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

Angela L. Nelson, Director
Missouri Department of Commerce and Insurance

Date: October 6, 2025

Subject: Workers' Compensation Administrative Tax, Administrative Surcharge, Second Injury Fund Surcharge, and Second Injury Fund Supplemental Surcharge for the 2026 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 the 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 The legacy system is a mix of in-house and custom-developed applications that are outdated and limited in its ability to handle external advancements in technology, legislative mandates, and the changing needs of DWC stakeholders.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, the division awarded Objectstream, Inc. the contract to develop the new system, WC Connect. WC Connect will have enhanced, real-time self-service options for injured workers, attorneys, healthcare providers, self-insured companies, employers, insurance carriers and third-party administrators. WC Connect 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.

A large portion of the features for Self-Service Options, Case Management, Medical Fee Dispute, Adjudication, Order Entry, EDI 3.1 Claims, and Enterprise Functions have been coded, and unit testing has been completed for the same. More than 95% of the rules for migrating data from the legacy system have been identified, coded, and tested. The next stage of the project is System Integration Testing to be followed by User Acceptance Testing (UAT). After completion of UAT, the WCC system will be deemed ready for production rollout (go-live). The rollout will be accomplished in multiple releases.

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 to 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 2026, the administrative tax and surcharge will remain 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 2026, the SIF surcharge will remain 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.

WC Rates	2025	2026
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 2026. 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.