

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/16/2009

Bill/Resolution No.: HB 1410

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation would modify the workers compensation Social Security Retirement (SSR) offset calculations for permanent total disability claims.

**B. Fiscal impact sections:** *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.*

WORKFORCE SAFETY & INSURANCE  
2009 LEGISLATION  
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: HB 1410

BILL DESCRIPTION: Modification of Social Security Retirement (SSR) Offset Calculation

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, 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 modify the workers compensation Social Security Retirement (SSR) offset calculations for permanent total disability claims with an incurred disability or recurrent disability date between July 1, 1989 and August 1, 1995. It is our understanding that the proposal would apply to future offset calculations conducted after the effective date of this Act.

The amount of SSR Offset would be based on the duration of permanent total disability prior to SSR eligibility. Durations greater than 20 years would require no offset; durations between 15 and 20 years would require an offset based on a 25% ratio; and durations less than 15 years would require an offset based on a 40% ratio or no change from the offset levels that exist today.

Reserve Level Impact: We estimate the discounted value of SSR offsets on future benefit payments for known claims to be approximately \$4.0 million. To the extent additional claims emerge the cost estimates would be higher.

Rate Level Impact: The proposed legislation does not apply to future claims and should not increase future premium rate levels as it applies to 1989 through 1995 disability periods.

DATE: January 26, 2009

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.*

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.*

C. **Appropriations:** *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 is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	John Halvorson	<b>Agency:</b>	WSI
<b>Phone Number:</b>	328-6016	<b>Date Prepared:</b>	01/26/2009