



## **Final Board Meeting Minutes**

September 13, 2024

9:00 a.m.

Location: Video Conference

Board Members Participating: Josh Gotbaum- Chair, Sen. Benjamin Brooks, Sen. Jim Rosapepe, Jerry Dawson, Paul Green, Phyllis Borzi, Stuart Cohen, Marco Priolo, Dereck Davis, Portia Wu

Staff: Glenn Simmons, Chris Cullen, Meagan Magagna, Osiry Joya

Others in Attendance: Andrea Fierstein (AKF), Courtney Eccles (Vestwell), Matt Golden (Vestwell), Kevin Ruiz (AON)

The chair called the meeting to order at approximately 9:03AM

### **Chair's Report**

Program Chair Josh Gotbaum informed everyone about the updates in the program. Mr. Gotbaum reminded everyone that MarylandSaves is still a startup operation. Our \$300 incentive has shown positive results. For the first year and a half, employers in Maryland are signing up at rates comparable to those that the other state programs had during their first year. However, only a small percentage of eligible employers in the state have enrolled, so we clearly need to keep working and figuring out how we can get more employers to participate.

When we look at Savers in MarylandSaves vs in other states, it appears that our Savers may be saving at a higher rate than participants in other state programs. More research is needed to determine if our Emergency Savings feature is leading to higher account balances. Similarly, we need to learn more about why potential Saves are opting out of our program and if there are ways to encourage more employees to stay enrolled.

### **Executive Director Report**

Glenn Simmons reported that employer registration continues to grow at a steady and consistent rate, yet it is slower than we would like. As we reported in the previous meetings, we will continue to focus more on direct marketing for the remainder of 2024. We are expecting a significant increase in employer registrations in Q4 as employers need to register and begin payroll contributions by December 31, 2024, to qualify for the 2025 SDAT Fee waiver. As of now,

we have about 7,500 employers who have exempted, and most of them already offer another qualified plan.

Our Q4 messaging will also be supported by a new PSA that Comptroller Brooke Lierman has recorded. That PSA will air from mid-September until the end of the year 2024. After airing on TV and radio, we will promote the same message on our social media accounts and website, followed by targeted digital advertising to Maryland employers.

In partnership with Vestwell, our efforts to increase the number of registered employers submitting payroll will continue via automated emails to this population. We will add other communications to this group in 2025. At this time, only approximately 1/3 of our registered employers are making payroll contributions for their employees. We believe a significant part of that population registered by mistake, thinking they needed to be registered to receive the SDAT fee waiver if they offered another plan. We have communications going out to these employers to get them to take action because to qualify for the 2025 fee waiver they must be making payroll contributions if they are registered with MarylandSaves or certify that they offer another qualified plan.

Our average account balances after two years are higher than those in other states. However, we are currently trying to gather more information on why this is occurring. The average account balance for our Savers over time is approximately where we initially projected it would be. In the early projections, we predicted the average account savings would be around \$13,000 per year, and we are above that in year one and slightly below that in year two.

### **Marketing and Communications Update**

Chris Cullen discussed the strategy behind our direct marketing efforts. The Comptroller PSA is an example of the kind of solution we should continue to produce and communicate to a broader audience. We need to continue to tell our story in a compelling and powerful way to generate action.

In 2024, we have more than doubled our target touches via direct communications compared to 2023. Our focus will remain on maximizing direct marketing tactics.

### **Audit and Finance Committee Update**

Jerry Dawson gave a brief summary from the Audit and Finance Committee activities and reported that the financials are in order and operations continue to operate within the approved budget.

The meeting was adjourned at 10:04a.m.