

STATE OF MARYLAND

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GOVERNOR

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**THE SUBSEQUENT INJURY FUND**

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**Subsequent Injury Fund**

**C94100**

**FY 2027 Operating Budget**

**Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee  
Public Safety, Transportation and Environment Subcommittee  
Miller Office Building  
Annapolis, MD 21401  
Senator Shelly Hettleman, Subcommittee Chair  
March 5, 2026

House Appropriations Committee  
Public Safety and Administration Subcommittee  
120 House Office Building  
Annapolis, MD 21401  
Delegate Gabriel Acevero, Subcommittee Chair  
March 4, 2026

The Subsequent Injury Fund is an independent agency, created under Section 802 of the Maryland Annotated Code. The Fund was created to encourage the hiring of workers with pre-existing disabilities by assuming financial responsibility for a permanent impairment due to an accident, disease or congenital condition that is, or is likely to be, a hindrance to employment when combined with the effects of a subsequent compensable job related accident, personal injury or occupational disease.

The Subsequent Injury Fund annual operating budget and benefit payments are funded by a 6.5% assessment on awards passed by the Maryland Workers' Compensation Commission against employers or insurers for employee job related injury(s) that result in permanent disability or death. Financial compensation paid by employers or insurers under settlement agreements are also subject to the Subsequent Injury Fund 6.5% assessment.

**Subsequent Injury Fund (C94I00) FY 2027 Budget Testimony (page 2)**

Fiscal year 2025 operating expenses were \$3,301,583.00. Fiscal year 2025 benefit payments were \$17,561,058.00. The SIF operating expense and benefit payment ratio was 18.8%.

The fiscal year 2025 Subsequent Injury Fund closing balance was \$140,473,266.00. This represents a one year 7.5% balance increase. The estimated FY 2026 closing balance is \$148,881,000.00.

An actuary study completed in February 2026, found Subsequent Injury Fund liabilities between \$258.9 million and \$358.4 million based on disabled and healthy mortality assumptions.

The actuary acknowledged an average 7.1% annual SIF balance growth over the past 10 years. The SIF agrees with the actuary recommended continuation of the current 6.5% assessment rate through at least 2030, the year of the scheduled next study.

The Subsequent Injury Fund will continue to closely monitor assessment receipts, benefit payments and the Fund balance. Comparison of awarded claims data to pre-award liability estimations will remain an ongoing focus. Enhancements to the case control system to include a COLA eligibility indicator designation has been implemented. The actuary recommended continued collection of settlement requests and approvals, key data points of the next study.

The Subsequent Injury Fund agrees with the DLS analysis and concurrence with the Governor's FY 2027 allowance.

Respectfully submitted,  
Edgar G. Dodd, III  
Director  
Subsequent Injury Fund