

# Duty Disability Insurance Employer Rates 2022

Item 4C – Employee Trust Funds Board

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Division of Trust Finance





# Action Needed

- ETF requests the Employee Trust Funds Board approve the Duty Disability Insurance Program Actuarial Valuation as of December 31, 2020 and set 2022 contribution rates at 50% of current rates.

# Duty Disability Program Reserves

	2019	2020
<b>Actuarial Liability</b>	\$466,322,061	\$467,720,173
<b>Reserve Balance</b>	\$659,050,876	\$693,226,275
<b>Surplus / (Deficit)</b>	\$192,728,815	\$225,506,102
<b>Funded Ratio</b>	141%	148%

# Duty Disability Rates

- Employer paid contributions
- Contribution rates based on experience-rated tier schedule

Tier	Number of Claims	Claims as a % of Covered Payroll	2021 Contribution Rate as a % of Covered Payroll
1	1	≤1.5%	0.09%
2	2	>1.5% but ≤ 3.0%	0.17%
3	3	>3.0% but ≤ 4.5%	0.34%
4	4	>4.5% but ≤ 6.0%	0.60%
5	5	>6.0% but ≤ 7.5%	0.94%
6	6	>7.5% but ≤ 9.0%	1.36%
7	7	>9.0% but ≤ 10.5%	1.87%
8	8 or more	Claims > 10.5%	2.24%

# Recommended 2022 Rates (reduction of ~50% of 2021 rates)

Tier	Base Contribution Rate	Actuarial Adjustment Rate	Recommended 2022 Contribution Rate	# of Employers
1	0.25%	-0.21%	0.04%	419
2	0.50%	-0.42%	0.08%	42
3	1.00%	-0.83%	0.17%	26
4	1.75%	-1.45%	0.30%	10
5	2.75%	-2.28%	0.47%	5
6	4.00%	-3.32%	0.68%	2
7	5.50%	-4.57%	0.93%	3
8	6.60%	-5.48%	1.12%	2

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

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# Thank you

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