

2024 Duty Disability Insurance Employer Contribution Rates



Item 4D – Employee Trust Funds Board

Marie Ruetten, Deputy Administrator

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, 2022, and set 2024 contribution rates the same as 2023 rates.

Duty Disability Program Reserves

	2021	2022
Actuarial Liability	\$523,760,207	\$556,763,814
Reserve Balance	\$744,560,957	\$754,059,930
Surplus / (Deficit)	\$220,800,750	\$197,296,116
Funded Ratio *Target Range 125%-135%	142%	135%



Duty Disability Rates

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

Tier	Number of Claims	Claims as a % of Covered Payroll	2023 Contribution Rate as a % of Covered Payroll
1	1	≤1.5%	0.02%
2	2	>1.5% but ≤ 3.0%	0.04%
3	3	>3.0% but ≤ 4.5%	0.09%
4	4	>4.5% but ≤ 6.0%	0.15%
5	5	>6.0% but ≤ 7.5%	0.24%
6	6	>7.5% but ≤ 9.0%	0.35%
7	7	>9.0% but ≤ 10.5%	0.48%
8	8 or more	Claims > 10.5%	0.57%

Recommended 2024 Rates (no change from 2023 rates)

Tier	Base Contribution Rate	Actuarial Adjustment Rate	Recommended 2024 Contribution Rate	# of Employers
1	0.25%	-0.23%	0.02%	423
2	0.50%	-0.46%	0.04%	44
3	1.00%	-0.91%	0.09%	26
4	1.75%	-1.60%	0.15%	10
5	2.75%	-2.51%	0.24%	7
6	4.00%	-3.65%	0.35%	3
7	5.50%	-5.02%	0.48%	2
8	6.60%	-6.03%	0.57%	1



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Questions?

Thank you



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