152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE BILL NO. 42**
SPONSOR:	**Senator Brown**
DESCRIPTION:	**AN ACT TO AMEND TITLE 18 AND TITLE 29 OF THE DELAWARE CODE RELATING TO BURIAL BENEFITS.**

Assumptions:

1. This Act is effective upon the signature of the Governor. Upon signature, the provisions of this Act become effective October 1, 2023.

2. This Act increases the death benefit for the state employee pension plan, the State Police pension plan, and the Closed State Police pension plan from $7,000 to $10,000.

3. The total unfunded actuarial liability generated by this increase is $39,496,100 for the State Employee pension plan, $388,700 for the State Police pension plan, and $476,000 for the Closed State Police pension plan. However, these amounts are amortized over a 5-year period. Upon amortization, the estimated annual cost to the State Employee Pension Plan is $8,969,400 for the State Employee pension plan, $88,300 for the New State Police pension plan, and $116,200 for the Closed State Police pension plan. Additionally, there are $470,400 in annual normal costs associated with this increase.
    a. It is assumed that 70% of the increased yearly required contribution for the unfunded actuarial liability and the normal cost will be from the General Fund.

4. This Act also increases the burial benefit for a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company from $7,000 to $10,000.

5. Using data provided by the Insurance Coverage Office, in 2022 there were 175 burial benefits paid for a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company at a cost of $1,112,817.32. Upon implementation, the estimated annual cost increase associated with the increased benefit amount is $112,183.

6. The Act clarifies that a deceased member will not be entitled to this benefit if they are otherwise entitled to a burial benefit under the State Employee pension plan, the State Police pension plan, the Closed State Police pension plan, or the County and Municipal Police/Firefighter pension plan. It is assumed that 30% of deceased members would be entitled to benefits under the other plans.

Cost:

	General Fund
Fiscal Year 2024:	$6,835,171
Fiscal Year 2025:	$7,021,698
Fiscal Year 2026:	$7,184,169

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Office of the Controller General