
Testimony of Nate Cloutier

Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services
April 10, 2025

Neither for Nor Against LD 344, “An Act to Repeal the Law Establishing the Maine Retirement Savings Board”

Neither for Nor Against LD 355, “An Act to Advance the Maine Retirement Savings Program”

Neither for Nor Against LD 1283, “An Act to Allow Employees Covered Under the Maine Retirement Savings Program to Elect to Enroll and Unenroll in a Payroll Deduction for an Individual Retirement Account”

Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine’s restaurant and lodging industries. I am also testifying on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting members in every type of tourism business, such as lodging, restaurants, camps, campgrounds, retail, guides, tour operators, amusements, and historical and cultural attractions for over 100 years. HospitalityMaine and the Maine Tourism Association are neither for nor against LDs 344, 355, and 1283.

We appreciate that MERIT has maintained open lines of communication as the Maine Retirement Investment Trust (MERIT) program has been rolled out. The openness to feedback good, bad, or otherwise, has been appreciated by our members.

Our membership remains divided on the program. Some businesses view MERIT as a welcome benefit that helps employees save for retirement, while others see it as government overreach into business operations. Regardless of perspective, there is a shared interest in ensuring the program is clear, consistent, and minimally burdensome for employers—particularly small businesses.

One of the more pressing concerns we have heard from our members involves the statutory requirement for employers to re-enroll employees who previously opted out of the program. We understand that MERIT has no current plans to enforce this provision without first undergoing a rulemaking process, which we appreciate. However, the continued presence of this requirement in statute creates uncertainty among employers. Some worry they will be penalized for noncompliance, despite MERIT's stated intentions.

To eliminate this confusion, we would urge that the re-enrollment requirement be removed from statute. Doing so would provide clarity to employers that once an employee has opted out, the employer is not obligated to automatically re-enroll them at a later date, unless the employee wishes to opt back in.

Additionally, we've heard differing views regarding the opt-in process itself. While some members support the automatic enrollment of employees, others believe MERIT should focus on providing clear outreach and educational materials that empower both employers and employees to make informed decisions about participation. Expanding communication efforts in this way could enhance voluntary engagement with the program.

We also appreciate that the rules governing MERIT include a 120-day waiting period before employers are required to enroll new employees. This is particularly important for seasonal businesses. However, many employers are unaware of this provision. For clarity and consistency, we recommend codifying the 120-day waiting period in statute to ensure broader understanding and compliance.

Lastly, we want to remind the committee of the administrative burdens the program may impose, especially on small employers. We understand that most states with similar retirement programs set the participation threshold at five or more employees. We suggest that the committee consider encouraging MERIT to engage in targeted outreach to employers with fewer than five employees, rather than requiring their participation at this time. Educating this group about the benefits of the program may yield greater buy-in and reduce unintended hardship.

Thank you for your consideration of our perspective. I would be happy to answer any questions.