



SPONSOR: Sen. Ennis & Sen. Brown & Rep. Carson & Rep. Ramone
& Rep. Lynn
Sens. Hansen, Lopez, Mantzavinos, Paradee, Pettyjohn,
Townsend, Wilson; Reps. Brady, Bush, Dorsey Walker,
Hensley, Mitchell, Osienski, D. Short, Michael Smith

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 14

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE EMPLOYEES' PENSION PLAN.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend §5532, Chapter 55, Title 29 of the Delaware Code by making deletions as shown by strike
2 through and insertions as shown by underline as follows:

3 (q) Any monthly service, disability, and survivor pension based on a former service or disability pension shall be
4 increased effective July 1, 2021 and every 2 years thereafter by an amount, the funding of which shall not exceed the
5 funding of the Post Retirement Fund established in §5548 of this Chapter and shall provide those pensioners who retired
6 more than 20 years prior to the date of the pension increase to be granted an increase two times those pensioners who
7 retired less than 20 years prior to the initial date of the pension increase.

8 Section 2. The increases provided by this Act shall not apply to pensions awarded under §5527(d)(1), Chapter 55,
9 Title 29, Delaware Code.

10 Section 3. Amend §5544, Chapter 55, Title 29, Delaware Code, by making deletions as shown by strike through
11 and insertions as shown by underline as follows:

12 (s)(1) The State's obligation to the State Employees' Pension Plan, the State Judiciary Retirement Fund, and the
13 New State Police Retirement Fund to implement the provisions of §5532(q) of this Chapter shall be the payments required
14 to amortize the unfunded accrued liability of each increase granted pursuant to that section.

15 (2) The State's obligation to the Special Pension Fund authorized by Volume 61, Chapter 455, Laws of Delaware,
16 to implement the provisions of §5532(q) of this title shall be treated as an actuarial loss during the next actuarial valuation
17 process of the Special Pension Fund.

18 Section 4. Amend §5548, Chapter 55, Title 29, Delaware Code, by making deletions as shown by strike through
19 and insertions as shown by underline as follows:

20 (a)(2) The Board of Pension Trustees shall review the balance in the Post Retirement Fund at the end of each fiscal
21 year and make any recommendations for adjustments in the funding rate for the succeeding fiscal year to ensure that the

22 balance in this fund, net of liabilities, does not exceed 2.5% rate be sufficient to fund post retirement increases authorized in
23 §5532 of this Chapter; however in no case shall the rate be less than 3.0% of the total projected covered payroll of the State
24 Employees' Pension Plan (Chapter 55 of Title 29), the State Judiciary Plan (Chapter 56 of Title 29), and the new State
25 Police Pension Plan (Chapter 83 of Title 11).

26 ~~(b) In the event that the General Assembly shall introduce legislation proposing post retirement increases, the~~
27 ~~Board of Pension Trustees shall review each such proposal to determine if sufficient funds are projected to be available in~~
28 ~~the Post Retirement Fund to provide the funding necessary to fund the increase over a 2-year 5-year period. If the Board~~
29 ~~determines that insufficient funds will be available to fund the increase, they will notify the Governor and the General~~
30 ~~Assembly that an additional appropriation will be required in order to provide the post retirement increase being proposed.~~

SYNOPSIS

This bill provides a mechanism to grant pension increases to retired State Employees, retired Judges, and retired "New" State police. This bill dedicates a minimum of 3.0% of payroll to be deposited annually to the Post Retirement Fund. The bill also provides for biennial pension increases beginning July 1, 2021.

Author: Senator Ennis