-registered funded accounts had increased slightly due to an outreach campaign, and the average deferral rate was above 6.5% for the first time in program history.

Mr. Montigney then reviewed the remaining product and technology deliveries that will occur prior to the upcoming conversion. First is a saver-focused account and investment performance feature that will be live in the coming weeks. Second is an employer feature that will allow for mass updates of employee statuses for more efficient roster maintenance. Lastly, he noted that the product and technology team is focused on the deconversion efforts and ensuring a smooth transition to the new platform.

Mr. Montigney then presented Q4 Client Services metrics stating that Client Services received over 17,000 inbound calls in Q4. The average speed to answer was 1 minute, 17 seconds compared to the contractual time of 3 minutes. Additionally, the abandon rate was less than 5%. He noted that a significant number of client service representatives were added to support

the higher call volumes due to the Wave 2025 deadline and California's program expansion. Mr. Montigney also noted that employer interactive voice response technology was implemented to allow employers to perform certain tasks without speaking to a representative.

Carrie Bickerstaff of Ascensus provided a review of 2025 marketing activities. She noted that saver-focused statement messages, Wave 2025 letters and emails, as well as roster maintenance and missed contributions emails were all completed in 2025. Additionally, the first employer newsletter was emailed in 2025. She also highlighted a "go paperless campaign" for savers that was completed in 2026. This campaign was designed to encourage savers to register their accounts online and select electronic delivery to avoid paper-delivery fees. The web-registered population has increased by approximately 0.5% since the email was issued. Finally, Ms. Bickerstaff reviewed the 2026 schedule of activities including saver statement messages, web updates, and deconversion communications.

Raissa Nketcha of Ascensus provided a Q4 Field Team update stating that the Field Team conducted 94 one-on-one employer meetings bringing the 2025 year-to-date total to 325 meetings. She then provided metrics for the Webinar Support Program. For Q4, there were 39 participants for three saver webinars 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 webinar. Ms. Nketcha then reviewed the 2026 priorities for the Field Team which include providing onboarding support to newly registered employers, assisting enforcement employers, and assisting with the deconversion.

David Smith of Marquette Associates provided a 2025 Q4 market update, initially noting that the trailing eleven months have been positive with ten consecutive months of positive returns in the S&P 500. Inflation has continued to stay above the 2% target as it has for the last two years. The inflation rate combined with the GDP and unemployment rates have made it difficult to navigate the path of interest rates. He noted that in January 2026 130,000 jobs were added

to the U.S. economy, and those were mostly in healthcare which is largely unaffected by artificial intelligence (AI). This brought the unemployment rate down in January; however, there continue to be fears about how AI will affect certain sectors such as technology and software. Mr. Smith discussed rate expectations in the coming months noting that one or two rate reductions are anticipated after Federal Reserve Chair Jerome Powell is replaced over the summer.

Fixed income performance was positive in Q4, and 2025 saw the best fixed income returns in five years. This has been a positive experience for those more heavily invested in fixed income, particularly those approaching or in retirement. He also noted that the yield curve has normalized and bond holders are paid more for taking on more maturity risk. Mr. Smith added that U.S. equities outperformed in Q4 with the trailing one-year returns almost double what was expected. The top 10 constituents of the S&P 500 continued to drive returns. He also noted that there is a market broadening with small-cap equities having improved returns and the Magnificent 7 having less of an impact. Global equity performance was also positive in Q4 due in large part to the decline of the U.S. dollar.

Mr. Vega then reviewed program performance noting positive returns in Q4. International equities outperformed domestic equities and led the equity performance funds. Domestic equities saw detractor from the Magnificent 7; however, there was strength in domestics, particularly in healthcare. Mr. Vega also noted that the equity-focused portfolios reflected the positive returns in both U.S. and global equities, and he highlighted that the Growth Fund outperformed in Q4 and in the trailing one year. He also discussed the BlackRock Target Date Funds noting the top quartile performance in the short term and top decile performance for the later Target Date Funds as compared to their peers.

Discussion – Recommendations on Investment Options

Action Item – Approval of Investment Changes

Mr. Aguilar stated that the investment team at the Treasurer's Office performed a comprehensive evaluation of the Illinois Secure Choice investment lineup. The recommendation is to retain the BlackRock LifePath Fund as the Target Date Fund option and the State Street Government Money Market Fund for the Capital Preservation Fund as well as for the 90-Day Hold option. The other recommendations are to move to the State Street Bond Index Fund for the Conservative Fund option, and to the State Street Growth Fund, which is tied to the S&P 500, for the Growth Fund option. Mr. Aguilar stated that in addition to the internal investment team, Marquette Associates also performed an independent evaluation. Mr. Smith added that their analysis aligned with that of the investment team and is supported by Marquette's research team and their thoughtful quantitative analysis. He also noted that for the two recommended changes from Schwab to State Street, that State Street is viewed as a more institutional manager whereas Schwab is more of a retail manager.

A motion was made by Mr. Bashir, seconded by Ms. Pai to approve the Investment changes. The motion carried unanimously via roll call vote.

Mr. Diaz noted that the investment changes would align with the conversion to the new Program Manager and Investment Manager on June 13, 2026.

Approval of New Program Name and Next Steps on Rebranding

Mr. Diaz stated that the program staff had been working with an outside marketing agency as well as the internal marketing and communications team on the rebranding of Illinois Secure Choice. The recommendation is to rename the Illinois Secure Choice program to My Illinois Savings. Ms. Pai noted that she loves the new name and the use of the word "my." Mr. Bashir also commented that "my" creates a sense of ownership which is important as people save for their future.

A motion was made by Ms. Marquez Avitia, seconded by Mr. Bashir to approve the new program name and authorize the finalization of the branding aspects and guidelines. The motion carried unanimously via roll call vote.

Public Comment

Craig Voelker of BlackRock expressed the firm's thanks for the partnership with Illinois Secure Choice and the recommendation that BlackRock be retained as the provider of the Target Date Funds.

Old and New Business

Mr. Diaz noted that the next scheduled board meeting is May 13, 2026.

Adjournment

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