



MERIT TIPS FOR SEASONAL BUSINESSES

Who must register with MERIT?

All Maine employers that have been in business for two years and have five or more covered employees - employees who are 18 or older and have a social security number - are required to register with MERIT. Businesses are reviewed for eligibility annually based on the past year. So if you had four employees in 2023, but employed five or more in 2024, you are required to register with MERIT in 2025. Registration requires entering information about the business and uploading demographic information for each of your employees. You can start the registration process before you hire your staff for the season, but you will not be able to complete registration until you onboard your staff. When determining the number of employees, all W-2 employees are counted as a person, even if they work part-time.

Which Staff Needs to be Registered? How does the 120 Day Rule work?

- All employees who are 18 years or older and have a social security number or federal identification number need to be registered with MERIT. This includes employees who have temporary working visas.
- Employees who are on the payroll for 120 days or more must be registered with MERIT. We encourage registration with MERIT when employees are onboarded to allow employees the greatest opportunity to prepare for their retirement. Employees may be working at another job with a MERIT account in the off season and may welcome the ability to continue to contribute to their account. However, ***an employer may choose to register employees any time between the date of hire and the 120th day the employee is on the payroll.*** The 120 day count is calendar days - regardless of business days or working days. For example, if an employee is hired on May 20th they will need to be onboarded to MERIT no later than September 17th if they are still on your payroll, whether they worked full-time or just a couple of hours a pay period.

What happens at the end of the season?

- If an employer will not be running payroll for an extended period and wants to stop receiving the reminder emails that are sent before each pay period, an employer can temporarily turn off their payroll schedule in the portal. To turn off the payroll schedule go into payroll settings, edit the existing pay group, and select "no regular payroll schedule" from the dropdown menu. *Employers doing this will need to remember to revert to their actual pay schedule when they reopen for business at the start of the next season.*
- After the final payroll has been processed, an employer can [change the status](#) of employees to "Terminated."

What happens at the start of next season?

- Update your employee information:
 - If you have changed the status of last season's employees to "Terminated" [change the status of employees](#) that have returned to "Employed"

- Add new employees to the system - *Note: See the 120 Day Rule Above.* New employees will have 30 days to make their elections on how much to contribute or opt out. Employees who have previously worked for you and were active in MERIT will start contributions immediately.
- Update physical addresses and email addresses as necessary
- Employees that return will recommence their contributions that were set in the previous season, so you should start payroll contributions with your their first paycheck
- If you turned off your payroll schedule at the end of the previous season, reset your payroll schedule so that you will receive timely reminders to make your MERIT contributions