148TH GENERAL ASSEMBLY

FISCAL NOTE

BILL:	HOUSE BILL NO. 398
SPONSOR:	Representative Spiegelman
DESCRIPTION:	AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO STATE EMPLOYEES' PENSION PLAN.

ASSUMPTIONS:

1. This Bill becomes effective upon signing of the Governor.

2. This Bill makes certain grandchildren eligible to receive a survivor's pension in the event that there is no eligible widow, widower, or child. The State employee must have a court ordered guardianship of the grandchildren.

3. There are approximately 78 grandchildren that are currently covered under the State's retiree health program. The Bill's fiscal impact assumes that roughly 20% or 15 of those grandchildren could qualify as an eligible survivor. The impact further assumes that one (1) of the 15 qualifying grandchildren will be a benefactor, annually.

4. The current average age of eligible grandchildren is 13.5 years. It is assumed that benefits would be paid for 4.5 years until the age of 18.

    - Pension: Assumes average pension of $22,000 per year and survivor benefit of 50% or $11,000.

      FY 2017 cost - 1 grandchild X $11,000 benefit per year X 1 year = $11,000
      FY 2018 cost - 2 grandchildren X $11,000 benefit per year X 1 year = $22,000
      FY 2019 cost - 3 grandchildren X $11,000 benefit per year X 1 year = $33,000

    - Pension Healthcare: Assumes the current state premium $7,676 per year.

      FY 2017 cost - 1 grandchild X $7,676 benefit per year X 1 year = $7,676
      FY 2018 cost - 2 grandchildren X $7,676 benefit per year X 1 year = $15,352
      FY 2019 cost - 3 grandchildren X $7,676 benefit per year X 1 year = $23,028

Cost:

Fiscal Year 2017	$18,676
Fiscal Year 2018	$37,352
Fiscal Year 2019	$56,028

Office of Controller General (Amounts are shown in whole dollars)
June 06, 2016
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