



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 26, 2009

### **S. 1107** **Judicial Survivors Protection Act of 2009**

*As ordered reported by the Senate Committee on Judiciary on June 18, 2009*

#### **SUMMARY**

S. 1107 would authorize a six-month period during which judicial officials previously not participating in the Judicial Survivors Annuities System (JSAS) can enroll in the program. That change would increase direct spending for survivor benefit payments, and would similarly increase offsetting receipts from annual contributions and lump-sum payments made by participating judicial officials. CBO estimates that the net cost of implementing this bill would be negligible over the 2010-2019 period.

S. 1107 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated cost of S. 1107 is shown in the following table and falls within budget function 600 (income security).

#### **BASIS OF ESTIMATE**

For the purposes of this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2009. We expect that the program would enroll 150 new participants during the proposed six-month period.

By Fiscal Year, in Millions of Dollars

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
<b>CHANGES IN DIRECT SPENDING</b>												
Benefit Payments	*	*	*	1	1	1	1	1	1	1	2	8
Offsetting Receipts	<u>-1</u>	<u>-4</u>	<u>-7</u>									
Total Changes	-1	*	*	*	*	*	*	*	1	1	-2	*

Note: \* = Between -\$500,000 and \$500,000.

JSAS is an optional benefit program for the survivors of judicial officials (a judge, judicial center director, or administrative assistant to the chief justice) that provides the designated beneficiary a portion of the official's salary after his or her passing. Currently, judicial officials can only join the program during the six-month period immediately after their election, marriage, or promotion to a higher court. Participation in this program entitles survivors to a minimum annuity of 25 percent of the judicial official's average salary up to a maximum of 50 percent (which would be reached after 33 years and 4 months of contribution to JSAS).

S. 1107 would open an additional six-month window for both current and retired judicial officials to opt into the program. Active officials who choose to enter the program would annually contribute 2.75 percent of their salary; retired officials would contribute 3.5 percent of their pensions (officials who have been recalled for temporary assignments would contribute 2.75 percent of their pensions). In addition, all officials enrolling in the program would make a lump-sum deposit equaling 2.75 percent of their salary or pension, plus 3 percent annual compounded interest for the last 18 months of service. Furthermore, the bill would also allow judicial officials enrolled in the system to purchase service credit in three-month increments, up to a maximum of an extra year for every completed year of federal judicial service.

CBO estimates that this bill would increase payments to survivors by \$8 million between 2010 and 2019. That cost would be almost entirely offset by the contributions and lump-sum payments made by the judicial officials; the net cost of the program would be negligible over the 10-year period.

## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1107 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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