



152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL: SENATE SUBSTITUTE NO. 2 TO 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 is an annual normal cost of \$470,400 associated with this increase.
4. 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.
5. 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.
6. 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 \$637,182. FY 2024 costs are prorated given the October 1, 2023 effective date of this Act.
7. The Act clarifies that a deceased member is 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.

Cost:

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| Fiscal Year 2024: | \$7,228,921 |
| Fiscal Year 2025: | \$7,546,698 |
| Fiscal Year 2026: | \$7,709,169 |

Prepared by Robert Scoglietti
Office of the Controller General