



**DEPARTMENT OF  
LABOR**  
& INDUSTRIAL RELATIONS

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To: All Workers' Compensation Insurance Companies, Self-Insured Employers, Group Trusts, and Third Party Administrators

From: Anna S. Hui, Director   
Missouri Department of Labor and Industrial Relations

Chlora Lindley-Meyers, Director   
Missouri Department of Commerce and Insurance

Date: October 22, 2024

Subject: Workers' Compensation Administrative Tax, Administrative Surcharge, Second Injury Fund Surcharge, and Second Injury Fund Supplemental Surcharge for the 2025 Calendar Year

The State of Missouri assesses a workers' compensation administrative tax and surcharge (on the deductible portion of the policy) to maintain the fiscal integrity of the Workers' Compensation Administrative Fund. The revenue from the administrative tax and the administrative surcharge is used to fund expenses associated with the administration of the Missouri Workers' Compensation law. The Division of Workers' Compensation has been appropriated funding for modernization of its current legacy system. The legacy system is a mix of in-house and custom-developed applications that are outdated and limited in its ability to handle external advancements in technology, legislative mandates, and the changing needs of DWC stakeholders. In June of 2022, DWC awarded Objectstream, Inc. the contract to develop the new system, Work Comp Connect (WCC). WCC will have enhanced, real-time self-service options for injured workers, attorneys, healthcare providers, self-insured companies, employers, insurance carriers and third-party administrators. WCC will be implemented in three phases. Phase 1 includes increased efficiency in docket scheduling and notification of hearings for both the adjudication offices and the Labor and Industrial Relations Commission. The division will also migrate to EDI 3.1 accepting both FROI and SROI reporting.

Currently, the teams are finishing the design for the Labor and Industrial Relations Commission portion of the system. Design for Case Management, Customer Service, Self-Service Options, Enterprise Functions, Medical Fee Dispute and Master Data has been completed. Development has begun for Self-Service Options, Case Management, Customer Service and aspects of Enterprise Functions. The teams are also actively working on data migration from the legacy system, which includes determining how existing data quality issues should be resolved to ensure clean data in WCC.

During Phase 1 of the system modernization, the division will continue to carefully review all processes and expenses required to uphold our mission to promote growth, safety and opportunity for workers and businesses while ensuring injured workers receive the benefits they are entitled under the law.

State law requires the Director of the Division of Workers' Compensation to estimate the amount of revenue required to administer the workers' compensation program each year and to determine the rate of tax to be paid in the following calendar year. If the estimated available balance of the fund on Dec. 31 of the year the tax rate determination is made falls below 110% of the previous year's expenses plus any additional revenue required due to new statutory requirements given the division by the general assembly, the director shall impose a tax not to exceed 2.0%. For calendar year 2025, the administrative tax and surcharge will be 1.5%. Section 287.715, RSMo, authorizes the imposition of a Second Injury Fund (SIF) surcharge that shall not exceed 3.0%. Section 287.715.6, RSMo, (Supp. 2023), authorizes the imposition of a SIF supplemental surcharge not to exceed 1% for calendar years 2014 to 2026. The revenue generated by the SIF surcharge and the SIF supplemental surcharge is used to pay benefit and expense liabilities of the fund. For calendar year 2025, the SIF surcharge will be 3.0%, and the SIF supplemental surcharge will not be required and set at 0.0%.

The workers' compensation administrative tax/surcharge, SIF surcharge, and SIF supplemental will remain the same as last year.

<b>WC Rates</b>	<b>2024</b>	<b>2025</b>
WC Admin Tax and Surcharge	1.5%	1.5%
SIF Surcharge	3%	3%
SIF Supplemental	0%	0%

For more information about the functions and services of the Division of Workers' Compensation and the Second Injury Fund, visit <http://labor.mo.gov/dwc>.

The Department of Labor and Industrial Relations and the Department of Commerce and Insurance look forward to working with you in 2025. If you have questions or need additional information, contact the Division of Workers' Compensation at 800-775-2667 or the Department of Commerce and Insurance at 800-394-0964.