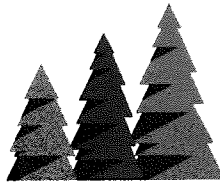


MERIT

Maine Retirement Investment Trust



February 26, 2025

Senator Margaret Rotundo, Chair
Rep. Drew Gattine, Chair
Joint Standing Committee on
Appropriations and Financial Affairs

Senator Donna Bailey, Chair
Rep. Kristi Mathieson, Chair
Joint Standing Committee on
Health Coverage, Insurance and
Financial Services

Testimony of Elizabeth Bordowitz, Executive Director of the Maine Retirement Savings Board regarding: LD 210 An Act Making Unified Appropriations and Allocations from the General Fund and Other funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027.

Senator Rotundo, Representative Gattine, Senator Bailey, Representative Cloutier and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and Health Coverage, Insurance and Financial Services, I am Beth Bordowitz of Portland, Maine.

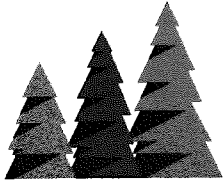
I am here this morning to provide you information on the Maine Retirement Savings Board and MERIT, the Program the Board administers.

The Maine Retirement Savings Board was created by legislation in 2021. As required by the statute, the Governor appointed and the Senate approved board members who held their initial meeting in April 2022. The Board was charged with implementing a Program to provide a workplace retirement savings opportunity for the 40% of Maine workers without access to such a workplace retirement plan.

In 2023 the Board established that partnering with an existing state offering a similar program would be the most efficient and cost effective way for the Board to implement the Program. After a due diligence process the Board chose to partner with Colorado SecureSavings run by the Colorado Treasurer's Office and managed by Vestwell State Savings. This enabled the Board to launch a pilot of the Program in October 2023 and launch the Program statewide in January 2024.

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The Program requires that all Maine employers with five or more Maine employees that do not offer a qualified workplace retirement plan register their business with MERIT. They must register all of the Maine employees. After which the Program reaches out to the employees to let them know about the Program and their options in the Program: how to choose the amount they would like to invest, how to choose their investments, and how to opt out if that is their preference.

After 30 days, the employer receives notification from the Program that it is time to start making the payroll deductions, which they make through the meritsaves.com portal. If they work with a payroll company that has an integration with MERIT, such as Quickbooks Online, Gusto or over 40 other national and local payroll providers, the contribution process is seamless for the employer.

After one full year of operations, There are over 12,500 Maine employees preparing for a secure retirement through MERIT. They have invested over \$10,200,000, generally at the rate of \$50 - \$60 per paycheck. I have attached some Program highlights from our first year of operation.

Starting next month we will begin reaching out to employers who are newly eligible for the Program in 2025 - either because they have now been in business for two years or have passed the threshold of five employees.

I appreciate your ongoing support of this important program.



FOR MAINE

- MERIT is addressing the 40% retirement savings gap in Maine.
- Last year, MERIT helped Mainers save **\$10 million** for retirement.
- Long-term, MERIT aims to reduce tax-payer costs for retirees needing public assistance.
- MERIT is extending retirement savings access to 207,000 Mainers.

Scan to learn more about MERIT



FOR MAINE EMPLOYEES

- Part-time workers can have a retirement savings plan.
- Employees can take MERIT from job to job.
- Contribute through payroll deduction.
- It's easy and hands off as Employees are auto-enrolled.
- Employees can choose their investment options or use default investment options.
- Easily opt-out or change contributions at any time.

PROGRAM HIGHLIGHTS



Our mission is to empower Maine to establish and increase retirement savings through an automatic, low-cost, trusted retirement plan benefitting Maine workers, employers and taxpayers.

MERIT **opened** January 2024. · Established **savings accounts to date** are over **12,000** and rising. · Over **2,500 Maine employers** are participating. · **\$10 million saved** for retirement by Mainers.



- MERIT is **no cost**, unlike traditional workplace retirement plans.
- It is fully integrated with 43 local and national payroll providers.
- There is no responsibility for matching contributions. It is not permitted by the program.
- It is **EASY** and offers program assistance at every stage using Fact Sheets, detailed websites, and customer service call lines.
- Retirement savings programs can help attract and retain employees and increase productivity.

LEARN MORE AT MERITSAVES.ORG | 207-888-4706 | INFO@MAINESAVES.ORG