

Compendium of Budget Information for the 2014 General Session

Business, Economic Development, and Labor Appropriations Subcommittee

Agency: Labor Commission

Line Item: Employers Reinsurance Fund

Function

The Employers Reinsurance fund (ERF) pays certain workers compensation benefits to eligible workers (and their dependents) as a result of work accidents that occurred prior to July 1994. Administrative costs may be paid from the fund, but unrelated expenses are not allowed.

Statutory Authority

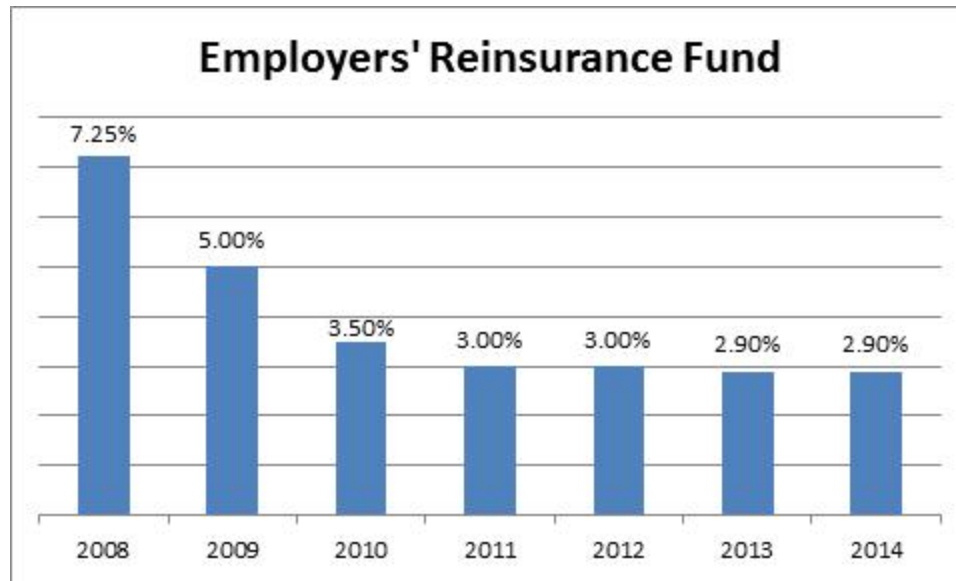
UCA 34A-2-702 creates and authorizes ERF.

UCA 34A-2-703 outlines liability and payments from ERF in the event an employee incurs an additional impairment that is completely disabling.

Funding Detail

Revenues come from (1) a surcharge on employers' Workers' Compensation premiums collected by the State Tax Commission (2) an assessment to self-insured employers, and (3) money that is collected is invested with the State Treasurer where interest is earned.

The Labor Commission works closely with actuaries and the Workers Compensation Advisory Council each year to set the premium rates for the ERF. Based on input from the actuary, this Council has recommended a 2.9 percent rate for CY 2014. This recommendation does not change the rate from its current position.



Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Interest Income	\$975,000	\$1,070,000	(\$70,000)	\$1,000,000	\$0	\$1,000,000
Dedicated Credits - Investments	(\$134,700)	(\$63,000)	\$63,000	\$0	\$0	\$0
Premium Tax Collections	\$13,217,800	\$12,700,000	\$550,000	\$13,250,000	\$0	\$13,250,000
Premium Tax Payments	\$345,000	(\$425,000)	\$775,000	\$350,000	\$0	\$350,000
Change in Claim Reserves	\$1,229,300	\$14,000,000	(\$12,500,000)	\$1,500,000	\$0	\$1,500,000
Beginning Fund Balance	(\$66,242,400)	(\$58,996,900)	(\$10,307,400)	(\$69,304,300)	\$0	(\$69,304,300)
Ending Fund Balance	\$69,304,300	\$51,750,700	\$20,329,400	\$72,080,100	\$0	\$72,080,100
Total	\$18,694,300	\$20,035,800	(\$1,160,000)	\$18,875,800	\$0	\$18,875,800

Programs	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
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Employers Reinsurance Fund	\$18,694,300	\$20,035,800	(\$1,160,000)	\$18,875,800	\$0	\$18,875,800
Total	\$18,694,300	\$20,035,800	(\$1,160,000)	\$18,875,800	\$0	\$18,875,800

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Current Expense	\$199,900	\$333,900	(\$133,500)	\$200,400	\$0	\$200,400
DP Current Expense	\$500	\$300	\$100	\$400	\$0	\$400
Other Charges/Pass Thru	\$18,420,300	\$19,628,000	(\$1,028,000)	\$18,600,000	\$0	\$18,600,000
Transfers	\$73,600	\$73,600	\$1,400	\$75,000	\$0	\$75,000
Total	\$18,694,300	\$20,035,800	(\$1,160,000)	\$18,875,800	\$0	\$18,875,800

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Change in Fund Balance	(3,061,900)	7,246,200	(7,246,200)	0	(2,775,800)	(2,775,800)

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.