

JUDICIAL RETIREMENT FUNDS

Payment to Judiciary Trust Funds

SUMMARY STATEMENT OF ACCOUNT REQUIREMENTS

| | |
|---|-----------------------|
| Fiscal Year 2022 Assumed Appropriation | \$272,600,000 |
| Fiscal Year 2023 Requested Appropriation | \$251,800,000 |
| Requested Decrease from Fiscal Year 2022 Assumed Appropriation | (\$20,800,000) |

Title VI General Provisions

Sec. [617]____. (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 2023
 (Dollar amounts in thousands)**

Fiscal Year 2023 Resource Requirements:

| | <u>FTEs</u> | <u>Amount</u> |
|---|-------------|-------------------|
| Fiscal Year 2022 Assumed Appropriation | - | \$272,600 |
| | | |
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| <u>No.</u> | | |
| <u>Adjustments to Base</u> | | |
| 13.6 1. Decrease in payment to the Judicial Officers' Retirement Fund..... | - | (15,600) |
| 13.6 2. Decrease in payment to the Judicial Survivors' Annuities Fund..... | - | (4,200) |
| 13.6 3. Decrease in payment to the Court of Federal Claims Judges' Retirement Fund..... | - | (1,000) |
| | | |
| Subtotal, Adjustments to Base..... | - | (20,800) |
| | | |
| Total Appropriation Required, Fiscal Year 2023..... | - | \$251,800 |
| | | |
| Total Appropriation Decrease, Fiscal Year 2022 to Fiscal Year 2023..... | - | (\$20,800) |

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

| Activity | FY 2021 Actual | FY 2022 Assumed | FY 2023 Request |
|--------------------------------------|-------------------|--------------------|--------------------|
| Trust Fund, Total Obligations | 262,300 | 272,600 | 251,800 |
| Available Appropriation | 262,300 | 272,600 | 251,800 |

Object Classification (\$000)

| Description | FY 2021 Actual | FY 2022 Assumed | FY 2023 Request |
|--------------------------|-------------------|--------------------|--------------------|
| 25 Other services | 262,300 | 272,600 | 251,800 |
| Total Obligations | 262,300 | 272,600 | 251,800 |

PAYMENT TO JUDICIARY TRUST FUND
Relation of Direct Obligations to Outlays (\$000)

| | FY 2021 | FY 2022 | FY 2023 |
|----------------------------------|----------------|----------------|----------------|
| | Actual | Assumed | Request |
| Obligations incurred | 262,300 | 272,600 | 251,800 |
| Obligated balance, start of year | - | - | - |
| Obligated balance, end of year | - | - | - |
| Outlays | 262,300 | 272,600 | 251,800 |

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 2022 APPROPRIATIONS

In the absence of enacted full year fiscal year (FY) 2022 appropriations, the judiciary made assumptions to construct an FY 2023 budget request. The judiciary's FY 2023 budget request for Judicial Retirement Funds assumes the FY 2022 budget request level of \$272,600,000 as an estimate for FY 2022. This amount would fully fund FY 2022 requirements for the three retirement trust funds.

For bill language, the judiciary used the language from H.R. 4502, the House-passed FY 2022 Financial Services and General Government (FSGG) appropriations bill, as the closest approximation of eventual enacted FY 2022 appropriations language.

After full year FY 2022 appropriations are enacted, the judiciary will re-estimate its FY 2023 budget request and transmit to the Appropriations Committees any changes to FY 2023 appropriations requirements or language.

JUSTIFICATION OF CHANGES

The appropriation request for FY 2023 is \$251,800,000, a decrease of \$20,800,000 below the assumed appropriation level in FY 2022. This decrease includes a reduction of \$15,600,000 for the Judicial Officers' Retirement Fund, a reduction of \$4,200,000 for the Judicial Survivors' Annuities Fund, and a reduction of \$1,000,000 for the Court of Federal Claims Judges' Retirement Fund.

ADJUSTMENTS TO BASE

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

Mandatory Decrease: (\$15,600,000)

The assumed appropriation for FY 2022 is \$238,100,000. Based on actuarial calculations, \$222,500,000, a decrease of \$15,600,000, is sufficient to draw down the unfunded liability in FY 2023.

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

Mandatory Decrease: (\$4,200,000)

The assumed appropriation for FY 2022 is \$30,400,000. Based on actuarial calculations, \$26,200,000, a decrease of \$4,200,000, is sufficient to draw down the unfunded liability in FY 2023.

3. Decrease in payment to the Court of Federal Claims Judges' Retirement Fund

Mandatory Decrease: (\$1,000,000)

The assumed appropriation for FY 2022 is \$4,100,000. Based on actuarial calculations, \$3,100,000, a decrease of \$1,000,000, is sufficient to draw down the unfunded liability in FY 2023.