

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.840, 7.845 & 7.850

Program Name: Second Injury Fund Administration

Program is found in the following core budget(s): Division of Workers' Compensation and Second Injury Fund

1a. What strategic priority does this program address?

Growth: Foster a business environment to support economic development.

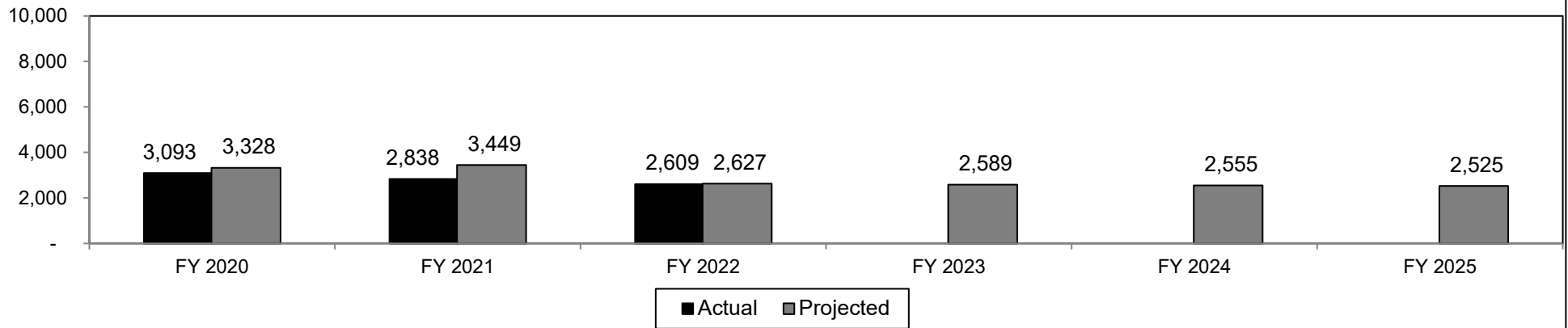
Monitoring the solvency of the fund to ensure that employers' liabilities are shared amongst all other employers to promote the hiring of employees with pre-existing disabilities.

1b. What does this program do?

- Maintains the solvency of the Second Injury Fund (SIF) to ensure the bi-weekly benefits and other statutory obligations are fulfilled.
- Assesses and collects a surcharge from insurance carriers and self-insured entities on a quarterly basis to fund the payment of benefits.
- Performs annual audits of the premiums reported to the Division to ensure that all surcharges due to the SIF are collected for the support of the fund.
- Pays benefits based on the payment prioritization schedule to ensure the fairness of the payments based on the statute established by the legislature.

2a. Provide an activity measure(s) for the program.

Number of Individuals Receiving Payments¹



¹ The decrease in benefit payments is due to legislative changes passed in 2013, effective January 1, 2014.

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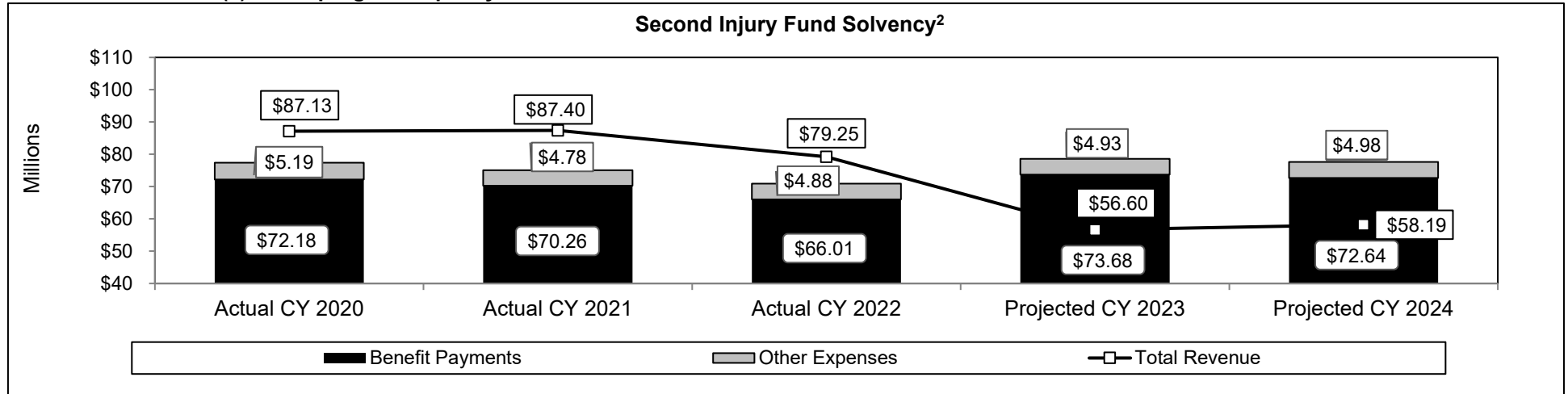
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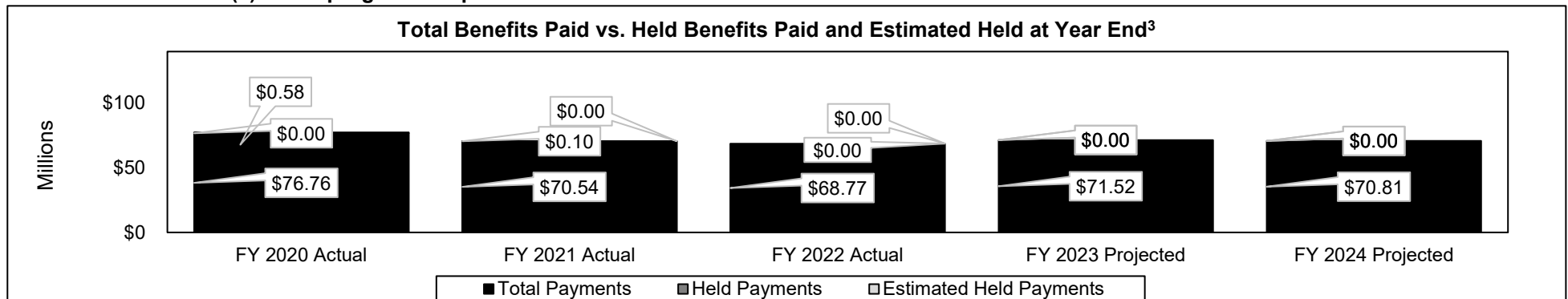
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2b. Provide a measure(s) of the program's quality.



² From Actuary Report dated August 2022 performed by Pinnacle Actuarial Resources, Inc. The solvency review is conducted each calendar year, which is how the data is presented in this chart. The review did not include projections for CY 2025, as such only 2 years of projected data are presented. As of July 2019, the SIF no longer has a backlog of cases for payment. The projected for CY 2023 is expected to decrease due to the surcharge rate decreasing to 3% as that is all that is needed and the supplemental sun-setting at the end of the year.

2c. Provide a measure(s) of the program's impact.



³ As of July 2019, the SIF no longer has a backlog of cases for payment. FY 2021 actual was restated due to an error regarding held payments. From Actuary Report dated August 2022 performed by Pinnacle Actuarial Resources, Inc. The solvency review is conducted each calendar year, which is how the data is presented in this chart. The review did not include projections for CY 2025, as such only 2 years of projected data are presented.

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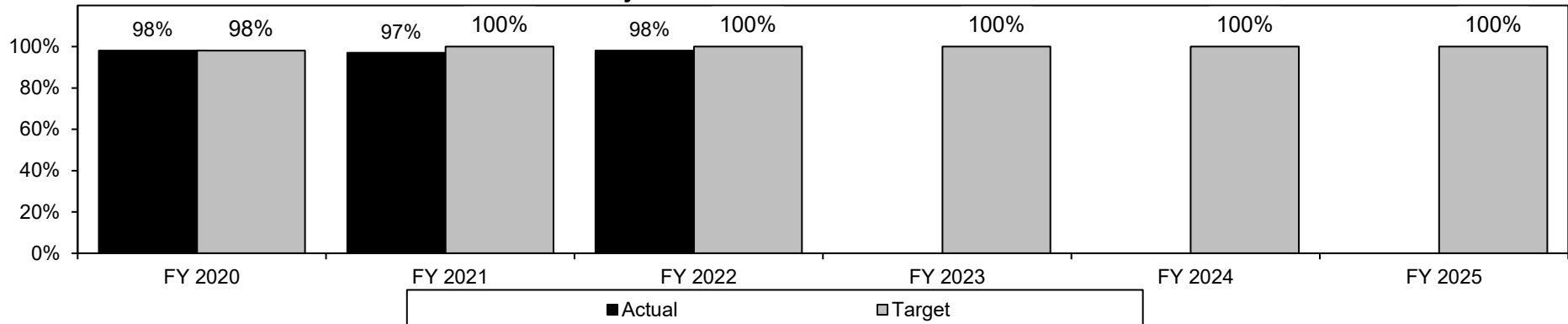
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2d. Provide a measure(s) of the program's efficiency.

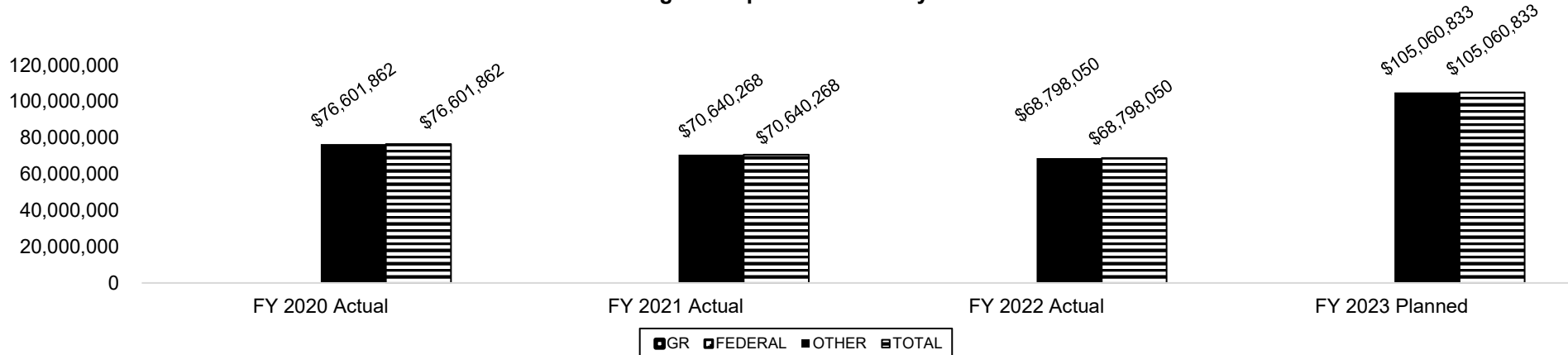
First Time Payments Made within Set Time Frames⁴



⁴ Target time frames are ALJ decisions-50 Days, LIRC Decisions-60 Court of Appeals and Settlements-30 Days; this chart does not include cases in which benefits were held due to funding issues or the payment priority schedule. For FY 2020 and forward, Settlements will have a target time-frame of 25 days.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)

Program Expenditure History⁵



⁵ FY 2023 planned expenditures are shown all full appropriation authority less any restricted or reverted amounts.

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4. What are the sources of the "Other " funds?

Second Injury Fund (0653)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Sections 287.141, 287.220, 287.715, 287.716, and 287.745, RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No