

Jessica Linzer
Cape Elizabeth
LD 355

Testimony in Favor of LD 355, Opposition to LD 344, Opposition to LD 1283 April 7, 2025

Senator Bailey, Representative Mathieson and Esteemed Members of the Committee on Health Coverage, Insurance and Financial Services,
I am Jessica Linzer Simpson from Cape Elizabeth, an AARP volunteer/advocate and a member of the Maine Retirement Savings Board.

My life's work was at the Social Security Administration and spanned 35 years, always dealing with the public. Through the decades, I witnessed, from the people across my desk, the changes our economy and society had wrought on workers and the increasingly fragile nature of their economic state, especially as they approached retirement. The burden on the worker/self-employed to save for their retirement became exacerbated and it was especially true in Maine. Before MERIT, 173,000 workers, representing 34% of private sector workers had no access to a retirement savings program through their job. An additional 99,000 gig workers lacked access. And, today, for 21.6% of Mainers, 90% or more of their family income is derived from Social Security benefits. Many rightly called it a retirement savings crisis. That is why I am so excited about the MERIT program and the first year plus of implementation. We are making great leaps in closing the retirement security gap with 13,000+ workers contributing into their own ROTH IRA's and cumulatively saving over 11 million dollars in their Merit accounts. These workers live in every county in our State and span every age group from 18 and into their 70's.

I reached out to a Cape Elizabeth neighborhood group on FB about MERIT and heard back from an employee at a small business. Here is what she wrote: "Yes we have implemented MERIT with our small local preschool staff at my place of work. It is so good. We appreciate the nudge to start this savings, I am definitely encouraging the younger staff to opt in and the older staff (me included) are taking advantage of this opportunity! Some folks don't have the ability to plan in the early years and this hopefully will be good for the next gen of workers who don't work for corporations that have retirement plans. Let's support the workers who make it possible for corporate workers to leave their kids in safe caring spaces during the day."

Why would we want to go backwards, to foster retirement insecurity and repeal MERIT, as LD 344 proposes? Why would we want to take the backwards step of making MERIT opt-in, instead of Opt-out, as LD 1283 proposes? We know from decades of studies that workers offered a plan at work are 15 times more likely to save for retirement and 20 times more likely when automatically enrolled. In 2022, the federal Secure Act 2.0 had companies auto-enroll eligible employees in the company's retirement plan. With January 2025 any company starting a new 401K or 403b plan auto-enrolls their eligible employees. Additionally, across the US, 20 states have enacted new programs like MERIT.

Those states understand that when workers save for their future, it is not only good for the worker; it is good for state coffers. Because when assets accumulate, reliance on programs like SNAP, Medicaid, and public assistance decline.

Here is my own IRA story: I am the only child of a divorced mom who was a medical secretary. In my late twenties, she encouraged me and my husband to open IRA's, which we did. My mom died in 1981 when I was 30. When Roth IRA's began in 1998, I began to invest in one. I tracked my basis and contributed \$39,000.00. Today it is worth \$199,367 (down with the recent market turmoil yet significantly more than my contributions and notwithstanding several down markets from my start in 1998 to today.) In a down market, when you contribute paycheck after paycheck, you are buying more shares in MERIT funds with the same amount of money. When markets rebound, your increased number of shares is worth more. This is the power of time and compounding.

I urge you all to support LD355 and oppose LD 344 and LD 1283. Let more Mainers without pensions or 401K's at their jobs join and continue on the road towards

achieving financial security in their later years.

Thank you for all you do to serve the people and the State of Maine. I so appreciate your service.

Sincerely,

Jessica