

# MAINE STATE LEGISLATURE

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# **Maine Retirement Savings Board**



## **2023 Report to the Legislature on Program Formation and MERIT Launch Activities**

**February 15, 2024**



**February 15, 2024**

The Honorable Donna Bailey, Senate Chair  
The Honorable Anne Perry, House Chair  
Joint Standing Committee on Health Coverage, Insurance, and Financial Services  
100 State House Station  
Augusta, Maine 04333-0100

Dear Senator Bailey, Representative Perry, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services:

Hundreds of Maine workers are accumulating retirement savings today thanks to the leadership of the Maine Legislature, Governor Mills, and advocates for retirement savings and economic security.

By year's end, thousands of Maine workers who did not have low-cost, automatic retirement savings options through their work will be enrolled in MERIT, the Maine Retirement Investment Trust, and will be saving for their futures.

The Maine State Retirement Savings Program has just completed its first full year of operation. The Maine State Retirement Savings Board wanted to share with the Legislature and the people of Maine this 2023 Report on Program Formation and MERIT Launch Activities.

Statutorily required annual reporting to the Legislature will begin in 2026.

More than 200,000 Mainers are working today without a retirement savings benefit through their employer. We welcome your review of this report and the chance to learn and work together to make sure MERIT becomes Maine's trusted retirement savings option for those 200,000 Mainers.

Sincerely,

*Henry E. M. Beck*

Henry E. M. Beck  
Maine State Treasurer  
Chair, Maine State Retirement Savings Board

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# Maine Retirement Savings Board

## About the Board

The Maine Retirement Savings Board was established to implement a public-private retirement savings program for Maine employees who do not have access to a retirement savings plan through their employer.

The Board meets regularly to oversee the Program, including the Program Administrator and the Program's investments. The Board develops the rules and policies that guide MERIT.

Board meetings are open to the public. For agendas, minutes or information about attending please visit [meritsaves.org/board-meetings/](https://meritsaves.org/board-meetings/)

## Members

Henry Beck, State Treasurer and Chair  
Dr. Rebecca Wyke, Vice Chair  
Kevin Carley  
Matthew Colpitts  
Gigi Guyton-Thompson  
Jessica Linzer  
Deb Neuman  
Daniel Piltch  
Tina Wilcoxson

## Staff

Elizabeth Bordowitz, Executive Director

## Contact

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State House Station 39  
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## Background

The Maine Retirement Savings Board (the “Board”) was established by the Legislature in 2021 [PL 2021, c 356, §1] to develop and maintain the Maine Retirement Savings Program (the “Program”) for individuals employed or self-employed for wages or other compensation in this State.

The Legislature approved An Act to Advance the Maine State Retirement Savings Program 2023 [PL 2023, c. 167] that, among things, authorizing the Board to name the Program, conduct a staged implementation including a pilot program, and updated the launch date to January 1, 2024.

Beginning February 1, 2026, and annually thereafter the Board shall submit to the Governor, the Treasurer of the State and the Legislature an audited financial report detailing activities, operations, receipts and expenditures of the Program and the Board during the preceding calendar year.

The Legislature launched the Program with \$1,600,000 in 2021. According to a study prepared by Pew Charitable Trusts, the Program is expected to become self-sustaining in 2032. As anticipated, the Board will seek additional resources to fund the Program until it is self-sustaining.

### Launch Report for MERIT: Trusted Retirement Savings

In 2023 the Board exercised its naming authority to brand the Program as MERIT, the Maine Retirement Investment Trust.

The Board has elected to produce this 2023 Report on Program Formation and MERIT Launch Activities to inform stakeholders of the progress made to date in advancing retirement savings for the more than 200,000 Maine employees – about 40% of the state's active workforce – that do not have an employment-based opportunity to save for their later years.





# MERIT

Maine Retirement Investment Trust



## 2023 Program Formation and MERIT Launch

The Maine Retirement Savings Board operates transparently to administer the Maine Retirement Savings Program and to engage stakeholders in direction setting and decision-making. The Board held its first meeting in April of 2022 and appointed Elizabeth Bordowitz its Executive Director in October of 2022.

### February 8, 2023

The Board publicly shares that the Program will not be ready to launch in time to meet the April 1, 2023, registration deadline and that lawmakers are considering legislation extending the deadline for registration.

### February 15, 2023

The Board approves naming the Program MERIT pending naming authorization by the Legislature and retains Meketa as an investment advisor following an RFP.

### March 15, 2023

The Board approves the MERIT logo and approves a Mission Statement,



*"Our mission is to empower workers to establish and increase retirement savings through an automatic, low-cost, trusted retirement plan benefiting Maine workers, employers and taxpayers."*

### June 12, 2023

An Act to Advance the Maine Retirement Savings Program is signed into law by Governor Mills, establishing naming authority, updating program development dates, and authorizing staged implementation, including a pilot program.

The Board [publicly announces](#) that Maine will begin extending retirement savings to 200,000 workers beginning in 2024 and that employers with five or more workers not offering a qualified retirement savings plan must begin using an easy and free portal to enroll their employees in the Program by the end of 2024.

### June 2023

The Board launches a website at [meritsaves.org](https://meritsaves.org) and newsletter to provide updates to the public on the progress of Program implementation and to facilitate stakeholder engagement.

### August 15, 2023

The Board enters a first-of-its-kind partnership with Colorado SecureSavings to deliver automatic retirement savings with Vestwell State Services, LLC as the Program Service Provider.

Maine benefits from the program development and platform experience of Colorado while citizens of both states benefit from the savings of two state programs working together.



## MERIT and Colorado SecureSavings enter into first of its kind Partnership

August 15, 2023



### August 16, 2023

The Board initiates rule making establishing deadlines, procedures, and requirements for covered employers as well as default payroll deduction, auto escalation and investments for Program accounts. The rule establishes a process for Covered Employees to Opt-Out of the Program and default options. A public hearing is noticed for and held on September 20, 2023.

## NOTICE OF STATE RULEMAKING

August 30, 2023

As Posted in 5 daily Maine Newspapers | Public Input for Proposed Rules

### October 23, 2023

The pilot program begins with the opening of the MERIT portal at [meritsaves.com](https://meritsaves.com). Fourteen employers from across Maine enrolled to participate in the pilot program and begin registering their employees for free.

### November 22, 2023

Initial rule making concludes when [Chapter 101: Maine Retirement Savings Program](#) goes into effect following a public hearing and comment process.

### December 1, 2023

MERIT accepts its first automatic contribution from a Maine Employer on behalf of a registered employee.



**December 31, 2023**

The pilot program ends the year with 169 employees with funded accounts and automatic contributions totaling \$18,344 added to retirement savings accounts. These accounts are owned by the employees and can follow them from job-to-job throughout their careers.

## **MERIT Launch Media Coverage**

**January 22, 2024 – Mainebiz**

Filling a gap: Maine Launches retirement savings plan for private-sector workers without one:

<https://www.mainebiz.biz/article/filling-a-gap-maine-launches-retirement-savings-plan-for-private-sector-workers-without-one>



Greg and Lauren Soutiea, owners of Craignair Inn by the Sea in Spruce Head, will participate in the new Maine Retirement Investment Trust for their 30 employees. "It's going to benefit... a lot of people around the state," Greg Soutiea says.

## **STATE PROGRAM AIMS TO KEEP MAINERS' RETIREMENTS GOLDEN**

Launched this year to benefit small businesses, the Maine Retirement Investment Trust offers a savings option to about 200,000 employees in the state who have long been without 401(k) plans at work.

"From this outset, the program was intended to be as easy as possible for both employers and employees to participate."

— SEN. ELOISE VITELLI  
of Portland, introducing legislation that created the Maine Retirement Investment Trust

By KELLEY ROCKHARD  
and Peter  
Greg and Lauren Soutiea faced a dilemma in 2021 when they considered which business to offer their small but growing staff at the Craignair Inn by the Sea in Spruce Head. They were providing health insurance and a retirement savings program would help attract and keep quality workers, but they couldn't afford both. So they chose health coverage to address their employees' most immediate needs.

Now, the Soutieas and more than 6,100 other business owners like them will be able to help Maine workers save for their golden years. The Craignair is among the small companies that so far are participating in a pilot of the new Maine Retirement Investment Trust (MERIT) starting in October. The state-sponsored retirement program will be free to business owners and cost just \$100 per employee. It will be free to business owners and cost just \$100 per employee. It will be free to business owners and cost just \$100 per employee.

to cover both living expenses after age 65. Established by the Legislature in January, MERIT launched statewide in January, finally giving more than 200,000 Mainers a simple, low-cost retirement plan that can follow them from job to job. Qualified workers will be enrolled automatically and contribute to a Roth IRA. Individual retirement accounts directly from your paychecks if they don't opt out. MERIT puts money among

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**November 15, 2023 – NewsCenter**

Pilot Program for retirement savings launches in Maine:

<https://www.newscentermaine.com/article/money/maine-retirement-investment-trust-pilot-program-launches-in-maine-through-14-employers-money-savings-retirement-planning-investing/97-49c8fd8c-f866-463b-9d3b-53e66973649c>

**September 8, 2023 – Portland Press Herald**

New state retirement program targets small-business employees:

<https://www.pressherald.com/2023/09/08/new-state-retirement-program-targets-small-business-employees/>

**"It's going to benefit a lot of our employees and a lot of people around the state,"**

**Greg Soutiea, Craignair Inn by the Sea**





## **MERIT Participation Data as of January 31, 2024**

<b>MERIT BY THE NUMBERS</b>	
	<b>As of 1/31/2024</b>
Registered Employers	102
Funded Accounts	181
Total Assets	\$32,250.71

### **Additional First Month Data (as of 1/31/2024)**

1,523: MERIT Accounts set up and in MERIT's 30-day Saver Opt-Out Window

10%: Saver Opt-Out Rate for January 2024

5.45% Average Deduction Rate for Funded Accounts



## **2024 Statewide Launch – Key Dates and Events**

All Maine employers that have been in business for at least 2 years, have 5 or more employees, and don't offer a qualified retirement plan for their employees are required by law to facilitate MERIT.

### **2024 Presentation Series**

MERIT is providing webinars and presentations for employers and interested groups. Updates on upcoming events and a link to request a presentation are posted at [meritsaves.org/category/events/](https://meritsaves.org/category/events/)



### **January 17, 2024**

Maine Employers with five or more employees received an email or soon thereafter letter from MERIT containing a unique Access Code and

instructions on how to register their employees with MERIT or certify their exemption if they already offer a qualified retirement savings plan.

MERIT will be making multiple outreaches directly to Maine employers in many ways. It is working with agencies and organizations throughout the state to create awareness among employers of their obligation to facilitate MERIT for their employees and to help employers who need assistance.

Program details for employers, including links to register their business and an instruction video for MERIT onboarding and portal navigation can be found at [meritsaves.com/employers/program-details](https://meritsaves.com/employers/program-details).

### **April 30, 2024**

Registration deadline for Employers with 15 or More employees.

### **June 30, 2024**

Registration deadline for Employers with 5-14 employees





# Employer Fact Sheet



## Help your employees build financial security with MERIT.

The Maine Investment Retirement Trust (MERIT) is a simple way to help your employees save for the future.

Maine understands how important it is to give businesses the resources to attract quality employees. As the economy has changed since the pandemic, employees are looking for benefits that give them more financial security.

More than 200,000 Mainers do not have access to retirement savings through work.<sup>1</sup> MERIT is here to change that and to make it easy for you to help your employees close the retirement savings gap.

### What is MERIT?

MERIT is a new retirement savings program, governed by the Maine Retirement Savings Board. Maine businesses with 5 or more employees who have been in business for two years that do not offer a qualified retirement plan must register with the program by their deadline.

With MERIT, businesses can help their employees save for retirement in a Roth Individual Retirement Account (IRA) through convenient payroll deductions. This new program is an easy way for Mainers to save for the future.



## MERIT can benefit your business.

- It's easy to set up: No complex administration and minimal ongoing responsibilities.
- It lets you focus on your business, with easy integration with your payroll process.
- It's a valuable benefit to attract and retain employees by giving them a simple and secure way to save through automatic payroll contributions into a Roth IRA.
- You have no fiduciary responsibility, meaning you are not responsible for the investment decisions or outcomes of any employee that participates in the program.
- You are not required to match contributions.

Learn more about MERIT and find your registration deadline at [MERITSaves.com](https://MERITSaves.com)




## Your responsibilities as an employer

1. Register your company at [MERITSaves.com](https://MERITSaves.com). Once you receive your unique Access Code, you're ready to start. You'll just need to provide basic information about your employees, payroll process, and banking information.
2. Send your employees' payroll contributions. Begin payroll deductions and submit contribution information and funding for the employees who choose to stay in the program. You can even invite a payroll representative to help you facilitate this process.
3. Continue sending payroll and maintain employee records. You'll need to submit your payroll every pay period and keep your employees' payroll contributions and staff list up to date.

Find helpful resources and answers to many common questions online at [MERITSaves.com/help](https://MERITSaves.com/help).

## Working with a payroll provider?

 Learn more about integrations at [MERITSaves.com/payroll](https://MERITSaves.com/payroll)

## An easy way to help your employees save.

- MERIT makes it easy to save with automatic payroll contributions to a Roth IRA.
- The default savings rate is 5% of gross pay that your employees can adjust at any time.
- Participation is voluntary. Employees can stay enrolled automatically or opt out and re-enroll later.

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### References

1. "Maine Retirement Savings Board," Office of the Treasurer State of Maine, 17 April 2023, <https://www.maine.gov/treasurer/maine%20retirement%20savings%20board#:~:text=According%20to%20data%20from%20AARP,no%20retirement%20savings%20at%20all.>

MERIT is governed by the Maine Retirement Savings Board ("MRSB"), an instrumentality of the State of Maine. Vestwell State Savings, LLC ("Vestwell"), dba Sumday Administration ("Sumday"), is the program administrator. Vestwell and The Bank of New York Mellon are responsible for day-to-day program operations. Participants who use MERIT beneficially own and have control over their Roth Individual Retirement Accounts ("IRA"), as provided in the program offering set out at [MERITSaves.com](https://MERITSaves.com).

MERIT's investment options are selected by the MRSB. For more information on MERIT's investment options, go to [MERITSaves.com](https://MERITSaves.com). Account balances in MERIT will vary with market conditions and are not guaranteed or insured by the MRSB, the State of Maine, the Federal Deposit Insurance Corporation ("FDIC") or any other organization.

MERIT is a completely voluntary retirement program. Saving through a Roth IRA will not be appropriate for all individuals. Employer facilitation of MERIT should not be considered an endorsement or recommendation by your employer of MERIT, Roth IRAs, or the investment options in the program. Roth IRAs are not exclusive to MERIT and can be obtained outside of the program and contributed to outside of payroll deduction. Contributing to a MERIT Roth IRA through payroll deduction offers some tax benefits and consequences. You should consult appropriate professional advice or consultation if you have questions related to taxes or investments.

The MERIT name and the MERIT logo are trademarks of the MRSB and may not be used without permission.

## MERIT Balance Sheet

As of 12/31/23 – unaudited (Cash Basis)

Per statute, the Board will begin submitting audited financial reports in February of 2026. Included here is an unaudited Balance Sheet for MERIT as of year-end 2023.

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Camden National Checking	86,957.19
<b>Total Bank Accounts</b>	<b>\$86,957.19</b>
Other Current Assets	
Treasurer's Cash Pool	1,245,151.09
<b>Total Other Current Assets</b>	<b>\$1,245,151.09</b>
<b>Total Current Assets</b>	<b>\$1,332,108.28</b>
Fixed Assets	
Fixed Asset Computers	1,385.51
<b>Total Fixed Assets</b>	<b>\$1,385.51</b>
<b>TOTAL ASSETS</b>	<b>\$1,333,493.79</b>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
<b>Total Current Liabilities</b>	<b>\$ -345.90</b>
<b>Total Liabilities</b>	<b>\$ -345.90</b>
Equity	
Opening Balance Equity	1,600,000.00
Retained Earnings	-23,529.29
Net Income	-242,631.02
<b>Total Equity</b>	<b>\$1,333,839.69</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,333,493.79</b>

