

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

House Bill 1170
(list bill or resolution and number, if available, or subject)

Amendment to: _____
(list bill or resolution and number)

REQUESTED BY: Legislative Council DATE OF RECEIPT January 18 19 71

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

Section 1 could result in a reduction of expenditures by all State Departments and all political subdivisions. It is estimated that the accumulative "savings" could be as high as \$600,000 per fiscal year during periods of suspended contributions.

Section 2 would increase expenditures from ear-marked funds (Old Age and Survivor's Insurance System Trust Fund) from \$628,058 to \$759,684. Since the recipients of the payments are very old (average of 83 years for retirees) it is estimated that the increase cost will drop substantially in the next five years. No increased taxes/contributions will be required for the legislation as we have a reserve of \$1,972,764, as of 1-1-71.

Date of preparation: January 18, 1970

Signed Arnold W. Jaeger

Typed name Arnold W. Jaeger

Department N. D. OASIS/Social Security

PROPOSAL FOR INCREASING OASIS BENEFITS

Chapter 52-09, NDCC

INCOME AND RESERVES

Reserves:

Cash 1/1/71	\$ 18,264.46
Investments	1,950,000.00
Advance to Unempl.Comp.for Admin.	450.00
Reserves as of 1/1/71	<u>\$1,972,764.46</u>

Income:

Interest on investments	\$ 81,595.00
Tax Collections at 1%	621,339.00
Estimated Current Annual Income	<u>\$ 702,934.00</u>

PROPOSED INCREASES IN PRIMARY BENEFITS

	<u>Present</u>	<u>\$10.00</u>	<u>\$20.00</u>	<u>\$30.00</u>
Monthly Benefits as of 1/1/71	\$52,338.20	\$56,570.69	\$62,933.19	\$70,340.69
Covers: 780 Claims				
352 Primary (wife)*	71.30	83.80	98.80	113.80
5 Widows Current	65.66	78.05	83.05	85.55
423 Widows	55.58	63.08	65.58	70.58

Wife entitled to 50% of primary. Here we are assuming that at least half of primary insured claimants have wives eligible for benefits.

Recent life expectancy at birth tables show 67.0 years for male and 74.2 years for female. Our average is 83 years so we can presume at least a 10% loss by death in each level:

	at	<u>\$10.00</u>	<u>\$20.00</u>	<u>\$30.00</u>
Monthly		\$ 50,914.00	\$ 56,640.00	\$ 63,307.00
Annually		610,968.00	679,680.00	759,684.00
Estimated Annual Income		<u>\$702,934.00</u>	<u>\$702,934.00</u>	<u>\$702,934.00</u>

We can use part of reserve if disbursement exceeds estimated income