

JUDICIAL RETIREMENT FUNDS

Payment to Judiciary Trust Funds

SUMMARY STATEMENT OF ACCOUNT REQUIREMENTS

Fiscal Year 2020 Enacted Appropriation	\$240,100,000
Fiscal Year 2021 Requested Appropriation	\$262,300,000
Requested Increase from Fiscal Year 2020 Enacted Appropriation	\$22,200,000

Title VI General Provisions

Sec. [619]___. (a) There are appropriated for the following activities the amounts required under current law:

(1) Compensation of the President (3 U.S.C. 102).

(2) Payments to--

(A) the Judicial Officers' Retirement Fund (28 U.S.C. 377(o));

(B) the Judicial Survivors' Annuities Fund (28 U.S.C. 376(c)); and

(C) the United States Court of Federal Claims Judges' Retirement Fund (28 U.S.C. 178(l)).

(3) Payment of Government contributions--

(A) with respect to the health benefits of retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849); and

(B) with respect to the life insurance benefits for employees retiring after December 31, 1989 (5 U.S.C. ch. 87).

(4) Payment to finance the unfunded liability of new and increased annuity benefits under the Civil Service Retirement and Disability Fund (5 U.S.C. 8348).

(5) Payment of annuities authorized to be paid from the Civil Service Retirement and Disability Fund by statutory provisions other than subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

(b) Nothing in this section may be construed to exempt any amount appropriated by this section from any otherwise applicable limitation on the use of funds contained in this Act.

Explanation

The highlighted section provides appropriations for payments to the Judicial Officers' Retirement Fund, the Judicial Survivors' Annuities Fund, and the United States Court of Federal Claims Judges' Retirement Fund. The judiciary proposes to retain this language in Title VI of the Financial Services and General Government appropriations bill.

**SUMMARY OF REQUEST
 JUDICIAL RETIREMENT FUNDS
 PAYMENT TO JUDICIARY TRUST FUNDS
 FISCAL YEAR 2021
 (Dollar amounts in thousands)**

Fiscal Year 2021 Resource Requirements:

	<u>FTEs</u>	<u>Amount</u>
Fiscal Year 2020 Enacted Appropriation	-	\$240,100
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<u>No.</u>		<u>Adjustments to Base</u>
13.6	-	25,500
13.6	-	(3,300)
13.6	-	-
Subtotal, Adjustments to Base.....	-	22,200
Total Appropriation Required, Fiscal Year 2021.....	-	\$262,300
Total Appropriation Increase, Fiscal Year 2020 to Fiscal Year 2021.....	-	\$22,200

PAYMENT TO JUDICIARY TRUST FUND
Obligations by activity (\$000)

Activity	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
Trust Fund, Total Obligations	211,700	240,100	262,300
Available Appropriation	211,700	240,100	262,300

Object Classification (\$000)

Description	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
25 Other services	211,700	240,100	262,300
Total Obligations	211,700	240,100	262,300

PAYMENT TO JUDICIARY TRUST FUND

Relation of Direct Obligations to Outlays (\$000)

	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
Obligations incurred	211,700	240,100	262,300
Obligated balance, start of year	-	-	-
Obligated balance, end of year	-	-	-
Outlays	<u>211,700</u>	<u>240,100</u>	<u>262,300</u>

GENERAL STATEMENT AND INFORMATION

This appropriation is divided among three trust funds that finance payments to (1) retired bankruptcy and magistrate judges, (2) spouses and dependent children of deceased judges, and (3) retired Court of Federal Claims judges. This account is categorized as a mandatory appropriation by Congress.

Statutes governing the three funds authorize the appropriation of amounts necessary to support the liability that accrues each year and to pay an installment on any unfunded liability. Although the funds (except for the Court of Federal Claims fund) receive participant contributions and earn interest on investment holdings, the purpose of the appropriation provision is to ensure that sufficient funds are deposited annually to support anticipated benefit payments in the distant future as well as in the short-term. The appropriation request is calculated annually by an enrolled actuary pursuant to 31 U.S.C. § 9503.

The Three Trust Funds

- 1) The Judicial Officers' Retirement Fund was established in 1988 to provide a pension to bankruptcy and full-time magistrate judges (28 U.S.C. § 377(o)).
- 2) The Judicial Survivors' Annuities Fund was established in 1956 to provide annuities to widows, widowers, and dependent children of judges and other officials who have elected to participate in the program: Justices and judges of the United States, to include Guam, the Northern Mariana Islands, and the Virgin Islands; full-time bankruptcy judges; full-time United States magistrate judges; judges of the United States Court of Federal Claims; the Directors of the Federal Judicial Center and the Administrative Office of the United States Courts; and the Counselor to the Chief Justice of the United States (28 U.S.C. § 376(c)).
- 3) The Court of Federal Claims Judges' Retirement Fund was established in 1990 to provide a pension plan to retired United States Court of Federal Claims judges (28 U.S.C. § 178(l)). Appointment under Chapter 7 of Title 28 or service under section 167 of the Federal Courts Improvements Act of 1982 automatically qualifies a judge to participate.

FISCAL YEAR 2020 APPROPRIATIONS

The judiciary built the fiscal year (FY) 2021 mandatory budget request for the Judicial Retirement Funds on the FY 2020 enacted level of \$240,100,000. This amount fully funds the FY 2020 requirements for the three retirement trust funds. For bill language, the judiciary used the language from P.L. 116-93, Financial Services and General Government Appropriations Act, 2020.

JUSTIFICATION OF CHANGES

The appropriation request for FY 2021 is \$262,300,000, a net increase of \$22,200,000 above the enacted appropriation level in FY 2020. This net increase is requested as follows: an increase of \$25,500,000 for the Judicial Officers' Retirement Fund, a decrease of \$3,300,000 for the Judicial Survivors' Annuities Fund, and no change for the Court of Federal Claims Judges' Retirement Fund.

ADJUSTMENTS TO BASE

1. Increase in payment to the Judicial Officers' Retirement Fund

Mandatory Increase: \$25,500,000

The enacted appropriation for FY 2020 is \$203,900,000. Based on actuarial calculations, \$229,400,000, an increase of \$25,500,000, is required to draw down the unfunded liability in FY 2021.

2. Decrease in payment to the Judicial Survivors' Annuities Fund

Mandatory Decrease: (\$3,300,000)

The enacted appropriation for FY 2020 is \$32,400,000. Based on actuarial calculations, \$29,100,000, a decrease of \$3,300,000, is required to draw down the unfunded liability in FY 2021.

3. No change in payment to the Court of Federal Claims Judges' Retirement Fund

No mandatory change required

The enacted appropriation for FY 2020 is \$3,800,000. Based on actuarial calculations, \$3,800,000 is required to draw down the unfunded liability in FY 2021.