

Maine Legislature

Senate Majority Office

www.mainesenate.org

FOR IMMEDIATE RELEASE

June 9, 2023

Contact: Lisa Haberzettl [Vitelli], 207-251-3548

Senate sends Vitelli bill advancing the Maine Retirement Saving Program to desk of Gov. Mills

AUGUSTA – On Thursday, the Maine Senate voted unanimously to enact a bill from Sen. Eloise Vitelli, D-Arrowsic. [LD 1082](#), “An Act to Advance the Maine Retirement Savings Program,” builds on the Maine Retirement Savings Program, with the ultimate goal of making it easier for businesses to sign up.

“All along, the goal of the Maine Retirement Savings Program has been to help all Maine workers plan and save for their retirements, without adding an unmanageable burden of businesses. We want this program to work, which means making sure it works for both employers and employees. This bill keeps us on the right track to achieve those goals,” said Sen. Vitelli. “I’m grateful to my fellow legislators for their continued support of this bill, and I’m eager to see it signed into law.”

The Maine Retirement Savings Program was created in 2021 by [LD 1622](#), the Work and Save bill, which also was sponsored by Sen. Vitelli. The program is a way for working Mainers to contribute to a Roth IRA directly from their paycheck. Employers who don’t offer their own retirement savings plans will facilitate a deduction for their employees, straight from their paycheck. These employers cannot contribute any funds to the plan. The deducted funds go into a Roth IRA, following participants from job to job until that person is ready to retire. At least six other states have similar programs. More information on Maine’s program can be found at mainesaves.org.

“As a young professional, I’m passionate about making sure Mainers of all ages have the resources they need to easily save for retirement,” said Sen. Trey Stewart, R-Presque Isle, who co-sponsored LD 1622 and LD 1082. “From Day One, we wanted to make sure this program was easy to use for both workers and businesses. This bill will give the Maine Retirement Savings Board more time to get the program up and running, and ensure its successful launch.”

LD 1082 would update and make several changes to the Retirement Savings Program, including:

- Postponing the dates by which covered employers are required to participate in the program, and postponing the dates when the Maine Retirement Savings Board may begin assessing penalties to employers who fail to participate.
- Authorizing the board to implement the program in stages, which may include a pilot program and phasing in the program based on the size of employers, or other factors. A covered employer shall offer the program to its covered employees no later than Dec. 31, 2024.
- A covered employer with fewer than five employees is not required to offer the program to its covered employees but may opt-in to the program.
- Increasing the maximum amount that employees may contribute to the program from 8% to 10% of salary or wages per year.

[According to data from AARP](#), approximately 46 percent of private-sector workers in Maine — about 235,000 people — do not have access to an employer-sponsored retirement savings program. Nationally, [26 percent of working-age adults](#) say they have no retirement savings at all.

[A 2017 report](#) published by the Margaret Chase Smith Policy Center at the University of Maine states that, “Inadequate savings for retirement creates fiscal costs due to increased elderly reliance on public assistance ... Simulations show that increasing retirement income through greater preretirement savings can substantially reduce the need for taxpayer contributions for public assistance.”

LD 1082 now goes to the desk of Gov. Janet Mills, where she will have 10 days to either sign the bill, veto it or allow it to become law without her signature.

###

Lisa Haberzettl
Deputy Communications Director
Maine Senate Majority Office
(207) 287-3655