



**Written Testimony of Torey Steward on Behalf of
The Maine Council on Aging
To Joint Standing Committee on Health Coverage, Insurance
and Financial Services
Testimony in Support of LD 1622
Delivered in Person on May 13, 2021**

Greetings Senator Sanborn, Representative Tepler, and members of the Health Coverage, Insurance and Financial Services Committee:

My name is Torey Steward, and I am a MSW student intern with the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of more than 100 organizations, businesses, municipalities, and older Mainers. The MCOA is a unifying force across sectors that is creating a new narrative about aging and older people in Maine with the goal of building local, statewide, and national support for the systemic changes needed to support our new longevity. I am testifying in favor of LD 1622.

LD 1622 establishes the Maine Retirement Savings Board to create the Maine Retirement Savings Program to allow people who are self-employed or who are employed by employers who do not offer qualified retirement plans to establish individual retirement accounts. This is critically important for all people, especially low-wage earners and women, because Social Security alone will not be sufficient for them to meet their basic needs in later life, much less pay out of pocket for the care many of them will need.

To know what an important step this is, you need only look at the incomes of older Mainers and the challenges they are currently facing. More than a third of Mainers who are over 65 live on Social Security benefits alone, without any retirement savings. The average annual Social Security income for these Mainers is \$18,000. This is just about 140% of the Federal Poverty Level and is not enough income for these people to meet their basic needs. While many of these people will need to make significant repairs to their homes and pay out of pocket for health care and home care, they will not be able to afford these expenses.

This is also an equity issue. Throughout their lifetime, women are more likely to experience lower paying jobs, with less access to retirement savings. Consider that nearly 90% of Maine's direct care workers are women. In Maine, there are twice as many older women living alone than men, and these older women have significantly less average annual income than men. Women are also more likely to have reduced wages and work experience due to childcare and

caring for other family members, which reduces their retirement funds and Social Security benefits. This last part becomes cyclical.

A quarter of Maine's 300,000 older Mainers will need one-year of paid care for the remainder of their lives. Those who cannot afford care will look to their families to provide that care, if they're lucky enough to have family available. This task more often than not falls to women, who often have to leave the workforce at some point to provide the care.

As a mother who has experienced loss of income, and who does not have a retirement savings due to the positions that I have held to care for my family, I understand the need for LD 1622. My grandmother passed away in 2011, when she was 84 years old, following heart surgery. She raised 6 children mostly independently, lived on her own for most of her life, and was one of the hardest working CNA's you could meet. She could not afford to retire until she was 82, and when she did retire, she was in a constant worry about her finances. She was living only on Social Security benefits and struggled to make ends meet. She lived only 2 years of retirement before she became ill and passed away. My mother is in a similar situation and does not have a retirement plan. I am concerned for my retirement plans as well.

Women and low-wage earners in Maine need access to retirement savings programs so that they can stop working when they need to and have enough income to meet their basic needs. I urge you to consider the importance of this legislation to hardworking Maine people, especially those who are self-employed or who do not have access to retirement plans. We can help build a better future for the next generation of older Mainers starting now by enacting LD 1622.

Thank you.

Torey Steward

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