

FOR IMMEDIATE

MERIT

Maine Retirement Investment Trust



RELEASE

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Maine to begin extending retirement savings to 200,000 workers in 2024

Forty percent of Maine private sector employees lack access to a work-based retirement savings program.

Employers with five or more workers not offering a qualified retirement savings plan must begin using an easy and free portal to enroll employees in Maine's new retirement savings program starting in 2024.

Augusta, Maine – The Maine Legislature enacted a law updating the implementation plan for the newly created Maine Retirement Savings Program in June. The update eliminates enrollment requirements for the current year and establishes authority for a pilot program.

The new law sets the expectation that employers with five or more employees not offering a qualified retirement savings benefit will enroll their employees in Maine's new retirement savings program by the end of 2024. Employers with fewer than five employees will also be able to enroll their employees in the program next year.

Governor Mills signed An Act to Advance the Maine Retirement Savings Program on [June 12, 2023](#).

MERIT a Trusted Benefit

The Maine Retirement Savings Program is overseen by a public Board whose members are appointed by the Governor and confirmed by the Legislature. The Board held its first meeting in April of 2022 and launched a search for a program leader soon after.

Elizabeth Bordowitz, former Chief Executive Officer of the Finance Authority of Maine, was appointed Executive Director last October and was tasked with conducting a national review of established state retirement saving programs to identify best practices and potential private and public partners.

“States like Oregon, Illinois, and California have paved the way over the past five years as they developed efficient systems and built enrollment in their retirement savings programs,” said Bordowitz. “Based on our conversations with experts nationwide, we asked the Legislature to set new expectations for our program launch.”

“We are excited to get started while still having the time we need to build partnerships and create program awareness among employers and across the Maine workforce.”

Maine's new retirement savings program will launch broadly in early 2024 as MERIT, “the Maine Retirement Investment Trust.” Visit the MERIT website at mainesaves.org.

“Earnings, savings, and Social Security are the three pillars of a stable retirement,” said Maine Senator Eloise Vitelli, who led the effort to create Maine's Retirement Savings Program. “Starting very soon, everyone who works in Maine will have access to an employer-based retirement savings program to save for their future.”

MERIT is an Easy and Free Employee Benefits Program

Throughout the summer, the MERIT team will engage with Maine employers and industry groups to preview program goals, build awareness, and finalize implementation plans based on stakeholder suggestions and the results of a pilot program expected to be available in the Fall of 2023.

MERIT is working with the Colorado Office of State Treasurer to develop a partnership with a state program with experience in providing employers with an easy-to-use enrollment platform.

There is no cost for employers and no requirement for an employer match. Employers offering their employees a qualified retirement savings program are not required to participate in MERIT. Program leaders are engaging employers and other stakeholders in discussions about policies related to seasonal employees, part-time employees, temporary employees, and automatic re-enrollment.

Employers with questions are encouraged to attend a Maine Retirement Savings [Board meeting](#), a webinar on dates to be announced, or contact the MERIT team directly at info@mainesaves.org.

MERIT Automatic and Always Available Retirement Savings

MERIT will provide all Maine workers without a qualified employer retirement savings plan with access to an automatic, low-cost retirement savings and investment program. MERIT will also follow workers from job to job and throughout their careers. All covered employees will be enrolled and have 5% of their paycheck automatically contributed to a Roth IRA account.

Contributions and investment returns will always belong to the worker. Participants will also be able to customize their investment options and opt out of the automatic contributions.

MERIT will also allow voluntary enrollment for workers not employed by covered employers and self-employed individuals.

MERIT Bridges Maine's Retirement Savings Gap

Lack of access to retirement savings presents a huge financial burden to Maine taxpayers and communities.

According to Georgetown University's Center for Retirement Initiatives, 207,000 of Maine's 504,000 private sector employees [\(41%\) lack access to a retirement savings plan at work](#). The same study reports that one-in-five elderly households in Maine rely on social security for at least 90% of their income.

The AARP reports that working [Maine households have just \\$2,500 in retirement savings](#) and can expect an [average monthly Social Security benefit of just \\$1,600](#).

The Pew Charitable Trust estimates that insufficient retirement savings in Maine [will cost the state more than \\$1.6 billion through 2040](#) in spending on MaineCare and other assistance programs. Nationally, the taxpayer liability related to insufficient retirement savings is \$13,600.

AARP estimates that Mainers with access to retirement savings through their work are [15 times more likely to save for their future](#).
