

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 343** SLS 18RS 179  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 16, 2018 2:50 PM	<b>Author:</b> MILLS
<b>Dept./Agy.:</b> Judiciary	<b>Analyst:</b> Willis Brewer
<b>Subject:</b> OGB Retirement benefits to judges	

GROUP BENEFITS PROGRAM OR INCREASE GF EX See Note Page 1 of 1  
 Provides relative to the Office of Group Benefits (6/30/18)

Present law provides a schedule for state contributions of the total premium payable to the Office of Group Benefits (OGB) for retirees. Provides for a maximum state contribution of 75%. Proposed law retains present law and provides that upon retirement, certain judges who were in office on or before December 31, 2001, and continue to be in office as of January 1, 2018, shall be eligible to enroll in the Office of Group Benefits program with a 75% state contribution, regardless of the years of participation in the Office of Group Benefits program before retirement. Proposed law applies to judges of the first and second parish courts for the Parish of Jefferson; judges of the first and second city courts of New Orleans, Municipal Court of New Orleans and traffic courts of New Orleans; judges of the various city courts now existing or hereafter created in this state; and judges of any parish court now existing or hereafter created in this state.

Effective June 30, 2018.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed legislation is anticipated to have an indeterminable but significant impact on state expenditures. The proposed law will allow any judge who was in office on or before December 31, 2001 and continues to be in office as of January 1, 2018 to be eligible to enroll in the Office of Group Benefits (OGB) program with a state contribution equal to the benefit of retirees at 20 years of program participation regardless of the number of years of participation in the Office of Group Benefits program before retirement.

The state contribution rate for OGB retirees depends on the years of participation in the program. State agencies pay a portion of the total OGB premiums for retirees as follows: 75% for employees with 20 or more years of participation, 56% for employees with 15 to 20 years of participation, 38% for employees with 10-15 years participation, and 19% for employees with less than 10 years participation.

According to the Judiciary, there are 28 judges that meet the criteria established in this legislation. Of these employees, seven have twenty or more years of OGB participation, one has more than 15 but less than 20 years, and the remaining twenty have less than ten or no years of service. The LFO assumes that any judge that is not a member of OGB will enroll in OGB prior to retiring therefore making them eligible for OGB benefits.

Based on the 1/1/18 OGB total premium (employee and employer) for a retiree without medicare under the Magnolia Open Access family plan (\$2,296), the proposed legislation's estimated total maximum exposure is \$306,000. This maximum exposure will increase or decrease each year based on the number of participants eligible for medicare and as the OGB premiums increase. Furthermore, the maximum exposure of \$306,000 assumes all of these judges will retire in FY 19. The number and age of judges that will retire each year is unknown and cannot be ascertained at this time.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**