

Information for State Departments

State Agency Surcharge

When the Government Claims Program approves an award on a claim filed against a state department or agency, the department is required to pay up to a 15 percent surcharge on that award to support the Government Claims Program.

- The surcharge defrays the cost of reviewing and analyzing the claim.
- The surcharge is calculated based on the amount of the claim. For example, the surcharge on a \$1,000 claim is \$150.
- The surcharge will not be assessed on claims that are rejected, such as the many tort claims that are filed in preparation for lawsuits.
- The surcharge applies both to claims paid through the omnibus claims bill and claims paid directly by the department. If a department pays a claim directly, the Department of General Services (DGS) will send the department an invoice that explains the amount of the award as well as the surcharge.

Surcharge Cap

Claims allowed in amounts exceeding \$300,000.00 are subject to flat surcharges as expressed below.

Approved Claim Amount	Surcharge
\$300,001 to \$399,999	\$45,000
\$400,000 to \$499,999	\$50,000
\$500,000 to \$599,999	\$55,000
\$600,000 to \$699,999	\$60,000
\$700,000 to \$799,999	\$65,000
\$800,000 to \$899,999	\$70,000
\$900,000 to \$999,999	\$75,000
\$1,000,000 +	\$80,000