



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 355

S.P. 141

In Senate, February 3, 2025

An Act to Advance the Maine Retirement Savings Program

Received by the Secretary of the Senate on January 30, 2025. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BAILEY of York.
Cosponsored by Representative MASTRACCIO of Sanford and
Senators: BALDACCI of Penobscot, President DAUGHTRY of Cumberland, ROTUNDO of
Androscoggin, Representatives: ARFORD of Brunswick, BOYER of Cape Elizabeth,
CLUCHEY of Bowdoinham, TERRY of Gorham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §171, sub-§3**, as enacted by PL 2021, c. 356, §1, is amended to
3 read:

4 **3. Covered employer.** "Covered employer" means a person or entity engaged in a
5 business, industry, profession, trade or other enterprise or that otherwise hires employees
6 in the State, whether for profit or not for profit, that has not offered to its employees,
7 effective in form or operation at any time within the current calendar year ~~or 2 preceding~~
8 ~~calendar years~~, a specified tax-favored retirement plan. "Covered employer" does not
9 include:

10 A. The Federal Government, the State or any other state, any county or municipal
11 corporation or any of the State's or any other state's units or instrumentalities; or

12 B. An employer that has not been in business during both the current calendar year
13 and the preceding calendar year.

14 If an employer does not maintain a specified tax-favored retirement plan for a portion of a
15 calendar year ending on or after the effective date of this chapter, but does adopt such a
16 plan for the remainder of that calendar year, the employer is not a covered employer for the
17 remainder of the year.

18 **Sec. 2. 5 MRSA §173, sub-§3**, as repealed and replaced by PL 2023, c. 167, §6, is
19 amended to read:

20 **3. Implementation.** The board may implement the program in stages, which may
21 include a pilot program and phasing in the program based on the size number of employers
22 a covered employer's employees, or other factors. A covered employer on the start date of
23 the program shall offer the program to its covered employees no later than December 31,
24 2024.

25 A covered employer with fewer than ~~5~~ 3 employees is not required to offer the program to
26 its covered employees but may offer the program to its employees at the option of the
27 employer and in accordance with rules established by the board. An employer that becomes
28 a covered employer after the start date of the program shall offer the program to covered
29 employees within the time frame established by the board.

30 **Sec. 3. 5 MRSA §173, sub-§4, ¶A**, as amended by PL 2023, c. 167, §7, is further
31 amended by amending subparagraph (1) to read:

32 (1) ~~From Starting~~ July 1, 2025 ~~to June 30, 2026~~, in the first year of the failure to
33 enroll, the maximum penalty per covered employee is \$20;

34 **Sec. 4. 5 MRSA §173, sub-§4, ¶A**, as amended by PL 2023, c. 167, §7, is further
35 amended by amending subparagraph (2) to read:

36 (2) ~~From Starting~~ July 1, 2026 ~~to June 30, 2027~~, in the 2nd year of the failure to
37 enroll, the maximum penalty per covered employee is \$50; and

38 **Sec. 5. 5 MRSA §173, sub-§4, ¶A**, as amended by PL 2023, c. 167, §7, is further
39 amended by amending subparagraph (4) to read:

40 (4) On or after July 1, 2027, in the 3rd year of the failure to enroll, the maximum
41 penalty per covered employee is \$100.

1 beginning February 1, 2026 and annually thereafter to beginning July 1, 2026 and annually
2 thereafter.

3 7. It allocates funds to the Maine Retirement Savings Program Enterprise Fund.