

State Treasurer Colleen Davis Brings Forth Landmark Retirement Program for Delaware

Delaware EARNs would stem savings crisis

More than 200,000 Delaware workers currently lack access to an employer-sponsored retirement program, meaning they have no effective way to save for the future. Bi-partisan legislation introduced in the Delaware House of Representatives creating the Delaware Expanding Access for Retirement and Necessary Savings ("EARNs") program could reverse that trend.

Many Americans, including Delawareans, face a great retirement crisis, with 52% of the State's workforce not having an easy way to save through a retirement program at work. Delaware EARNs addresses the situation by automatically enrolling employees into a State-facilitated retirement savings plan unless they elect to opt-out. Delaware EARNs also benefits small businesses who may not be able to offer retirement plans to employees due to the cost and administrative burden, allowing them to attract and keep good employees by offering a crucial benefit like retirement savings.

"If the past year has taught us anything, it's that the future is unpredictable," said Delaware State Treasurer Colleen Davis. "I want to do everything I can to help Delawareans make retirement more secure without putting undue burden on employers."

Businesses with more than five employees will be required to participate in Delaware EARNs through a simple payroll process with the State Treasurer's Office handling the rest, but those employers who already offer employees some other form of

retirement option would not need to participate.

“With no additional cost and just a few extra steps, small businesses in Delaware will be able to provide one of the most valuable benefits to their employees,” Davis said. “Workers benefit immediately by being automatically included in a retirement plan. Programs like Delaware EARNs that use auto-enrollment have a 92% participant rate compared to 61% for plans with just a voluntary rate.”

AARP Delaware and its more than 187,000 members encourage the passage of Delaware EARNs.

“We fully support DE EARNs because AARP believes in planning now, so we have financial security in the future,” said AARP Delaware State Director Lucretia Young. “While Social Security is a critical piece of the puzzle, it’s not enough to ensure secure financial resilience as we move into our next chapter of life. We urge legislators to pass HB 205 to empower Delawareans to build a more secure financial future for themselves and their families.”

State Representative Larry Lambert, D-Claymont, is the lead sponsor of Delaware EARNs in the House of Representatives.

“We are creating an opportunity for Delawareans where it doesn’t matter what your background is, it doesn’t matter what your job is. You can have access to this transformative tool, which will give you an opportunity to enter into retirement with economic dignity and security,” Lambert said. “It benefits employers too because it makes their businesses more competitive. Some of our neighboring states may offer higher wages or different opportunities, but Delaware will be the first state in our region where all of our small business will offer a state-facilitated retirement savings plan.”

“Saving for retirement is an absolutely essential part of living out a long and healthy life, but too few Delawareans have access to the pensions and retirement plans that our

parents and grandparents enjoyed,” said Sen. Nicole Poore, D-New Castle, prime sponsor in the State Senate. “Those who take advantage of savings and investment opportunities early reap the benefits; those who don’t often fall far behind. What we will end up with, if we aren’t careful, is a compounding crisis of underfunded retirement accounts and seniors who can’t afford to get by because of missed opportunities in their teens and twenties. Dozens of states have recognized this and taken action. I’m proud to be moving Delaware in that direction too.”

“Until now, Delaware was one of just five states that has neither taken any action to create, nor explored the feasibility of, such a program,” Davis said. “Enacting Delaware EARNs will enable more people to save for retirement, reduce the need for additional taxes to fund public assistance programs, and even incentivize people to return to the workforce knowing a retirement plan will be available.”

[HB 205 can be found here.](#)