153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 TO HOUSE BILL NO. 2**
SPONSOR:	**Representative Carson**
DESCRIPTION:	**AN ACT TO AMEND TITLE 18 AND TITLE 29 OF THE DELAWARE CODE RELATING TO DEATH BENEFITS.**

Assumptions:

1. This Act is effective upon the signature of the Governor. Upon signature, the provisions of this Act become effective October 1, 2026.
2. This Act increases the burial benefit for the state employee pension plan, the State Police New pension plan, and the Closed State Police pension plan from $7,000 to $8,000.
3. The total unfunded actuarial liability generated by this increase is $14,203,700 for the State employee pension plan, and $157,200 for the New State Police pension plan. These amounts are amortized over a 5-year period. Upon amortization, the estimated annual cost to the State Employee Pension Plan is $3,204,700 for the State Employee pension plan, and $35,500 for the New State Police pension plan. These costs are estimated to increase 2.5% in each of the subsequent four fiscal years of amortization. Additionally, there is an annual normal cost of $288,900 associated with this increase.
4. The Closed State Police pension plan is funded on a pay-go basis. The estimated additional annual cost associated with increasing this benefit is $25,000.
5. 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.
6. This Act also increases the funeral expenses benefit for a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company from up to $7,000 to $8,000.
7. Using data provided by the Insurance Coverage Office, for the period FY 2021 – FY 2025, there were an average of 139 funeral benefits paid for a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company. Upon implementation, the estimated annual cost increase associated with increasing the benefit amount and removing the expense requirement is $139,000. Fiscal Year 2027 costs are prorated given the October 1, 2026, effective date of this Act.

Cost:

Fiscal Year 2027	$2,599,620
Fiscal Year 2028	$2,691,000
Fiscal Year 2029	$2,749,170

Prepared by Robert Scoglietti
Office of the Controller General