



STATE OF MAINE
OFFICE OF THE STATE TREASURER
39 State House Station, Augusta, ME 04333-0039
www.maine.gov/treasurer

JOSEPH C. PERRY
State Treasurer
GREGORY OLSON
Deputy State Treasurer

TO: Senator Donna Bailey
Representative Kristi Mathieson
Joint Standing Committee on Health Coverage, Insurance and Financial Services

FROM: Joseph C. Perry, State Treasurer

DATE: April 10, 2025

RE: L.D. 344 "An Act to Repeal the Law Establishing the Maine Retirement Savings Board"
L.D. 355 "An Act to Advance the Maine Retirement Savings Program"
L.D. 1283 "An Act to Allow Employees Covered Under the Maine Retirement Savings Program to Elect to Enroll and Unenroll in a Payroll Deduction for an Individual Retirement Account"

Good afternoon, Senator Bailey, Representative Mathieson and members of the Joint Standing Committees on Health Coverage, Insurance and Financial Services, my name is Joe Perry, and I am the State Treasurer. Thank you for this opportunity to come before you today to discuss the legislative proposals relating to the Maine Retirement Savings Program. I am here today to testify in support of LD 355 and in opposition to LD's 344 and 1283.

The State Treasurer serves as an ex-officio member of the Maine Retirement Savings Board and I support the mission of this program, to address the retirement savings gap among Mainers. I have seen firsthand the important work this program, under the trade name of MERIT, is doing to provide new opportunity to save for retirement – for people who prior to this program had no access to tax-advantage savings options through their employment. Now thousands across Maine do. We should continue to let this program grow, expand savings opportunities and strengthen retirements for Mainers.

Since beginning in 2024, MERIT has seen the opening of over 12,000 savings accounts through 2,500 employers, with over \$10M saved. This is a strong start – and we should support continuing this effort, as Mainers faces a 40% retirement savings gap. In order to achieve efficiencies and cost savings, Maine has partnered with states like Colorado, to share cost burdens and provide low cost options to savers.

MERIT should remain an opt-out program, as studies and experience show that the participation rate is substantially greater – and the goal of this program is to promote retirement savings among workers with little to no existing savings. Retaining the opt-out posture is a proven way to achieve this.

As a former small business owner, I can relate to the burdens of complying with state regulations as well as the difficulties in trying to provide a benefits to employees. I believe that MERIT serves as a good balance of these pressures, limiting administrative burdens while still providing a needed benefit to employees.

Thank you for the opportunity to testify today. I encourage the committee to support MERIT and continue to let this program grow and promote retirement security for Maine people.