

FISCAL NOTE
SENATE BILL NO. 2218
LC# 23.0682.01000
01/19/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

see attached

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

see attached

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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WORKFORCE SAFETY & INSURANCE
2023 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2218

BILL DESCRIPTION: Retirement Presumption and Additional Benefit

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its consulting actuaries, The Burkhalter Group, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation effectively eliminates the retirement presumption effective for post-1995 claims. Under this proposal, injured workers will continue receiving wage-loss benefits after they become eligible for social security retirement benefits. The proposed bill also eliminates the three year cap on disability benefits for employees injured after they become eligible for social security retirement benefits. The proposed bill repeals the additional benefit payable statutes. Per the application section of the proposed bill, the legislation will apply to all claims regardless of date of injury.

Reserve Level Impact: The reserve level impact of the current proposal will be limited to injured workers with a loss-of-earnings date subsequent to the 1995-96 fiscal year. The total reserve level increase for active claims is estimated to be approximately \$100,000,000 on a going-forward basis. This cost estimate does not include the costs associated with claims that have already transitioned off the system that may re-open or account for the retroactive adjustments to benefit levels for claims currently receiving the additional benefit payable (post-retirement) benefit. The emergence of costs associated with these two additional items would result in a reserve level impact that is significantly higher.

Rate Level Impact: The proposed legislation will serve to increase the costs associated with future claims. The premium rate level increase associated with the elimination of the retirement presumption is anticipated to be approximately 1.2%.

DATE: January 19, 2023