



Town of *Wellesley*

FY2019 Budget Request

Workers Compensation Operating Request

Department: 912

Department Head: Marc Waldman, Treasurer/Collector

The Town self-insures its Workers' compensation program. The Town engages an actuary to perform an annual analysis of Wellesley's loss and allocated loss adjustment expense (ALAE). The appropriations in this budget go into the Town's Workers' Compensation Trust Fund. The Fund then pays out all claims costs, the cost for staffing in the HR department associated with Workers' Comp, claims handling costs, reinsurance and legal/actuarial costs of the program. Based on the year end balance in the Trust Fund, the actuary then recommends an appropriation amount for the subsequent fiscal year. Since FY2015, the Town has been able to appropriate additional funds above the recommended level in order to build reserves and provide a hedge against any future spikes in costs. Even with the reduced request in 2019, The budget is still funding in excess of the Actuary's analysis.

Org	Object	Account # 01-912 Account Title	Explanation	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY19 Request	\$ Variance FY18-19	% Variance FY18-19
01912200	578010	Approved Special Expenses	Workers' compensation requirement per Actuarial Study	\$ 517,860	\$ 517,860	\$ 517,860	\$ 517,860	\$ 287,700	\$ (230,160)	-44.44%
Other Funding Sources:				<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>		
Workers' Compensation Requirement Per Actuarial Study				540,000	540,000	540,000	540,000	300,000		
Municipal Light (1.9% of total appropriation)				(10,260)	(10,260)	(10,260)	(10,260)	(5,700)		
Water & Sewer (2.2% of total appropriation)				<u>(11,880)</u>	<u>(11,880)</u>	<u>(11,880)</u>	<u>(11,880)</u>	<u>(6,600)</u>		
				517,860	517,860	517,860	517,860	287,700		