

**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?**

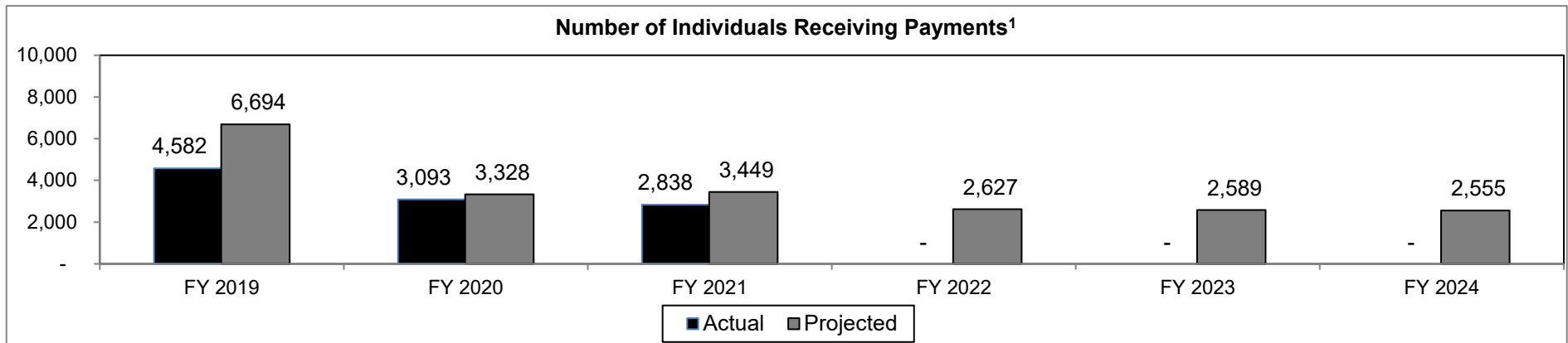
Growth: Foster a business environment to support economic development.

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.**



<sup>1</sup> The decrease in benefit payments is due to legislative changes passed in 2013, effective January 1, 2014, and the effects of COVID-19

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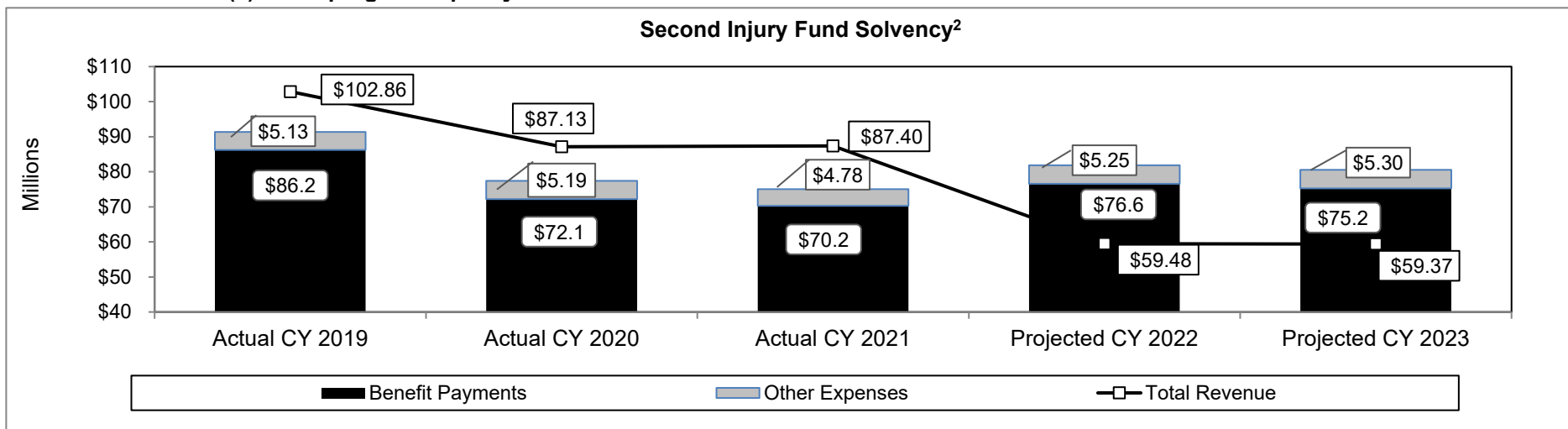
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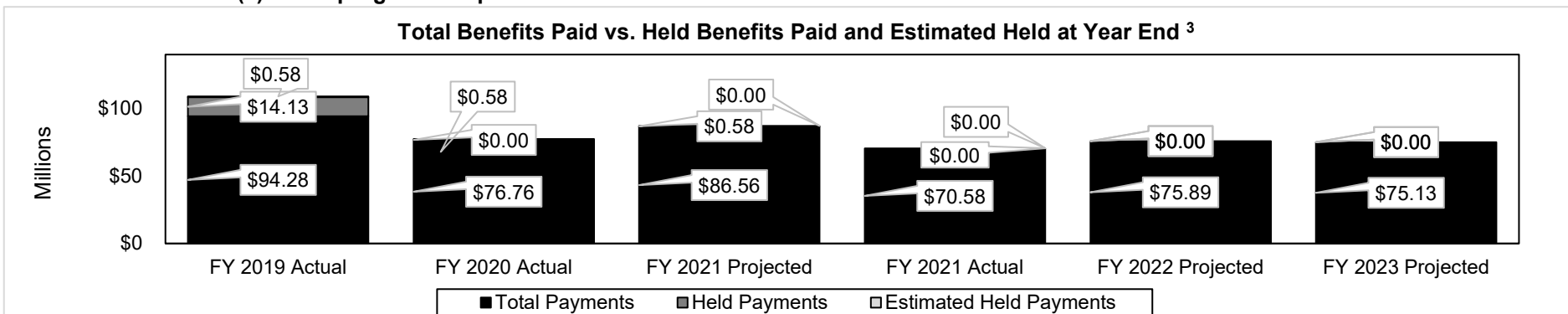
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2b. Provide a measure(s) of the program's quality.



<sup>2</sup> From Actuary Report dated September 2021 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 2023. As of July 2019, the SIF no longer has a backlog of cases for payment.

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



<sup>3</sup> As of July 2019, the SIF no longer has a backlog of cases for payment. Held payments made in FY 2021 were related to issues other than funding.

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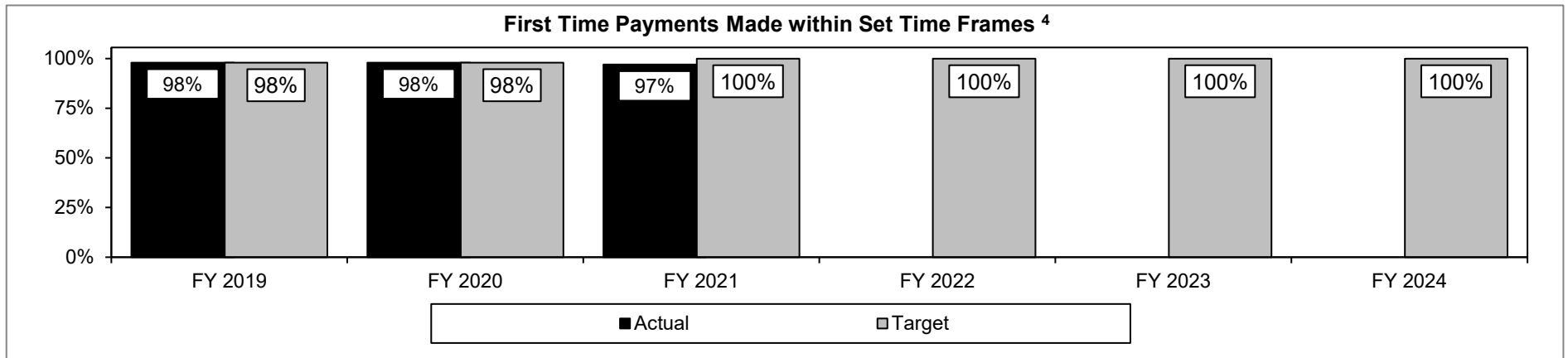
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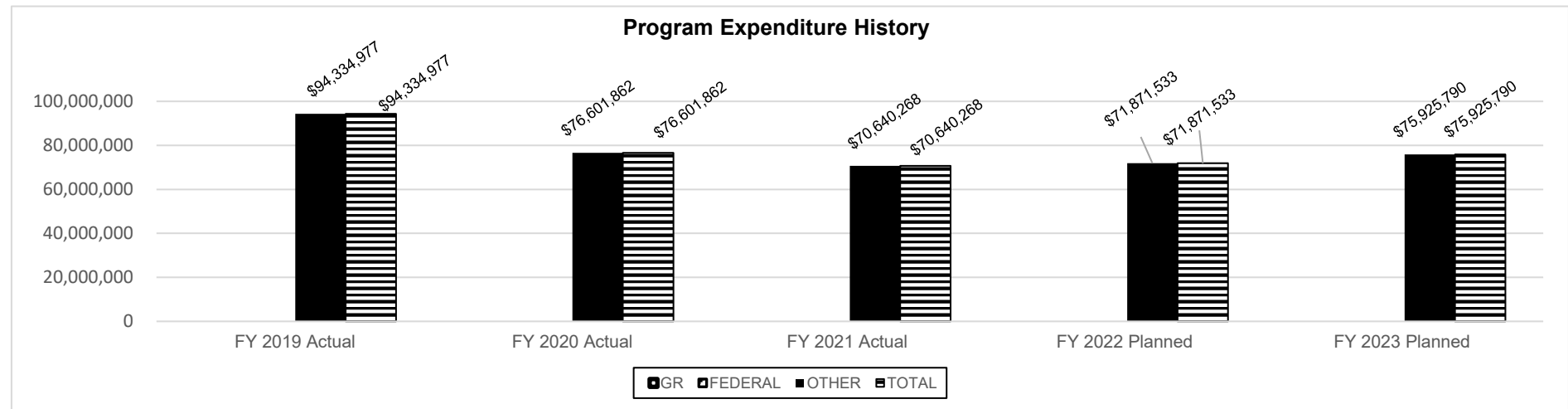
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**2d. Provide a measure(s) of the program's efficiency.**



<sup>4</sup> 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 FY2020 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.)**



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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