

FISCAL NOTE

Requested by Legislative Council

01/28/2003

Bill/Resolution No.: SB 2351

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

NORTH DAKOTA WORKERS COMPENSATION 2003 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Eliminating Social Security Retirement Offset

BILL NO: SB 2351

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation would eliminate the workers compensation social security retirement offset for pre- August 1, 1995 injured workers that became eligible for social security retirement benefits between June 30, 1989 and August 1, 1995.

FISCAL IMPACT:

Reserve Level Impact: The proposed legislation, as drafted, can be expected to increase reserves by more than \$4 million on an undiscounted basis or \$2.8 million on a discounted basis. These reserve estimates don't contemplate the elimination of social security offsets for pre-August 1, 1995 injured workers that achieve retirement eligibility on or after August 1, 1995.

Rate Level Impact: The proposed legislation should not increase future loss cost levels as it applies to pre-August 1, 1995 injuries. However, we will need to consider a prospective rate surcharge to fund the reserve increase that will result from the retroactive benefit increase to prior year claims. A reasonable funding plan would need to be developed.

DATE: February 4, 2003

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

see Narrative

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

see Narrative

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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