

University of Texas System

Unemployment Compensation Insurance Procedures

TITLE: Unemployment Compensation Insurance (UCI) Assessment

PURPOSE: To establish guidelines for the University of Texas System to assess premium against payroll for the purpose of establishing and maintaining a fund to reimburse the Texas Workforce Commission (TWC) for claims paid. The program which incorporates experience rating and assessment against all sources of funds creates financial incentives to mitigate, and control losses and creates efficiencies in administration by eliminating duplicative processes.

APPENDICES: UCI Calculation Report ~ A
Fund Transfer Report ~ B
WCI/UCI Premium Worksheet ~ c
Premium Due Dates ~ D
Accounting Journal Entries ~ E

GENERAL: This procedure will outline the steps the University of Texas System Administration and component institutions will take to assess all payroll sources (excluding work studies) and transmit funds to the University of Texas System Administration in accordance with Regent Rules, and applicable Federal or State laws and procedures.

PROCEDURES:

1. On an annual basis, no later than April 30, the Office of Risk Management will announce the UCI rates for all component institutions.
 - a. The rates will be actuarially determined.
 - b. The rates will be calculated based on the following criteria.
 1. 20% FTE count
 2. 60% Three Year Claim History
 3. 20% Three Year Paid Claim Count History
 - c. The rate will be assessed against all payroll sources with the exception of work studies.
 - d. Rates will be calculated to provide minimum fund balance fluctuations and maximum rate stability.
 - e. The assessment will be applied only to the first \$9,000 of annual salary paid to an employee.
2. Each institution shall transmit the assessed amount and premium to the Office of Risk Management monthly on form UCI-3 (appendix A) and Fund Transfer report (appendix B) no later than the 19th of each month (or next business day if the 19th is a weekend or Holiday) via e-mail. Data received from the institutions on these forms are entered in a spreadsheet for verification.

The institutions will wire specified amounts to UT System via UTIMCO CPS to UT System Shared Business Operations on the 21st of the month (or next business day if the 21st is a weekend or Holiday). The Office of Risk Management will also send a premium worksheet (appendix C) to UT System Shared Business Operations letting them know we have verified the amounts. Once they get this worksheet they will accept those amounts in the Dreyfus account. A list of the due dates for the year is also sent to the institutions (appendix D) as well as the accounting journal entries to record the monthly UCI premiums (appendix E).

3. The Office of Risk Management will prepare an annual report on the status of the UCI fund to the Board of Regents.