

At a Glance

S. 3487, Honoring Civil Servants Killed in the Line of Duty Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 2, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	2	3
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	2	3
Spending Subject to Appropriation (Outlays)	0	18	41
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Provide a \$100,000 payout to family (or another specified individual) of federal civilian employees killed in the line of duty
- Increase the funeral benefits paid for federal employees

Estimated budgetary effects would mainly stem from

- Additional payouts resulting from the deaths of federal civilian employees who died while on the job

Areas of significant uncertainty include

- The number of payouts agencies would be required to make annually

Detailed estimate begins on the next page.

See also CBO's *Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.



Bill Summary

S. 3487 would generally increase the death gratuity benefit for federal employees who die while on the job. Currently, the executor of an estate of a federal employee who dies while performing their duties is eligible to receive a death gratuity amounting to \$10,000. S. 3487 would increase that amount to \$100,000, adjust the amount each year to account for inflation, and require agencies to make those payments to a beneficiary specified by the federal employee prior to their death or, in the case one has not been specified, family members of that employee.

Estimated Federal Cost

The estimated budgetary effect of S. 3487 is shown in Table 1. The direct spending costs of the legislation fall within all budget functions except 900 (net interest), 920 (allowances), and 950 (offsetting receipts).

Table 1.
Estimated Budgetary Effects of S. 3487

	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	4	4	4	4	4	4	5	5	5	5	22	44
Estimated Outlays	0	2	4	4	4	4	4	4	5	5	5	18	41
Increases in Direct Spending													
Estimated Budget Authority	0	*	*	*	*	*	*	*	*	*	*	2	3
Estimated Outlays	0	*	*	*	*	*	*	*	*	*	*	2	3

Memorandum:

Intragovernmental Collections ^a	0	*	*	*	*	*	*	*	*	*	*	-1	-3
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Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

a. Intragovernmental collections from federal agencies to the Department of Labor to pay for federal workers' funeral benefits paid to representatives of deceased federal employees.

Basis of Estimate

For purposes of this estimate, CBO assumes S. 3487 would be enacted near the start of fiscal year 2023.



Spending Subject to Appropriation

CBO estimates that implementing S. 3487 would increase spending subject to appropriation by \$18 million over the 2022-2027 for death gratuities and funeral benefits (see Table 2).

Table 2.
Estimated Increases in Spending Subject to Appropriation Under S. 3487

	By Fiscal Year, Millions of Dollars						2022-2027
	2022	2023	2024	2025	2026	2027	
Increased Death Gratuity							
Estimated Authorization	0	4	4	4	4	4	20
Estimated Outlays	0	1	3	4	4	4	16
Funeral Benefits ^a							
Estimated Authorization	0	*	*	*	*	*	1
Estimated Outlays	0	*	*	*	*	*	1
Total Changes							
Estimated Authorization	0	4	4	4	4	4	22
Estimated Outlays	0	2	4	4	4	4	18

Components may not sum to totals because of rounding; * = between zero and \$500,000.

a. The discretionary costs for funeral benefits would be insignificant in each year after 2027 and would total \$3 million over the 2022-2032 period.

Increased Death Gratuity. Currently, federal agencies may pay death gratuities for an employee who dies while performing their duties. Those payments are generally limited to \$10,000, must be made to the executor of the employee's estate, and are subject to the availability of appropriated funds. Section 2 would boost that payment to \$100,000, adjust the amount annually to account for inflation, and allow federal employees to specify who would receive the death gratuity. If a federal employee has not specified a beneficiary by the time of their death, family members would receive the gratuity.

Using information from the Department of Labor (DOL), CBO estimates that about 40 employees die each year in the course of performing their duties. Enacting S. 3487 would increase death gratuities by \$90,000 at the start of 2023, and by somewhat larger amounts in future years. On that basis, and assuming appropriation of the necessary amounts, CBO estimates that implementing this provision would cost about \$4 million a year, on average, totaling \$16 million over the 2022-2027 period and \$38 million over the 2022-2032 period. Some spending would occur in years after an employee's death because of the timing of the death and delays in processing the resulting payments.

Additionally, the bill would adjust existing death gratuities for inflation when federal employees die in connection with the employee's service with the Armed Forces in a contingency operation. CBO does not expect that implementing that provision would have a significant cost.



Funeral Benefits. Under the Federal Employees' Compensation Act (FECA), the current maximum amount that DOL can reimburse the personal representative of a deceased federal employee for funeral costs is \$800. S. 3487 would increase the maximum amount to \$8,800 and CBO expects that most people would receive the maximum funeral benefit. Increasing payments for FECA funeral benefits, would increase direct spending, which is discussed below under the heading "Direct Spending." In turn, the claimant's employing agency would reimburse the FECA account from discretionary appropriations. (Those reimbursements are shown in the memorandum line in Table 1.) CBO estimates that increasing the funeral benefit would increase spending subject to appropriation for reimbursements by \$1 million over the 2022-2027 period and \$3 million over the 2022-2032 period.

Direct Spending

CBO estimates that increasing the funeral benefit under FECA would increase direct spending by \$3 million over the 2022-2032 period, as shown in Table 1. That cost is slightly more than the amount agencies would reimburse DOL because reimbursements from agency appropriations are generally made some time after the benefits are paid. The receipt of those reimbursements is not counted as having an effect on the deficit because the payments are dependent on future appropriations.

Uncertainty

The number of federal employees who die in the course of their duties could vary considerably. Terrorist attacks, natural disasters, pandemics, wars, or other exogenous events could significantly increase the number federal employees who die on the job. CBO has no basis to assess the likelihood of any of those events, or the extent to which those events would change the number of employee deaths per year compared with what we estimated for purposes of this estimate.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Deficits

CBO estimates that enacting S. 3487 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2033.

Mandates: None.



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