



# Michael W. Frerichs

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## ILLINOIS STATE TREASURER

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**MAY 2018 E-NEWSLETTER**

Treasurer's Note

## Memorial Day

Memorial Day has taken on additional meaning for me since becoming state treasurer in 2015.

The state treasurer has many duties. As the state's chief investment officer, we invest \$28 billion on behalf of Illinois residents, units of local government, and families saving for college.

We also provide tools so people can invest in themselves. There is a below-market loan program to help farmers and small business owners. A retirement savings program that travels with the worker so people can save for a brighter future. We help individuals with a disability save for their needs without jeopardizing federal assistance, and we provide investment money to tech entrepreneurs ready to unleash the next innovation.

Each of these investments begin when an individual contacts us. However, our unclaimed property program is different. We reach out to individuals. This is why Memorial Day has taken on a greater significance for me.

Unpaid life insurance benefits, uncashed rebate checks, and untouched items in a bank safe deposit box are considered unclaimed property and eventually are surrendered to the state treasury. Once surrendered, we then work to reunite these items with the proper owners or heirs. Too often, these items include honors borne of battle and mementos of long-ago wars.

We have military medals commemorating service in nearly every theater imaginable. We have WW I Victory Medals and Purple Hearts. We even have items dating to the Civil War.

We know there is a story behind each of these items, even if we do not know the details. Stories of fear and bravery, of survival and heroism. We write new chapters each time we successfully return a long-lost medal to a soldier or the soldier's family. We have done so

several times since 2015 and each has been a touching affair filled with laughter and tears that only memories can bring.

These medals have become daily reminders of the sacrifices that others have made for our country and the significance of Memorial Day. To our military volunteers and their families, thank you.

Sincerely,

**Michael W. Frerichs**

Illinois State Treasurer



Dignity

## Secure Choice Pilot Launches

A hair salon and spa, a home health care company, and a brewery are among a small group of Illinois employers who will enroll their employees this month in a pilot for Illinois Secure Choice, a new state-sponsored retirement savings program.

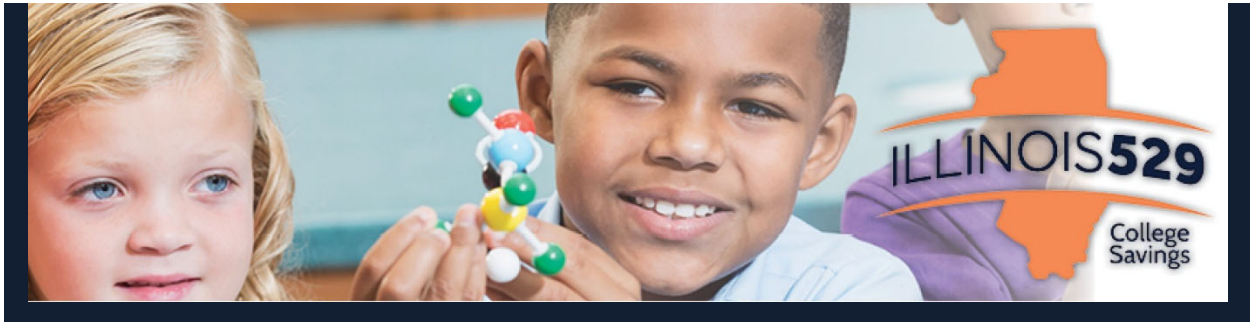
Secure Choice aims to address the growing retirement crisis by giving Illinois workers the ability to save their own money through payroll deductions. Research shows that workers are 15 times more likely to save for retirement when they have access to a payroll deduction savings plan at work. Unfortunately, half of all private-sector workers in Illinois lack this access. Without adequate savings, workers risk being completely or overly reliant on Social Security in retirement. Secure Choice seeks to address this problem by making it easy for workers to save their own money without burdening employers with costly administrative or managerial responsibilities.

Eventually, every Illinois employer without a qualified retirement savings plan, employing 25 people or more, and who has been in business for at least two years will need to enroll their employees in Secure Choice. Employees are enrolled automatically with a default 5 percent post-tax contribution into a Target Date Fund Roth IRA. However, the employee can choose a different contribution rate or an alternative fund option, or opt-out altogether. Employers facilitate payroll contributions but do not shoulder any managerial or financial responsibilities.

The Secure Choice pilot will provide an opportunity to gather valuable feedback from a small but diverse set of employers across our state. Secure Choice will be rolled out in

three separate waves based on employer size, beginning this November with employers with 500 or more employees.

Please visit [www.ILSecureChoice.com](http://www.ILSecureChoice.com) to learn more.



## Saving for College

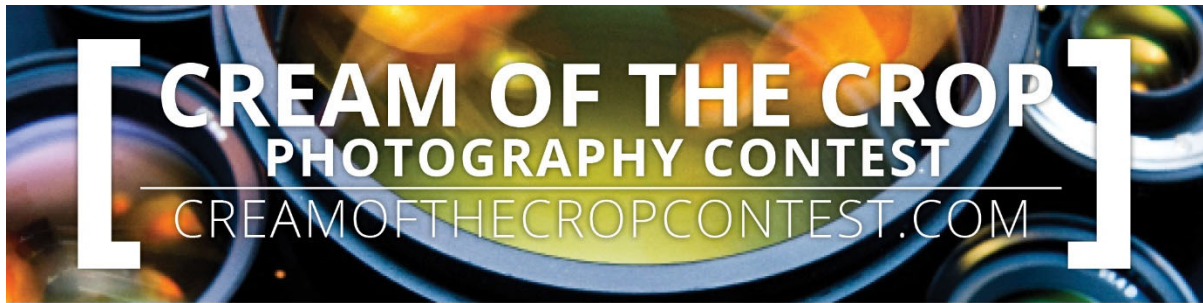
Two important milestones have been reached with our Bright Start and Bright Directions college saving programs.

Combined, the programs have surpassed \$10 billion in assets with 585,000 college savings accounts.

The growth – more than \$1.3 billion was contributed in 2017 – reflects enhancements made to the programs. Lower fees and broader investment options have made Bright Start and Bright Directions college savings programs among the best in the country, according to independent analyst Morningstar.

To inform everyone of our success, the state treasurer's office will hold a series of meetings with financial advisors, certified public accountants, and registered investment advisors. For more information, visit [www.Bright529.com](http://www.Bright529.com). **Upcoming sessions include two on Thursday, May 31 in Chicago and Deerfield, and one on Monday, June 11 in Champaign.**

College savings is possible. The Bright Start program allows individuals to open an account on their own. For individuals with an investment advisor, a Bright Directions account might be considered. Each can be opened for as little as \$25.



Celebrating Agriculture

## Cream of the Crop

Entries are being accepted for the 2018 *Cream of the Crop Photo Contest*.

The contest encourages young photographers to share their vision of agriculture in our state.

The treasurer's office is accepting electronic submissions from Illinois students, ages 8-18. Top photographs will be chosen in three age-based categories: ages 8-10, 11-14 and 15-18. Each student can submit up to two photos by June 26, 2018.

The photo contest is part of the Ag Invest program and offers an opportunity for Illinois students to submit their most innovative or scenic picture that depicts their vision of agriculture in our state. Winning photos will be featured in Ag Invest marketing materials and on display at the 2018 Illinois State Fair.

To read the rules, terms and legal conditions associated with this contest, visit our [website](#) or contact Rebecca Huston at (217) 558-6217.



Quarterly Report

## Investment News

The following summarizes investment earnings activities and balances for the 3rd quarter of fiscal year 2018 (January 1, 2018, to March 31, 2018):

**Table 1 – Asset Totals**

*(Numbers rounded)*

<b>Program Area</b>	<b>Asset Total (as of March 31, 2018)</b>	<b>Asset Total (as of December 31, 2017)</b>
State Investments	<b>\$13.7 billion</b>	<b>\$15.1 billion</b>
IPTIP Investments	<b>\$5.4 billion</b>	<b>\$5.1 billion</b>
College Savings Program	<b>\$10.5 billion</b>	<b>\$10.3 billion</b>
<b>TOTAL</b>	<b>\$29.6 billion</b>	<b>\$30.5 billion</b>

**Table 2 – Quarterly Investment Earnings**

*(Numbers rounded)*

<b>Program Area</b>	<b>Gross Earnings (Q3 FY 2018)</b>	<b>Gross Earnings (Q2 FY 2018)</b>
State Investments	<b>\$56.5 million</b>	<b>\$45.1 million</b>
IPTIP Investments	<b>\$19.2 million</b>	<b>\$17.6 million</b>
<b>TOTAL</b>	<b>\$75.7 million</b>	<b>\$62.7 million</b>



On the Horizon

## Event: Small Business Expo in Chicago

Thursday, May 24 (Chicago): Attend one of the largest business-to-business networking events. The Illinois Treasurer's Office will be on site to reconnect business owners and entrepreneurs with their unclaimed property.

Click [here](#) to learn more and to register.

If you would like to contact the Office of the Illinois State Treasurer, please visit our [contact us](#) page.

To modify your e-mail options or opt out of receiving the Office of the Illinois State Treasurer's electronic communications, please [click here](#).