

Testimony to the Senate Government Operations: Vermont Saves Program  
Rep. Anne Donahue, April 7, 2025

Background: A copy of an email to an employee regarding Vermont Saves was forwarded to me with concern regarding failure to highlight the need to opt out if not interested in the program. I met with Treasurer Pieciak regarding focus of email and lack of prominent notice regarding opt-out. Treasurer Pieciak said he could look into reorganizing message with the company subcontracted for the work, but it was same company doing this program successfully in other states. Said notice I saw is fourth in series; also, a letter version sent (for those without email). He pointed to opt-out notice in it, which appeared to also be low down in letter text. Program Director Wasserman said very few complaints had been received.

I did not leave feeling confident that issues would be adequately addressed or that the degree of misleading messaging was recognized.

Coincidentally, I saw amendments to the Vermont Saves statute had been included in the House “big bill.” This was via request by Treasurer, without going through policy committee process, based on being technical changes. It contained no appropriation. One section included an increase in annual auto-escalation authority from up to 8 to up to 10 %. House amendment removed the change, based on concerns about notifications. OOT testified in opposition, stating the importance of educating people because industry recommendations are actually for 15%. Chair advised OOT to go via Senate Gov Ops if re-inclusion of change was desired, not to bypass policy committees.

I described the issues in my legislative update; three employers responded about their own concerns:

- one said info she received did not explain as opt-out, just said “voluntary,” she was shocked to learn from me it was opt-out;
- another said not one of his employees read the emails, they learned about it when the first payroll deduction appeared, and that he felt notice should be by identifiable postal mail;
- a third noted the negative reactions that occur when people are auto-enrolled.

**Specific concerns: the notice is replete with lack of any clarity**

- Email comes from “no-reply@sumday.com” – immediate appearance of spam/hack attempt [Typical recipient reaction: Delete]
- Large heading, “**You’re in! Your Vermont Saves account is ready to be set up**” – “*ready to be set up*” implies, if you don’t want, don’t set it up. [Typical reaction: Ignore]
- Link for online set-up of account, with access code included: same as typical hack attempts. [Reaction: Delete]
- Apparently, it then requires entry of SSN (online!) *Would you ever include your SSN in an online form?*
- First reference that implies possible need to opt out is midway in email, after bold heading: “**Participation is voluntary**” (Prior to this reference to opt out, descriptions are all promotion of the benefits); when listed later under options for “What do you need to do?” the bullet to the third choice, to “Opt out,” reinforced by “completely voluntary” and remains non-explicit in saying “you can opt out or back in at any time.”
- With bolded language, says contributions “**have the potential to grow**” into big savings over time; at no point does it note potential for loss with a Roth IRA.
- Repeated use of terms, “*save*” for retirement, “*savings program*,” “*savings choices*.” The only reference to “investment” is secondary to “options” rather than that the account is specifically an investment account after year one.
- No reference made to fees.

*[Note that while not direct to issue of adequacy of information, language demonstrates implicit bias of cultural supremacy when it includes, regarding importance of saving now, a reference to “saving **as little as** an additional \$105 per month.” An additional \$105 per month is a lot of money within the paycheck-to-paycheck needs of low-income workers.]*

The Vermont Saves intent has always been voluntary.

“Voluntary” in an opt-out program **requires** awareness: here, that without action, deductions from one’s paycheck will begin automatically and go into investment account (with potential for loss).

Creating awareness is always challenging with an opt-out program, and thus it must be explicit and prominent, or “voluntary” will be artificial.

Sample language to add to statute:

The Office of the State Treasurer shall provide notice to covered employees about the program in a format that prominently features information about automatic enrollment and payroll deductions, the right to opt out, that investments present a risk of loss, and that fees are charged.

Notices shall be sent by both postal service and, when available, by email, with clear identification on the envelope and email address that the communication is from the Office of the State Treasurer and contains information about a pending automatic payroll deduction.

and

(in section regarding auto-escalation)

Participants shall be notified by the Office of the State Treasurer of the amount of an automatic annual increase in contribution rates, including information featured prominently about the ability to select a different rate or to opt out of the program.