



UT System Administration Policy Library -- Policy UTS151

## **Workers' Compensation Insurance and Unemployment Compensation Insurance Monthly Transfer of Funds**

Responsible Officer: Executive Vice Chancellor for Business Affairs

Sponsoring Office: Office of Risk Management

Effective Date: May 7, 2002

Last Reviewed: January 23, 2008

Next Scheduled Review: May 6, 2011

Errors or changes to: [policyoffice@utsystem.edu](mailto:policyoffice@utsystem.edu)

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## **POLICY STATEMENT**

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It is the policy of the Board of Regents that a percentage of annual payrolls as approved by the Executive Vice Chancellor for Business Affairs shall be set aside to fund the Workers' Compensation Insurance Fund (WCI) and the Unemployment Compensation Insurance Fund (UCI).

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## **RATIONALE**

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This policy provides guidance for UT institutions concerning the remittance of Workers' Compensation Insurance (WCI) and Unemployment Compensation Insurance (UCI) monthly assessments.

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## **SCOPE**

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All institutions and UT System Administration

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## **WEBSITE ADDRESS FOR THIS POLICY**

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<http://www.utsystem.edu/policy/policies/uts151.html>

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## **RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS**

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<b>UT System Administration Policies &amp; Standards</b>	<b>Other Statutes, Policies &amp; Standards</b>
<ul style="list-style-type: none"><li>• Board of Regents' <i>Rules and Regulations</i>, <a href="#">Rule 30202</a></li></ul>	<ul style="list-style-type: none"><li>• <i>Texas Labor Code</i>, <a href="#">Section 503.001 et seq.</a>,</li><li>• <i>Texas Labor Code</i>, <a href="#">Section 205.001 et seq.</a></li></ul>

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## CONTACTS

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If you have any questions about UT System Administration Policy UTS 151, *Workers' Compensation Insurance and Unemployment Compensation Insurance Monthly Transfer of Funds*, contact the following offices:

Subject	Office Name	Telephone Number	Email/URL
Workers' Compensation Insurance	Office of Risk Management/ Workers' Compensation Insurance	512-499-4645	<a href="http://www.utsystem.edu/orm/wci/wci.htm">http://www.utsystem.edu/orm/wci/wci.htm</a>
Unemployment Compensation Insurance	Office of Risk Management/ Unemployment Compensation Insurance	512-499-4578	<a href="http://www.utsystem.edu/orm/riskacct/riskacctuci.htm">http://www.utsystem.edu/orm/riskacct/riskacctuci.htm</a>

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## DEFINITIONS

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**Premium Pay Date:** The date upon which monthly WCI and UCI assessments are to be remitted as provided in this policy which is the twenty first day of the succeeding month (or the next business day thereafter).

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## RESPONSIBILITIES

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### UT Institution Chief Business Officer

- Remits monthly WCI and UCI assessments by wire transfer in immediately available funds.
- Emails Monthly Workers' Compensation Insurance Calculation Report (WC-3) and a Monthly Unemployment Compensation Insurance Calculation Report (UC-3) to the Office of Risk Management.
- Maintains detailed information to support both WCI and UCI adjustments.

## UT System Office of Risk Management

- Prepare an annual report on the status of the WCI and UCI fund to the Board of Regents.

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# PROCEDURES

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Monthly WCI and UCI assessments should be remitted via UTIMCO Client Participation System (CPS) to the UT System Office of Finance.

As provided in the Board of Regents' *Rules and Regulations*, Rule 30202, each institutional Chief Business Officer is responsible for the remittance of these monthly assessments by wire transfer in immediately available funds to this account no later than the "Premium Payment Date" which is the twenty-first day of the next succeeding month (or the next business day if the twenty-first falls on a weekend or holiday).

Annual WCI assessment rates are based 30% on historical payroll information and 50% on loss experience and 20% claim frequency to arrive at an annual assessment or premium for each institution. This premium rate is then applied to every \$100 of assessable wages. The monthly premium due is calculated by multiplying the current month's assessable wages by this loss experience rate.

UCI assessment rates are based 20% FTE, 60% claim history and 20% paid claim count history. The monthly premium due is derived by applying the current assessable rate times the gross salaries and wages paid from all funding sources with the exception of work studies, up to the maximum reportable wages of \$9,000 per employee per calendar year effective September 1, 2003.

The amount requested for reimbursement will be based on claims as identified on the quarterly Texas Workforce Commission fund source statement, C-58R-2, after the institutions' correction to the statement have been made. Claims against General Revenue will be reimbursed at 50% and claims against Dedicated General Revenue and special appropriations will be reimbursed at 100%. The Office of Risk Management will compile all fund source information for the applicable quarter on the C-58-R Worksheets for all institutions and process one wire payment to the TWC.

On or before the 19<sup>th</sup> of each month (or next business day if the 19<sup>th</sup> is a weekend or holiday), institutions are to send a Monthly Workers' Compensation Insurance Calculation Report (WC-3), a Monthly Unemployment Compensation Insurance Calculation Report (UC-3) and a Fund Transfer Report to the Office of Risk Management via email.

Adjustments for overpayment or underpayment of WCI funds may be made in subsequent monthly transfers with appropriate entries being made on the WC-3 Form.

Adjustments for overpayment or underpayment of UCI funds which occur in the first or second month within the same quarter may be made in subsequent UC-3 reports without submitting detailed information by entries being made on this report in the "Prior Period Adjustment" spaces. Adjustments made after an Employer's Quarterly Report has been submitted to the Texas Workforce Commission (TWC) must be accompanied by a TWC Wages List Adjustment Schedule Form (C-7).

Detailed information to support both WCI and UCI adjustments must be maintained at the institutional level to satisfy audit requirements.

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## **FORMS AND TOOLS/ONLINE PROCESSES**

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[Monthly Workers' Compensation Insurance Calculation Report \(WC-3\)](#)

[Monthly Unemployment Compensation Insurance Calculation Report \(UC-3\)](#)

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## **APPENDIX**

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None

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Keywords: worker's compensation, Unemployment Compensation Insurance (UCI), unemployment benefits, unemployment, funds, financial

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