

DELAWARE EARNS



Colleen Davis, Delaware State Treasurer
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**Securing brighter
futures for employees
and employers by
making retirement
savings plans a reality.**

How Will Delaware EARNNS help?



Delaware EARNNS will:

- 1. Provide a pathway to economic security in retirement.**
- 2. Let employers offer a competitive benefit at no cost.**
- 3. Save taxpayers money in the future.**

Why Is Delaware EARNNS Needed?



NEARLY

40%

of Delaware's private-sector workforce does not have access to a retirement savings plan at work.

In Delaware alone, nearly 150,000 workers don't have access to a qualified retirement savings plan at work.

Doing nothing to alter the retirement landscape costs Delaware \$55 million annually.

Those offered a retirement savings plan at work are 15 times more likely to save.

Who Is Delaware EARNNS For?



Employers

Five or more Delaware employees.

Do not offer a qualified retirement plan.

In business at least six months.

Examples of Qualifying Retirement Plans



- **401(k) plans (including multiple-employer or pooled-employer plans)**
- **403(b) plans**
- **403 (a) plans**
- **408(k) Simplified Employee Pension (SEP) plans**
- **A government deferred compensation plan**
- **A simple IRA plan**
- **A traditional pension plan**

Who Is Delaware EARNs For?



Employees

Age 18 or older.

Employed in the state of Delaware.

Social Security number (or ITIN).

EARNS Deadline



REGISTRATION DEADLINE

October 15, 2024

**EMPLOYERS WITH 5 OR MORE
EMPLOYEES**

How do I get started?

You'll be notified by EARNS when it's time for your business to register.

To begin, you'll need:

- ✓ Your Federal Employer Identification Number (EIN)
- ✓ The EARNS Access Code from your notification

Primary Features



1. Automatic Enrollment for Employees

Participation is voluntary for employees, and they can opt in or out.

Voluntary participants (self-employed/gig workers/employees of ineligible businesses) can participate on a self-enrollment basis.

2. Public/Private Partnership

Delaware EARNs is professionally managed and advised by financial services companies and overseen by the state treasurer and board.

3. Zero Cost to the Employer

It will be self-sustaining through saver fees.

EARNS Myth No. 1



Myth: Employers have to buy a retirement plan

Truth: EARNS does NOT charge employers

EARNS Myth No. 2



Myth: EARNS is difficult to administer

Truth: EARNS is simple & easy

Employer's Role in Three Easy Steps



1

Register

Go to earnsdelaware.com to register.



2

Set Up

Upload payroll and employee info to the system.



3

Update

Keep staff lists up to date and submit your employees' savings contributions on your payroll schedule.

Step 1: Register



Your responsibilities as an employer

We know that running your business is your top priority. That's why EARNs is easy to set up and requires only light account maintenance. We'll take care of the rest, at no cost to you.

- 1 Register
- 2 Send contributions
- 3 Maintenance

Set up your ID and password, answer questions about your company and payroll process, complete payment setup, and then add your employees.

You can even invite a payroll representative to help you facilitate this process. Your payroll representative can be an admin, a teammate, or even your bookkeeper or payroll administrator.

Step 2: Set up payroll

- 1 Register
- 2 Send contributions**
- 3 Maintenance

Once you have added employees, we will communicate directly with them to explain their options during the 30 days they have to opt out or customize their account. At the end of the 30-day period, you will record their choices, begin payroll deductions, and submit contribution information and funding for the employees who choose to stay in the program.

Step 3: Maintain



- 1 Register
- 2 Send contributions
- 3 Maintenance**

To stay in compliance, continue to send payroll contributions and maintain employee records, including updating contribution rate changes when needed, adding new employees, and marking former employees as terminated.

Employer Responsibilities



Employer will NOT

- Incur any account fees.
- Have plan-sponsor liability.
- Be allowed to make an employer contribution (“match”).

Employee Notification and Information



Delaware EARNs, through program administrator Vestwell, will contact employees directly when they are added.



Email



Mailing addresses

Can save up to \$7,000 in 2024, plus an additional \$1,000 if over the age of 50.

Employers cannot make matching contributions.

Standard and Customizable Options



	Account Type	Contribution Rate	Investments
Default Path	Roth IRA	5%*	Target Date Fund
Customizable	Savers can choose a traditional IRA.	Savers can choose a contribution rate. *Escalates 1% per year.	Target Date Fund Money Market Fund Bond Fund International Fund



Workers Can Build Wealth and Achieve Financial Security.

Access to online tools and real people trained to answer questions.

Completely voluntary — employees can opt out or re-enroll at any time.

Customizable and portable — attached to Social Security number.

Simple options:
Set up Roth IRA.
Can recategorize as traditional IRA.

Important Points — Recap



- **For-profit and nonprofit. Employers must register or certify their exemption.**
- **Employers must offer a plan or potentially face a \$250 per employee penalty (up to \$5,000 annually)**
- **No employer fees; no plan-sponsor liability.**
- **Savers are “auto-enrolled” unless they’re voluntary participants.**



Contact us

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