



SPONSOR: Rep. Mitchell & Sen. McDowell  
Reps. Brady J. Johnson Keeley ; Sen. Marshall

HOUSE OF REPRESENTATIVES  
146th GENERAL ASSEMBLY

HOUSE BILL NO. 387

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO SPECIAL FUNDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1       Section 1. Amend § 708(c)(1), Title 18 of the Delaware Code by making insertions as shown by underlining  
2       immediately following the existing language therein as follows:

3       a.

4       1. The State Board of Pension Trustees shall distribute funds from the account within the special fund to the  
5       county or municipality participants for the benefit of all eligible individuals who are retired prior to July 1, 2010 and  
6       who are otherwise eligible to receive payment on July 1, 2012, with such amounts to be distributed by September 1,  
7       2012, consistent with the following:

8       Eligible retirees shall be placed into the following three categories: Category (1) - Individuals who have been  
9       retired for greater than or equal to twenty (20) years, and such category shall include each surviving beneficiary;  
10       Category (2) - Individuals who have been retired for greater than or equal to ten (10) years but less than twenty (20)  
11       years; and Category (3) - Individuals who have been retired for less than ten (10) years. The distribution for Category  
12       (1) shall be 3 times the distribution for Category (3), and the distribution for Category (2) shall be 2 times the  
13       distribution for Category (3). "Eligible retiree" is defined for purposes of this section as any individual who is alive on  
14       the last day of the current fiscal year and who was retired prior to the end of the fiscal year two (2) years prior to the  
15       current fiscal year's end.

16       2. On each biennial anniversary starting from September 1, 2012 and each biennial anniversary thereafter, the  
17       State Board of Pension Trustees shall make funds available for distribution from such special fund, in an amount to be  
18       determined by the State Board of Pension Trustees, so long as at least \$500,000 remains in such fund after any  
19       distribution therefrom has been made to eligible individuals. The total amount available for distribution in any given  
20       year shall be determined by July 1 of such year. No distribution made pursuant to this subsection a. shall be deemed to  
21       be a post-retirement increase.

### SYNOPSIS

This Act relates to police and fire pension funds created under Title 18 of the Delaware Code. The General Assembly created a special fund in the hopes of ensuring adequate pensions for affected police officers and firefighters, and their surviving spouses. This has not come to pass with regard to all pensions, however. By way of example only, the average surviving spouse in the Wilmington Police and Fire retirement plan receives a pension of only \$10,080, which is \$1,090 dollars *below* the 2012 poverty level. Moreover, there have been only five disbursements under the special fund in its 43 year history. To address this, the Act would allow for an additional manner of providing distributions from the related special fund established for Police and Fire pensions. Specifically, disbursements from the fund to be made pursuant to this Act would be biennial and structured in three (3) categories. The three (3) categories are based upon length of retirement and whether the eligible individual is a surviving spouse.