



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

July 6, 2007

**H.R. 1661  
Federal Law Enforcement Pension Adjustment Equity Act of 2007**

*As introduced on March 22, 2007*

**SUMMARY**

Federal law enforcement officers, unlike employees who participate in the civil service retirement system, receive adjustments to their pensions based on annual pay increases received by active-duty officers rather than on increases in consumer prices.

The Law Enforcement Pay Equity Act of 2000 (enacted as part of Public Law 106-554, the Consolidated Appropriations Act, 2001) provided a one-time increase in pay for law enforcement officers of the United States Park Police and United States Secret Service Uniformed Division. The act, however, excluded that one-time increase from the annual adjustment in pension benefits for retirees who were collecting pensions when the pay increase was enacted.

H.R. 1661 would amend the Law Enforcement Pay Equity Act of 2000 and would raise the retirement annuities of the Park Police and Secret Service officers who retired before the enactment of that legislation to include an adjustment for the one-time salary increase. Those increases would be effective for benefits payable after December 31, 2006.

CBO estimates that enacting H.R. 1661 would increase direct spending for retirement annuities by \$23 million in fiscal year 2008, by \$80 million over the 2008-2012 period, and by \$159 million over the 2008-2017 period.

H.R. 1661 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1661 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

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	By Fiscal Year, in Millions of Dollars										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>CHANGES IN DIRECT SPENDING</b>											
Estimated Budget Authority	0	23	14	14	14	15	15	15	16	16	16
Estimated Outlays	0	23	14	14	14	15	15	15	16	16	16

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## BASIS OF ESTIMATE

This estimate assumes that the bill would be enacted by the end of fiscal year 2007.

H.R. 1661 would increase retirement benefits for former officers of the Park Police and Secret Service who were already retired in 2000, effective for benefits beginning in January 2007. Data provided by the Secret Service and Park Police indicate that approximately 1,260 former officers were retired and receiving benefits when the salary increase became effective. CBO estimates that about 1,130 of those annuitants were still receiving retirement benefits at the beginning of 2007. The salary increases amounted to 23 percent and 27 percent for the Secret Service and Park Police, respectively. CBO estimates that those increases would translate into additional annual benefits in 2007 of about \$10,000 for affected Secret Service retirees and \$14,300 for Park Police retirees.

The estimated cost for nine months of fiscal year 2007 is \$10 million, which would be paid in 2008 (assuming enactment around the end of fiscal year 2007). The costs for the first full year, 2008, would amount to about \$13 million.

## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1661 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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