



April 10, 2025

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 in opposition to LD 344 An Act to Repeal the Law Establishing the Maine Retirement Savings Board**

Senator Bailey, Representative Mathieson and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, I am Beth Bordowitz of Portland, Maine.

I am here this morning to offer testimony in opposition to LD 344 An Act to Repeal the Law Establishing the Maine Retirement Savings Board.

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.

The Board launched a pilot of the Program in October 2023 and launched the Program statewide in January 2024.

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 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 one full year of operations, over 13,000 Maine employees have taken the responsibility to prepare for a secure retirement through MERIT. They have invested

over \$11,000,000, generally at the rate of \$50 - \$60 per paycheck. In short, the Program is fulfilling its intended goal of closing the retirement savings gap between employees who have the benefit of access to a workplace retirement plan and employees who do not.

Offering the opportunity for retirement savings to employees of the many small Maine employers is a parity issue. The U.S. Bureau of Labor Statistics reports that 57% of private-sector firms with fewer than 100 workers offered a retirement benefit plan as of 2023, while 86% of companies with 100 or more workers—and 91% of firms with 500 or more workers—offered a plan. (U.S. Bureau of Labor Statistics, "Employee Benefits in the United States—March 2023," news release, Sept. 21, 2023, <https://www.bls.gov/news.release/pdf/ebs2.pdf>.) MERIT allows the many employees of Maine's small businesses to enjoy workplace savings that would otherwise be unavailable to them.

The existence of a required workplace retirement plan has motivated many employers to explore their options. In Maine this is anecdotal, based on the many conversations I have had with employers and the materials I have seen made available by those who offer workplace retirement plans comparing their plans to MERIT. In states such as Oregon, Illinois and California that have been offering the required workplace retirement plans for a longer period of time, research shows that the number of new workplace retirement plans offered by employers increases as employers determine what works best for them and their employees. (AARP Blog, Feb 12, 2025, Manito Rao, <https://blog.aarp.org/thinking-policy/state-auto-ira-programs-spur-expansion-private-plan-market>).

Transamerica Institute found that 69% of firms with fewer than 100 employees said that offering a retirement plan was somewhat or very important to attracting and retaining workers. (Catherine Collinson, Patti Rowley, and Heidi Cho, "Navigating the Pandemic: A Survey of U.S. Employers," Transamerica Institute, 2021, [https://transamericainstitute.org/docs/default-source/research/ti-2021\\_sr\\_employers-navigating-the-pandemic.pdf](https://transamericainstitute.org/docs/default-source/research/ti-2021_sr_employers-navigating-the-pandemic.pdf).)

In implementing the Program the Board was able to learn what was successful in other states that established similar programs before Maine. We have been able to build on those learnings to develop a program that is easy to use for both employers and employees. Like all new programs we continue to listen to employers and employees, learn and improve the Program. The many practitioners who work with small businesses such as payroll providers, accountants and bookkeepers have also learned about the Program over the past year and are better able to assist their clients in implementing MERIT.

To repeal the program at this time would eliminate a successful program that both Maine employers and employees have come to count on, it would remove an opportunity for Maine employees to prepare for their own future, it would remove a means for the State to alleviate the costs of supporting the dignified retirement of those who have not adequately saved for their retirement.

I appreciate your ongoing support of this important program and urge you to vote against this bill.