

*132nd Legislature*  
***Senate  
of Maine***  
*Senate District 31*

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*Testimony of Senator Donna Bailey introducing*  
**LD 355, An Act to Advance the Maine Retirement Savings Programs**  
*Before the Joint Standing Committee on Health Coverage, Insurance, and Financial Affairs*  
*Thursday, April 10, 2025*

Representative Mathieson, and Esteemed Colleagues of the Joint Standing Committee on Health Coverage, Insurance, and Financial Affairs, as you know, my name is Donna Bailey, and I proudly represent Senate District 31, which includes Buxton, Old Orchard Beach, and Saco. Today I am pleased to introduce my bill LD 355, “**An Act to Advance the Maine Retirement Savings Program.**”

In the Legislature, we work hard to ensure that every Mainer for generations to come has the opportunity to live, study, raise a family, work, and retire here. That way, they can do so without worrying about paying their bills or having enough savings for their retirement. When we stand with Maine’s workers, we can ensure they have a decent quality of life. We can also help them achieve financial security and stability, especially later in life.

That’s where MERIT comes in. The mission of the Maine Retirement Investment Trust, or MERIT, is to empower Maine to establish and increase retirement savings through an easy, lost-cost, trusted retirement plan that benefits Maine workers, employers, and taxpayers.

MERIT first launched in January 2024; since then, it has established over 13,000 individual savings accounts. And that number is growing. For these accounts, over 2,500 Maine employers are participating in MERIT, and enrolled Maine workers are collectively saving \$11.5 million for their hard-earned, well-deserved retirement. Due to MERIT’s work, we are addressing the 32% retirement savings gap in Maine.

MERIT provides financial security and stability for Maine workers, especially part-time workers, who otherwise would not have access to a retirement savings plan. MERIT follows workers from job to job; which, in a state like Maine with many part-time and seasonal jobs, is invaluable. It’s also convenient for the workers because they can contribute through payroll deduction. If they choose, they can change their contributions or opt out at any time.

While preparing for this public hearing, I came across some testimony from State Treasurer Joe Perry who sums up the value of MERIT well: “For a small employer it is so hard to offer employees any additional benefits or a retirement plan - and they deserve to have a trusted

retirement program. The State makes it easy. Once an account is set up, it mostly takes care of itself, employees are in and they are saving money. I am so delighted that the MERIT program is available and working for Mainers' financial security."

As with any new program, there is an ongoing need to make adjustments and changes so that it is working as well as it can. That's why, if we turn our attention to the bill before us, you'll find a number of proposed improvements:

1. It changes the definition of "covered employer" so that it includes all employers who hire employees.
2. It allows covered employers who may have offered a workplace retirement plan within the past 2 years to participate in the program.
3. It allows the Maine Retirement Savings Board to phase in the program based on the number of employees rather than based on the size of employers as provided in current law.
4. For employers who become required to participate in the program after the start date, it clarifies that the employer is required to participate within a time frame established by the board.
5. It clarifies that covered employers that fail to enroll are subject to an annually increasing penalty.
6. It changes when the Maine Retirement Savings Board is required to submit an audited financial report to the Governor, the Treasurer of State and the Legislature beginning February 1, 2026 and annually thereafter to beginning July 1, 2026 and annually thereafter.
7. It allocates funds to the Maine Retirement Savings Program Enterprise Fund.

I would be happy to answer any questions these proposed changes, but I'd also like to point out that both the Honorable Eloise Vitelli, whose landmark legislation established the program, and Beth Bordowitz, who is the Executive Director of the program, are testifying after me. While I am honored to support their work, they may be able to answer your questions better.

Thank you for your time.



**Donna Bailey**  
State Senator, Senate District 31  
*Buxton, Old Orchard Beach, and Saco*