



UT System Administration Policy Library – Policy UTS121 **Group Insurance Premium Remittance**

Responsible Officer: Associate Vice Chancellor for Employee Benefits and Services

Sponsoring Office: Office of Employee Benefits

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Errors or changes to: policyoffice@utsystem.edu

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POLICY STATEMENT

The Board of Regents has authorized the Chancellor to provide for the centralized planning, implementation, management and administration of The University of Texas System's uniform group insurance program (UGIP). The Chancellor has delegated this responsibility to the Office of Employee Benefits. The purpose of this policy is to ensure that System's institutions timely remit the funds required to maintain the coverage provided under System's UGIP, with the exception of the fully insured long term care insurance plan.

RATIONALE

UT System institutions and System Administration are appropriated funds to pay the employers share of premium for employee and retired employee group insurance. They also deduct the System employees share of premium that the employee elects to pay on a pre-tax basis from salary and collect any premium to be paid by retired employees. Timely remittance of this premium is essential to permit the Office of Employee Benefits to comply with its contracts for fully-insured employee group coverage and administration of its self-insured health plans as well as the cost of funding these plans. This policy defines the procedure that each institution must follow to ensure timely electronic remittance of these premiums.

SCOPE

All institutions and UT System Administration

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utsystem.edu/policy/policies/uts121.html>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

| UT System Administration Policies & Standards | Other Statutes, Policies & Standards |
|---|--|
| <ul style="list-style-type: none"> • Board of Regents' Rules and Regulations, Rule 30202, Section 3 • UTS127, Office of Employee Benefits Administrative Manual | <ul style="list-style-type: none"> • Texas Insurance Code, Chapter 1601 |

CONTACTS

If you have any questions about UT System Administration Policy UTS 121, *Group Insurance Premium Remittance*, contact the following offices:

| Subject | Office Name | Telephone Number | Email/URL |
|--------------------|-----------------------------|------------------|--|
| Premium Remittance | Office of Employee Benefits | 512-499-4616 | kshiple@utsystem.edu |

DEFINITIONS

Group Fund: The fund created by the Office of Employee Benefits to receive all premiums to be paid for a particular coverage offered by the System's uniform group insurance plan.

Monthly Premium Remittance: The monies authorized by an institution or System Administration to be paid into the appropriate Group Fund to cover the cost of the premium owed by the institution or System Administration for the group insurance

coverage elected by the institution's or System Administration's group insurance program participants.

Premium Payment Date: The date on which an institution's or System Administration's Monthly Premium remittance is transferred to the appropriate Group Fund.

RESPONSIBILITIES

Chief Business Officer

- Remits monthly premiums for deposit into the appropriate Group Funds by the Premium Payment Date.
- Provides an electronic data set of its premium remittance to each Group Fund at least two business days before the Premium Billing Date.
- Verifies with the UT System Office of Finance and the Office of Employee Benefits the correct amount of funds to be transferred as premium payment..

Office of Employee Benefits

- Creates the Group Funds
- Runs a premium billing for and provides each institution with its corresponding premium billing dataset.
- Sets and notifies the institutions of the Premium Payment Date
- Summarizes anticipated transfers from each institution for the Office of Finance.

Office of Finance

- Receives transfers of appropriate premium from each institution into the Group Fund on the Premium Payment Date.

PROCEDURES

The Office of Employee Benefits (OEB) creates a Group Fund for each type of coverage offered by the UT System group insurance program, including the UT System self-funded health insurance plan; self-funded dental plan; and any fully-insured dental plan, vision, life, accidental death and dismemberment; health, short term disability, and long term disability plan offered as part of the System's uniform group insurance program.

OEB sets a monthly Premium Payment Date as follows:

OEB runs a monthly premium billing for each institution and System Administration indicating the total amount of premium owed from any source for that month and notifies each institution and System Administration of the amounts to be paid for that month on the Premium Payment Date approximately three weeks in advance of the Premium Payment Date.

Each institution's and System Administration's Chief Business Officer is responsible for enabling the Monthly Premiums Remittances to be deposited into the appropriate Group Fund by the Premium Payment Date.

Each institution and System Administration must submit its intended Monthly Premium Remittance in the form of an electronic dataset to OEB at least two business days before the Premium Payment Date. The electronic remittance dataset serves as the only "source document" for summarizing the premiums to be paid by each institution and System Administration each month.

OEB provides the Office of Finance with a summary of the anticipated transfers from each institution.

Each institution and System Administration must independently confirm the intended transfer amount with the Office of Finance.

Each institution transfers the appropriate funds to the U.T. System Short Term Fund account on the Premium Payment Date.

The Office of Finance monitors account assets in the UT Short Term Funds and makes payments as directed by OEB to cover the plans' premiums, administrative costs and claims payments.

FORMS AND TOOLS/ONLINE PROCESSES

[IFIS \(Integrated Financial Information System\)](#)

APPENDIX

None

Keywords: insurance, premiums, insurance premium, dental, vision, financial
