



Mel Carnahan  
Governor

# Missouri Department of Labor and Industrial Relations

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## MEMORANDUM

**TO:** All Workers' Compensation Insurance Companies, Self-Insured Employers, Group Funds, and Third Party Administrators

**FROM:** Jay Angoff, Director  
Missouri Department of Insurance  
Sandra M. Moore, Director  
Missouri Department of Labor and Industrial Relations

**DATE:** November 9, 1995

**SUBJECT:** Workers' Compensation Administration Tax and Second Injury Fund Surcharge Change for 1996

Pursuant to Section 287.715 of the Revised Statutes of Missouri (RSMo), it has been determined that the 3% Second Injury Fund Surcharge has been suspended for the 1996 calendar year. This is the third consecutive year for total suspension of the surcharge. The savings to employers over the three years of abatement exceeds \$60.2 million.

In a related matter, pursuant to Section 287.690 RSMo, it has been determined that there will be a 50% abatement of the Workers' Compensation Administration Tax for calendar year 1996. The Workers' Compensation Administration Tax shall be set at 1% for the 1996 calendar year, which will apply to all policies issued or renewed January 1, 1996 - December 31, 1996. The tax was suspended in total for 1994 and 1995. The savings to employers over the three years of tax abatements exceeds \$38.4 million.

Total savings to employers: \$98.6 million.

While the administration tax will be in effect for the calendar year 1996 and tax liabilities will accrue for the entire year, no actual tax payments from insurers or self-insurers will be paid during 1996. The 1996 Annual Tax Report and the first quarterly assessment for the 1997 tax will be due March 1, 1997. Payments for the 1996 annual tax amounts and the second quarterly assessment will be due June 1, 1997.

You will receive a June, 1996 assessment notice which could reflect either an underpayment or overpayment of your prior tax and surcharge amounts. Any amounts due on the June, 1996 assessment will need to be paid to the Missouri Department of Revenue. Any credits shown on this form may be requested from the Missouri Department of Revenue by sending them a written, notarized request, or you may allow the credit to remain on file and it will be applied to the next tax and surcharge assessment. Refunds are subject to appropriation by the Missouri General Assembly, and therefore, any request for a refund must involve a substantial monetary credit, withdrawal from writing workers' compensation insurance, insolvency, or other unusual circumstances.