**151st GENERAL ASSEMBLY**
**FISCAL NOTE**

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| **BILL:** | **HOUSE BILL NO. 80** |
| **AS AMENDED BY:** | **HA 1** |
| **SPONSOR:** | **Representative Schwartzkopf** |
| **DESCRIPTION:** | **AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE EMPLOYEES' PENSION PLAN.** |

## Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. This Act increases the pension multiplier for correction officers and specified peace officers beginning 1/1/2022 from the current rate of 2.45% of final average compensation for service greater than 25 years to the following:
    a. For years of service before December 31, 2021, 2.45% of his or her final average compensation multiplied by the number of years of service for up to 20 years.
    b. For years of service on or after January 1, 2022, 2.5% of his or her final average compensation multiplied by the number of years of service for up to 20 years, plus 3.5% of his or her final average compensation multiplied by the number of years of service above 20 years.

3. This Act establishes the employee contribution rate for specified peace officers of 7% of salary. Currently, specified peace officers hired on or after 1/1/12 contribute 7% of salary over $6,000 while those hired before 1/1/12 contribute 5% of salary over $6,000.

4. This Act adds Delaware State Police Drug Diversion Unit agents to the list of specified peace officers are defined in 29 Del. C. Section 5501 (k).

5. Upon implementation of this Act, the Office of Pensions estimates the increase in unfunded accrued liability to the State Employee Pension plan to be $62.0 million.

6. Consistent with funding of the State employee plan, the increased liability is amortized over a 15-year period to derive an annual required contribution of $6.2 million (all funds).

7. The funding ratio between general funds and special funds is assumed to be 68% general funds ($4.1 million) to 32% special funds ($2.1 million).

8. Costs in Fiscal Year 2023 and beyond assume a 2.5% annual wage inflation rate.

## Cost:

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| Fiscal Year 2022: | $4.1 million |
| Fiscal Year 2023: | $4.2 million |
| Fiscal Year 2024: | $4.3 million |

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Office of the Controller General