

## 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