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April 10, 2025

**Testimony in Support: LD 355, An Act to Advance the Maine Retirement Savings Program**

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 favor of LD 355, An Act to Advance the Maine Retirement Savings Program.

AARP supports this bill because it will further strengthen a program that has already shown itself to be a great success. 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 184,000<sup>1</sup> 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.

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 billion<sup>2</sup>.

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.<sup>3</sup> Here in Maine, 22% of senior households rely on the Social Security they earned over a lifetime for at least 90% of their income.<sup>4</sup> The

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

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

<sup>3</sup> *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>

<sup>4</sup> 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

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 done<sup>5</sup>.

Data shows that those who begin saving, and saving earlier, are more likely to be able to provide for themselves once they enter retirement.<sup>6</sup> That is why advancing MERIT through the passage of LD 355 is so crucial to our state. Allowing more employers to participate in the program will help to improve the financial security of even more Mainers. The modest funds that would be allocated by the passage of this bill would deliver enormous payoff by further strengthening the administration of the program and ensuring its long-term durability.

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. The early returns on MERIT are very positive and we encourage this committee to vote LD 355 Ought to Pass in order to further strengthen this vital program and allow Mainers to continue saving for a secure financial future.

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@aarpmaine.org](mailto:aanderson@aarpmaine.org) or 207.330.1147.

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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>

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

<sup>6</sup> 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/>