

---

# MYCA Moment\* 12/12/23

## MERIT (Maine Retirement Investment Trust)

---



In **January 2024**, all Maine employees will be contacted by the Maine Retirement Investment Trust (MERIT).

WHY: Over 40% of Maine's workforce has no access to an employer provided retirement plan; *payroll deduction* is proven to be the best path for successful retirement savings. *The Act to Promote Individual Retirement Savings* was signed into law by Governor Mills in 2021. Compliance is mandatory starting in 2024.

If an employer/camp already has a "qualified retirement plan" in place, the employer/camp will be able to opt out of MERIT (i.e. saving cash for employees in a tin can under a cabin is NOT a "qualified" plan, but pretty much every IRA, 401k is). An email and/or letter will be sent to all Maine employers in January with an access code. **Camps will have to**

**log-in to confirm they already have a "qualified retirement plan" and will not be participating in MERIT.** (If the employer/camp offers a "qualified plan" to some, but not all employees, the employer/camp is exempt – even if the plan is not available to all employees.)

**OR**

If an employer/camp does not have a "qualified retirement plan" in place (or does, but they *want* to participate in MERIT), they will use the January email/letter access code to submit list of their employees in January and ongoing. **This is mandatory for all businesses in Maine with 5 or more employees starting in June 2024.**

Criteria:

1. Employees must be residents of Maine.
2. Employees must be 18 or older.
3. (optional) Camps are not required to enroll resident, seasonal employees (age 18 or over) who work fewer than 120 days annually, but you can if you want to offer this "benefit."
4. Employees will be contacted by MERIT to create their account. They are automatically opted IN when their name is sent-in by employer/camp.
5. Employer/camp will then have list of employees enrolled from MERIT and how to send automatic payroll deduction to the employee's individual account.
6. If a camp participates in MERIT, it will take time (and possibly some fees from your payroll company) but otherwise there are no program fees for the employer (employees with accounts are charged a flat, annual fee).
7. If an employee opts OUT, they must do so annually (i.e they are automatically opted IN each year)

**A couple other important details for camps:**

- Employers/camps have no match/contribution to these MERIT retirement accounts; even if you wanted to, **employers cannot contribute.**
- Employee makes all changes to their account via the online portal, not via the employer (changes in payroll deduction amount, etc.)
- If an employer/camp opts out and an employee wants to join MERIT, they can do so but would need to make direct contributions to their account (they could not use the payroll deduction feature).

\*from the 12/12/23 Hall Monitor