

Maine Retirement Savings Board
Date: July 19, 2023
Cross State Office Building
111 Sewall Street, Augusta, ME 04333

Minutes- Adopted

Chair Beck called the meeting to order at 1:15 PM after some technical difficulties with the virtual meeting element were resolved. This meeting was conducted both in-person at the Cross State Office Building, 111 Sewall Street, August, Maine and virtually through Teams.

Welcome and Ascertainment of Quorum

Chair Beck opened the meeting and welcomed those attending in person and remotely.

Board Members present:

- Henry Beck, Chair (attending virtually due to being out of state on State business)
- Matthew Colpitts
- Kevin Carley (Remote due to being on an island)
- Gigi Guyton-Thompson
- Jessica Linzer
- Deborah Adams Neuman
- Daniel Piltch
- Tina Wilcoxson
- Rebecca M. Wyke, Vice Chair

Board Members absent: None

A quorum was present.

Staff present:

- Elizabeth Bordowitz, Executive Director
- Jeff Chetkauskas, Treasurer's Office

Others Present:

- Matthew Golden, Vestwell (Presenter, Remote)
- Courtney Eccles, Vestwell (Remote)
- Michael Terdeman, Vestwell (Remote)
- Kay Cesarani, Merketa (Remote)
- Angela Antonelli, Georgetown Center for Retirement Initiatives (Remote)
- Juliana Crist, AKF Consulting (Remote)

Approval of Minutes of June 21, 2023 Board Meeting.

Mr. Colpitts moved approval of the June 21, 2023 Board Meeting minutes as presented. The motion was seconded by Ms. Guyton-Thompson and adopted unanimously.

Executive Director's Report

Beth provided an Executive Director's Report, including some updates from the report provided in the materials. She noted that there is not yet an effective date for the legislation amending the Maine Retirement Savings Program since the legislature has not yet adjourned.

The Contracts with Colorado and Vestwell are not yet signed. We are awaiting final approval from the Colorado Attorney General's office. We anticipate that they will be fully executed within the week. We have been operating with the expectation that the agreements will be signed, so the implementation timeline will not be delayed. We are still planning for the Pilot to be in October and the launch to be in January 2024. We have our first business that has registered to be part of the Pilot program.

Colorado has completed review of the Investment Policy Statement (IPS) and Ms. Wyke has provided comments on the draft. Those are being incorporated into the draft. We anticipate presenting a proposed IPS to the Board at the August meeting.

Beth noted that Mr. Demeritt is working on a media kit to make it easy for Associations to get information about MERIT to their members. She reviewed the outreach she has undertaken since the last meeting, including very productive discussions with HospitalityMaine, the Maine Retail Association and the Maine Grocers and Food Producers Association.

Beth advised the Board that she met with a team at the Finance Authority of Maine (FAME). The group discussed who we can work together to bring our respective programs to Maine citizens. The team noted that they have entered into a contract to offer financial wellness with Igrad for students and Enrich for adults. These tools are available to all Maine citizens. Enrich offers specific information on saving for retirement.

Beth noted that next month in addition to considering the adoption of an IPS, she plans to bring a proposed rule to the Board for Approval for Rulemaking. Beth explained the rulemaking process to the members and walked through the anticipated timeline.

Beth answered questions from the Board members.

Financial Report

Beth reviewed the financial reports in the Board materials. As of June 30th the Board was on target or below most of the budget lines. Beth noted that the branding and the website development costs were below the budgeted amount. There may be some additional website development costs as we request some updates.

Beth advised the Board that she is determining the best way to have an outside review of the Board's financial statements. She believes that they are not sufficiently extensive or complex to require a full audit at this time. The amendment to the legislation extends the time that an audit is due. She will be determining what the State will require and then undertake a proposal process for a firm to provide the services.

Final Review of Service Promise and Message Pillars

Beth included the Final Version of the Service Promise and Message Pillars for the Board review. Ms. Linzer noted some refinements that were necessary. The members expressed their support for the Message Pillars as refined.

Opportunity for Board Questions for Vestwell

Beth introduced Matthew Golden and Courtney Eccles from Vestwell. Mr. Golden joined the Board's discussion. Mr. Golden greeted the Board members and confirmed that we are close to signing the Agreements and are on schedule for the October Pilot and full program launch in Q1 2024.

Ms. Linzer asked whether the call center representatives make any effort to retain or educate individuals who call asking to close their account or Opt Out of the Program. Mr. Golden noted that Vestwell tries to provide a lot of information for Program participants up front. The Vestwell customer service team that takes these calls are not advisors or registered representatives. Their job is to resolve the request of people who call.

Ms. Guyton-Thompson asked if we can provide a link to the New Ventures Maine My Money Works class, which provides an opportunity to learn personal finance skills and an opportunity for matched savings. Mr. Golden confirmed that we will be able to link to available Maine financial education resources from the Program registration website and offer links in the messaging. We need to balance providing information and overwhelming people.

Mr. Golden described how the enrollment process works for employees. Once the employer has added their name to the system, the Program reaches out to the employee three times with information about the auto-enrollment and how to opt out of the Program. After the 30 days have passed, the employer is notified to begin the payroll deduction.

Beth encouraged Board members to send her any financial education resources they would like to see included on the website.

Mr. Golden answered members questions about typical opt out rates, which are between 20 and 30%. Mr. Colpitts asked about a demonstration of the site or videos that show how the site works. Mr. Golden responded that videos are available on the active state sites and he would provide a demonstration of the site at a future meeting as we get closer to the launch of the pilot.

Mr. Piltch asked whether Vestwell will make a pitch for its other retirement products when people call with questions about MERIT. Mr. Golden responded that the phone number for MERIT is only for the MERIT program. There is a different phone number for employers and employees. Vestwell provides recordkeeping for many 401(k) plans. Companies may advertise that they use Vestwell in their 401(k) program, but Vestwell. Does not solicit businesses directly from employers setting up 401(k) plans.

In response to a question from Ms. Guyton-Thompson, Mr. Golden stated that Vestwell's main call center is located in Delaware.

The members thanked Mr. Golden.

Rulemaking Discussion

Beth stated that although it is not on the Agenda, since we have some time, she would like to discuss some of the policy matters that will need to be addressed in the rule.

Beth reminded the Board that the amended program does not have statutory enrollment waves, but does allow the Board to set enrollment wave deadlines by rulemaking. Beth advised the Board that she recommends setting some timeframes to create some urgency around enrollment. There was Board discussion around the process and a general consensus to set registration deadlines in the rule.

The next discussion was around seasonal and part-time employees. Beth related some of the conversations she has held with employers on this subject. Based on those discussions, she is recommending that an individual be employed 120 days to be required to be registered. The goal is to make the time period consistent with other recently enacted Maine workplace laws for paid sick leave and paid family leave. After much discussion among the members there was general consensus that this approach makes sense.

Beth noted that another issue employers are concerned about is the provision that employees who opt out will be automatically reenrolled not more frequently than annually. Employers are concerned that re-enrolling employees will anger employees and they will complain to the employers. Beth noted that most of the programs have not worked this out yet. She recommended that the Board consider putting off rulemaking on this item, since no action would be taken for at least a year and the Board will need to undertake rulemaking again at some time to establish the procedures for enforcement. The Board determined that rulemaking on re-enrollment can happen at a later date.

Vice Chair Wyke asked for a Motion to Adjourn

Ms. Guyton-Thompson made a motion to adjourn the meeting. The motion was seconded by Mr. Colpitts and approved unanimously.

The meeting adjourned at 2:30.