

OFFICE OF THE  
**STATE TREASURER**

**HOUSE BILL 205**  
**DELAWARE EARNS ACT**



# What is Delaware EARNNS?

- The Office of the State Treasurer (OST) has been studying **retirement insecurity** issues for over two years.
- States have tried to address these issues by creating **‘Secure Choice’ programs (Auto-IRAs)**
- Like other states, OST proposed the establishment of the **Delaware Expanding Access for Retirement and Necessary Savings** program (“EARNNS”), a Secure Choice program.
- Delaware EARNNS is a **public-private partnership**, designed to be collaborative and inclusive of the needs of businesses and employees alike.
- It amounts to a **state-sponsored savings plan** (Roth IRA) – funded by employees, facilitated by employers, and overseen by the State (EARNNS Board and OST), that offers a solution to the quickly emerging crises stemming from generations of workers without adequate savings.



# Who will participate?

- Delaware EARNs is for **workers who are not offered a retirement plan by their employer.**
- Employers who do not currently offer a retirement plan will be required to **auto-enroll their employees in Delaware EARNs** and make the necessary deductions from their paychecks.
- Employees may opt out. However, in other states, only **about one-third of employees opt out, with the remaining two-thirds participating in the program.**
- The Pew Charitable Trusts estimates that **more than 40,000 Delawareans will participate in Delaware EARNs.**

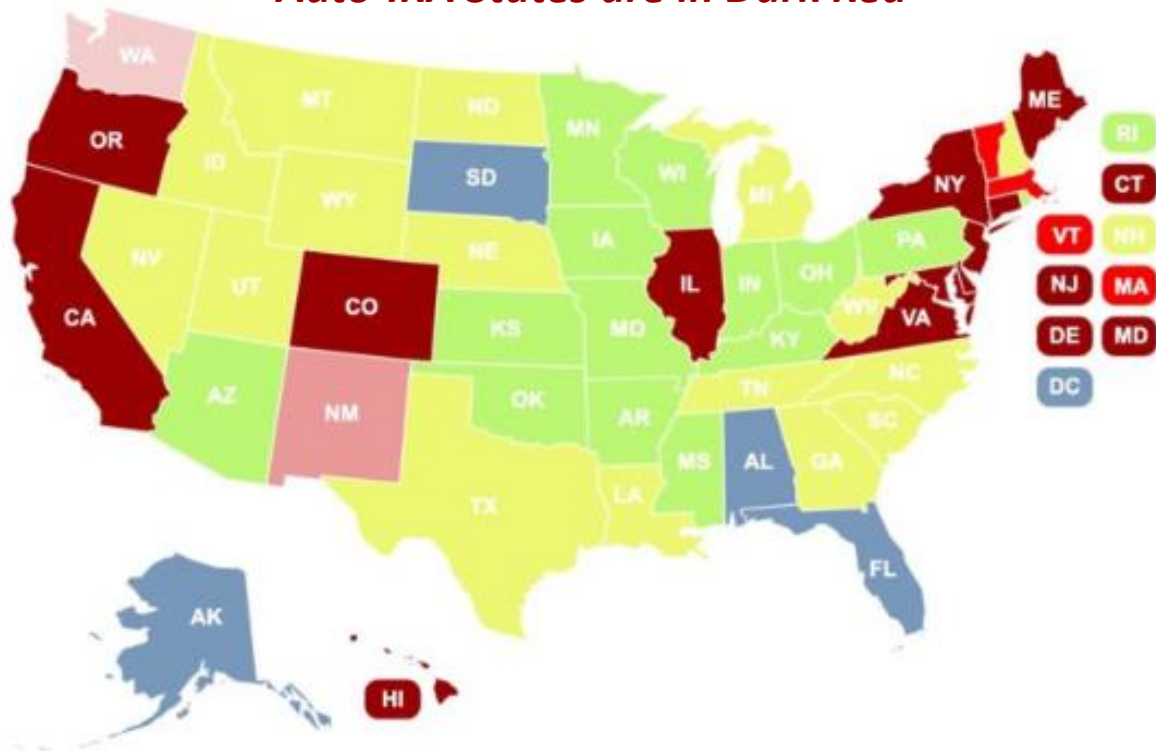


# Delaware EARNNS Act Background

- Retirement insecurity issues in Delaware researched by OST since 2020
- House Bill 205 introduced on **May 20, 2021**
  - Sponsored by Rep. Larry Lambert and Sen. Nicole Poore
- Passed the House on **May 17, 2022** (35 Yes, 5 No, 1 Absent)
- Passed the Senate on **June 21, 2022** (20 Yes, 0 No, 1 Not Voting)
- Signed by Governor Carney on **August 18, 2022**
- **Full Implementation Launch Date is January 1, 2025**



*Auto-IRA States are in Dark Red*



## The State of Auto-IRA Programs in the U.S.

**12 States, representing more than one-third of the nation's population, have adopted Auto-IRA programs:** Oregon, Illinois, California, Connecticut, Maryland, Colorado, Virginia, New Jersey, New York, Maine, Hawaii & **Delaware**



# Delaware EARNs Act

## Where do things currently stand?

- Forming, organizing and orienting the **Delaware EARNs Program Board**
  - Facilitating appointments to the Board and Chair selection
  - Planning for initial organizational meeting this Fall
  - Preliminary stakeholder engagement
  - Scheduling first full-year of board meetings
- **Executive Director** search
- Preparing RFP for a **Program Consultant**
- Explore potential **partnerships** with other states
- Considering formal partnership with **Pew Charitable Trusts**



# Delaware EARNs Act

## How does it work for the Plans Management Board?

- Chair of PMB, or designee, serves as one of the five ex officios on the EARNs Board
  - Ex Officios: State Treasurer, Sec. of Finance, Sec. of Labor, Insurance Commissioner, PMB
- “Unless terminated earlier as provided in this subsection, **the (EARNs) Board shall disband... effective as of December 31, 2025, at which point all duties and functions of the (EARNs) Board... shall be transferred to and assumed by the Plans Management Board.**”
  - “At any time after full implementation of the Program, the (EARNs) Board, by majority vote, may disband and transfer no less than all of its duties and authority under this chapter to the Plans Management Board provided that the Plans Management Board, by majority vote, agrees to assume all such duties and authority prior to December 31, 2025.





With acknowledgement to AKF Consulting Group

