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April 10, 2025

Testimony in Opposition: LD 344, An Act to Repeal the Law Establishing the Maine Retirement Savings Board

Greetings Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Alf Anderson, Associate State Director of Advocacy and Outreach for AARP Maine. AARP is a nonprofit, nonpartisan organization dedicated to helping people ages 50 and older age as they choose. In doing so, we focus not only on those nearing and currently in retirement but also those who are at all stages of their careers and will retire in the future.

On behalf of our nearly 200,000 members statewide, I thank you for the opportunity to testify in opposition to LD 344, An Act to Repeal the Law Establishing the Maine Retirement Savings Board.

AARP opposes this bill because, in just over one year, MERIT now has over 13,000 active employee savings accounts, totaling over \$11 million saved. That's 13,000 of the roughly 184,000¹ private sector employees in Maine who now have the opportunity to save for a retirement that will include a sense of financial security. And those 13,000 are not only Mainers over 50 who are nearing retirement. It includes people as young as 20 and those over the age of 70 who are saving for a brighter future. LD 344 would put a stop to this progress.

Across the country, AARP has been working to help launch programs like MERIT to ensure that Americans can easily save for the retirement they wish to have. We take on this work because too many Americans enter retirement without the financial means to thrive. The result has been 20 states enacting programs like MERIT in recent years, and we're seeing the savings climb to nearly \$2 billion².

One in five Americans over the age of 50 have zero dollars saved for retirement, and over 60% of them are worried they do not have enough.³ Here in Maine, 22% of senior households rely

¹ AARP Public Policy Institute (<https://www.aarp.org/pri/initiatives/state-retirement-resource-center/retirement-savings-gap/>)

² Georgetown University McCourt School of Public Policy, Center for Retirement Initiatives (<https://cri.georgetown.edu/states/>)

³ New AARP survey: 1 in 5 Americans ages 50+ have no retirement savings and over half worry they will not have enough to last in retirement. (n.d.). MediaRoom. <https://press.aarp.org/2024-4-24-New-AARP-Survey-1-in-5-Americans-Ages-50-Have-No-Retirement-Savings>

on the Social Security they earned over a lifetime for at least 90% of their income.⁴ To overturn and repeal the Merit program will only cause a lower quality of retirement for those without access to employee programs, and will increase these already unfortunate statistics. The consequences of this financial insecurity can leave people overly reliant on state services for their needs, be it medical, housing, food, and/or transportation, resulting in costs to the state to the tune of \$1.6 billion just over the next 20 years if nothing is done⁵.

Additionally, data shows that those who begin saving, and saving earlier, are more likely to be able to provide for themselves once they enter retirement.⁶ Not only would repealing this program harm older Maine people that will soon be entering retirement, but it will put a halt to the future retirement savings growth that younger individuals otherwise would have been able to create using MERIT.

They say that the most cost-effective way to solve a problem is to keep it from becoming a problem in the first place. MERIT does just that by easily allowing individuals to proactively save their own money for retirement and be better able to support themselves when that time comes. If passed, LD 344 would increase the long-term costs to the state to provide for those without retirement savings and runs counter to AARP's mission. We urge you to vote Ought Not to Pass.

Thank you for the opportunity to provide our views on this important bill. If I can answer any questions or provide any further information, you can reach me at aanderson@aarp.org or 207.330.1147.

Alf Anderson
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⁴ Antonelli, A. M., Econsult Solutions, Inc., Center for Retirement Initiatives, American Retirement Association, & Bloomfield, A. (2025). Who lacks access to retirement savings? A State-Level analysis and an examination of the potential benefits of State-Facilitated Retirement savings programs. In *Georgetown University Center for Retirement Initiatives*. <https://cri.georgetown.edu/wp-content/uploads/2025/03/Who-Lacks-Access-to-Retirement-Savings.pdf>

⁵ Pew (<https://www.pewtrusts.org/en/research-and-analysis/articles/2023/05/11/state-automated-retirement-programs-would-reduce-taxpayer-burden-from-insufficient-savings>)

⁶ Staff, C. (2021, October 4). *What we Know about Retirement savings: Why strategic behavioral "Nudges" make sense*. Georgetown Center for Retirement Initiatives. <https://cri.georgetown.edu/what-we-know-about-retirement-savings-why-strategic-behavioral-nudges-make-sense/>

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