



**152nd GENERAL ASSEMBLY
FISCAL NOTE**

BILL: SENATE SUBSTITUTE NO. 1 TO SENATE BILL NO. 174
SPONSOR: Senator Gay
DESCRIPTION: AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO PENSIONS FOR THE STATE JUDICIARY.

Assumptions:

1. This Act is effective upon signature by the Governor. The provisions of this Act become effective January 1, 2025.
2. This Act would add Justices of the Peace, Commissioners and Magistrates in Chancery to the Judiciary Pension Plan. Current employees in those positions would have the opportunity to make an irrevocable decision to decline participation in the Judiciary Pension Plan and continue in the State Employee Pension Plan.
3. There are currently 60 Justices of the Peace, 24 Commissioners and 3 Magistrates in Chancery that would be affected by the provisions of this Act. The FY 2025 Governor's Recommended Budget includes 2 additional Magistrates in Chancery; however, the actuarial analysis does not consider these additional positions.
4. The Act also increases the employee contribution rate for the first 24 years of service for judicial officers covered after the effective date of this Act:

From: 3% of annual compensation in excess of \$6,000 up to the Social Security wage base and 5% of total compensation in excess of the Social Security wage base:
To: 4% of the annual compensation in excess of \$6,000 up to the Social Security wage base and 5% of total compensation in excess of the Social Security wage base.
5. This Act would increase the employer (State) contribution rate from 11.13% of payroll to 17.88% of payroll. Annual costs reflected below represent the net difference between the increased costs to the Judiciary Pension Plan and reduced costs to the State Employee Pension Plan.

Cost:

Fiscal Year 2025:	\$1,161,800
Fiscal Year 2026:	\$1,161,800
Fiscal Year 2027:	\$1,161,800

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Office of the Controller General