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STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
165 Capitol Ave.  
Hartford, CT 06106

**MEMORANDUM NO. 2023-14**

**July 1, 2023**

**TO THE HEADS OF ALL STATE AGENCIES**

**Attention:** Fiscal and Administrative Officers, Business Managers, and Payroll and Personnel Officers

**Subject:** **Workers' Compensation Cost Recovery – FY 2023-24  
Reimbursement Rates**

All State agencies charging personal service expenditures to funds other than General Fund budgeted appropriations or Federal programs are required to reimburse the General Fund or Transportation Fund for the cost of workers' compensation coverage using the following procedure. As a general rule, these rates should not be used to charge Federal funding sources for workers' compensation unless there is specific approval from the Federal agency of cognizance. Please see the separate process for Federal reimbursement described in Section III below.

**I. RATES**

Individual reimbursement rates have been established for each of the agencies that traditionally have had separate appropriations for workers' compensation claims. These rates are based on the cost of providing workers' compensation benefits and all salaries and wages of employees eligible for the benefit. The rates for FY 2023-2024 are listed below. The FY 2023-2024 rates reflect adjustments to compensate for over or under recoveries in rates established for FY 2021-2022 and all subsequent rates will include a similar adjustment. The determination of which appropriation would pay an employee's workers' compensation benefits defines the proper rate to be used in the reimbursement calculation.

The rate applies to all personal service expenditures *except* those coded to the following accounts:

- 50190 – Accumulated Leave
- 50510 – Buy Back Option
- 50730 – Fees
- 50740 – Interest Penalty
- 51155 – Other Settlements - Reportable
- 54750 – Patient or Inmate Workers

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Consistent with past accounting practice, the Office of the State Comptroller has calculated separate reimbursement rates for each of the General Fund appropriations.

### FY 2023-2024 Rates

#### General Fund Appropriations

Department of Children and Families	3.30%
Department of Correction	7.17%
Department of Mental Health and Addiction Services	6.32%
Department of Developmental Services	7.07%
Department of Emergency Services and Public Protection	1.81%
Judicial Department	1.55%
General Government (All Others)	0.51%

#### Higher Education General Fund Appropriations

University of Connecticut	0.32%
Univ. of Connecticut Health Center – Correctional Managed Health Care	N/A
Univ. of Connecticut Health Center – All Other	0.78%
Board of Regents (CSU, CCC, Charter Oak State College)	0.45%

#### Transportation Fund Appropriation

Departments of Transportation and Department of Motor Vehicles	2.20%
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## II. REIMBURSEMENT PROCESS

Reimbursements must be processed at least quarterly.

Reimbursements are to be transferred to the General Fund using a CO-826 Reimbursable Cost Recovery Form. Use the Core-CT expenditure account code 50460, Worker Compensation Awards. The amount of the personal service expenditure and the rate used in the calculation of the reimbursement amount must be shown on the cost recovery form.

Completed electronic copies of CO-826 forms should be sent by e-mail to the following mailbox for processing: [Osc.CO-826@ct.gov](mailto:Osc.CO-826@ct.gov).

**Transportation Fund** – Reimbursement for employees whose coverage would be paid from the Transportation Fund workers' compensation appropriation follows the process described above. This includes employees of the Department of Transportation and the Department of Motor Vehicles. However, OSC will deposit reimbursements as refunds of expenditures to the Transportation Fund Workers' Compensation appropriation.

**III. REIMBURSEMENT FROM FEDERAL PROGRAMS**

The rates listed above should generally *not* be used to charge Federal funding sources for the costs of workers' compensation unless specific approval has been granted. Instead, all agencies with Federal programs must negotiate with their cognizant Federal agency for the recovery of workers' compensation costs. The cost is normally allowable as an indirect cost under the approved Statewide Cost Allocation Plan.

Agencies with a specific workers' compensation appropriation should use the total expenditures from that appropriation in their Indirect Cost Proposal or Cost Allocation Plan. For all other agencies, a schedule with the amount of FY 2022-2023 Worker's Compensation costs paid on their behalf will be published at the later date. For these agencies, the actual cost of claims should be included in their Indirect Cost Proposal or Cost Allocation Plan.

**IV. QUESTIONS**

If you have questions, please call the Office of the State Comptroller's Cost Reporting Unit at (860) 702-3352.

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