

CHAPTER IV
PURCHASING

- Sec. 1. Authority to Obligate Institutional Funds. --The official purchasing agents of the component institutions shall have sole authority to obligate institutional funds for purchases of supplies, materials, services, and equipment unless otherwise provided in these regulations or otherwise specifically approved by the component Chief Administrative Officer and the Deputy Chancellor or by the Board of Regents. No liability can be assumed for payment of obligations except those incurred in accordance with authority thus granted.
- Sec. 2. Purchasing Ethics.
- 2.1 First consideration shall be given to the objectives and policies of The University of Texas System and its component institutions.
 - 2.2 Every effort shall be made to obtain the maximum ultimate value for each dollar of expenditure.
 - 2.3 Honesty in sales representation shall be demanded, whether offered through the medium of oral or written statement, an advertisement, or a sample of the product.
 - 2.4 Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept personal gifts or gratuities that might in any way result in an obligation to individuals or firms seeking business.
 - 2.5 All qualified, reputable bidders shall be given equal opportunity to submit bids on a uniform basis when competition is possible.
 - 2.6 No bidder shall receive special consideration or be allowed to revise his bid after the time set for opening bids.
 - 2.7 Any violations of these purchasing ethics shall be reported promptly to the Deputy Chancellor and to the Board of Regents.
- Sec. 3. Contacts with the State Board of Control. --All contact, whether oral or written, with the State Board of Control and with vendors are handled through the official purchasing agents and the divisions, departments, or offices to whom the purchasing function has been specifically delegated, unless advance written authorization is obtained from the purchasing agent or the Chief Business Officer for other persons to do so.

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As amended 12/4/70.

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Sec. 3. Purchases of Supplies and Equipment.

- 3.1 Unless otherwise provided in these Rules and Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of The University of Texas System. This Act authorizes the purchase, without approval of the Board of Control:
 - (a) Supplies, materials, services, and equipment for resale.
 - (b) Supplies, materials, services, and equipment for Auxiliary Enterprises.
 - (c) Supplies, materials, services, and equipment for Organized Activities Relating to Instructional Departments.
 - (d) Supplies, materials, services, and equipment to be paid for from Gifts and Grants.

As amended 7/31/70.

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Entire Chapter
Amended 12-12-69

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Sec. 4. Purchases of Supplies and Equipment.

- 4.1 Unless otherwise provided in these Rules and Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of The University of Texas System.
- 4.2 Under the provisions of the State Purchasing Act of 1957, purchases of the following items may be made without approval of the Board of Control:
 - (a) Supplies, materials, services, and equipment for resale.
 - (b) Supplies, materials, services, and equipment for Auxiliary Enterprises.
 - (c) Supplies, materials, services, and equipment for Organized Activities Relating to Educational Departments.
 - (d) Supplies, materials, services, and equipment purchased with gift and grant funds, including contract funds.

Sec. 5. Purchasing Procedures.

- 5.1 The official purchasing agent of each component institution shall promulgate procedures to facilitate and expedite the purchasing function. Such procedure shall be developed in accordance with sound business practices and applicable state law. Purchasing procedures shall be implemented only after review and approval of the Chief Business Officer.
- 5.2 Closed or noncompetitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions shall be maintained by the Chief Business Officer.

Sec. 6. Space Leases.

- 6.1 Space leases involving buildings and paid from general budget funds must, by law, be approved by the State Board of Control and may not extend beyond a four-year period.
- 6.2 Proposals for space leases require the advance approval of the Deputy Chancellor or his delegate. Lease contracts drawn in accordance with such approval shall be executed by the System Comptroller, and submitted for ratification by the Board of Regents through the institutional docket.

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- 3.3 The official institutional purchasing agents and divisions, departments, or offices to whom the purchasing function has been delegated shall observe sound and generally accepted purchasing practices of educational institutions including the following:
 - 3.31 Items on State Contract processed through the Board of Control will be purchased through the official purchasing agents.
 - 3.32 Purchases of supplies and equipment payable (or reimbursable) from Federal funds, trust funds, and auxiliary enterprises funds may be made directly from vendors by institutional purchasing agents if it is essential to efficient operation to do so or if monetary savings would result.
 - 3.33 Closed or noncompetitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions with a summary of the reasons therefor shall be filed quarterly with the Chancellor's Office and with the Secretary to the Board of Regents.
 - 3.34 Competitive bids, usually a minimum of three, shall be secured whenever competition is available.
 - 3.35 Purchase awards shall be made to the supplier submitting the "lowest and best bid" as defined in the State Purchasing Act of 1957.

Sec. 4. Contacts with the State Board of Control. -- All contacts, whether oral or written, with the State Board of Control and with vendors are handled through the official purchasing agents and the divisions, departments, or offices to whom the purchasing function has been specifically delegated, unless advance written authorization is obtained from the purchasing agents or the chief business officer for other persons to do so.

Sec. 5. Requisitions.

- 5.1 Separate requisitions shall be made for:
 - 5.11 State Contract items purchased through the Purchasing Division of the State Board of Control; and
 - 5.12 Items to be purchased in the open market by competitive bids, or otherwise.

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6.3 A proposal shall be approved and the lease completed prior to occupancy of any space for office, storage, or other purposes. The proposal must show type of space and purpose of its use, approximate number of square feet, location, whether janitor service and/or utilities will be furnished by the lessor, period of lease, and any other requirements.

Sec. 7. Purchases from Employees. --Purchases are not permitted from any officer or employee of The University of Texas System unless the cost is less than that from any other known source and until approved by the component Chief Administrative Officer, the Deputy Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

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- 5.2 Requisitions for supplies and equipment shall be prepared on the official departmental requisition form, approved by the chairman of the department, or other administrative official, and the original forwarded to the business office or other designated office for approval as to availability of funds and to the official purchasing agent for approval of the purchase. Requisitions shall show an actual or estimated cost and shall be numbered consecutively. Separate requisitions shall be made for purchases on the open market for each class of items, such as hardware, electrical supplies, chemical supplies, etc. The department shall be furnished a copy of each purchase order issued against its funds by the purchasing agents.
- 5.3 Requisitions shall not be required for perishable items, automobile repairs which include both material and labor, and service charges which include only labor. However, vouchers payable from State funds for perishable items, or automobile repairs including material must be approved by the State Board of Control.

Sec. 6. Requisitions for Space Leases.

- 6.1 Space leases involving buildings and paid from general budget funds must, by law, be approved by the State Board of Control and may not extend beyond a four-year period.
- 6.2 Proposals for space leases require the approval of the Chancellor and the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the Deputy Chancellor for Administration or his delegate.
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Sec. 7. Rental of Machines and Equipment. -- Requisitions for the purchase or rental of electronic tabulating or data processing equipment and requisitions for rental of office machines or other equipment of any kind which exceed a rental cost of \$1,000.00 per annum are required, by law, to have the prior written approval of the Governor, and such approval shall be required before the requisition is processed by the State Board of Control. Approval by the

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*As amended 1/4/70.
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State Board of Control is required prior to the beginning of the rental period, and payment of the rentals shall be made only after such approval. The requisitions shall be submitted through the purchasing agents, checked by the business officers, and forwarded by the institutional heads to the Chancellor's Office for transmittal to the Governor. Requisition for rentals to become effective on September 1, should be submitted in advance of that date. Also see Section 10 of this Chapter.

Sec. 8. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

- 8.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at The University of Texas at Austin or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.
- 8.2 Printing at The University of Texas at Austin is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.
- 8.3 Books, periodicals, and magazine subscriptions, if payable from General Budget Funds, shall be purchased at The University of Texas at Austin through the Library by the use of a book order card. Purchases payable from departmental funds, grants, or special projects at The University of Texas at Austin, and which are not to become an acquisition of the Library, are to be purchased through the Library Order Department by the use of the official Departmental Requisition Form. Purchases at the other component institutions shall be made by requisition through the purchasing agents.
- 8.4 The current appropriation bill provides that appropriated funds may not be expended for purchase of law books without the approval of the Attorney General. Purchases for the School of Law are exceptions to this provision.

Sec. 9. Purchases from Employees. -- Purchases are not permitted from any officer or employee of The University of Texas System unless the cost is less than that from any other known source and until approved by the institutional heads, the Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

State Board of Control is required prior to the beginning of the rental period, and payment of the rentals shall be made only after such approval. The requisitions shall be submitted through the purchasing agents, checked by the business officers, and forwarded by the institutional heads to the Chancellor's Office for transmittal to the Governor. Requisition for rentals to become effective on September 1, should be submitted in advance of that date. Also see Section 10 of this Chapter.

Sec. 8. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

- 8.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at The University of Texas at Austin or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.
- 8.2 Printing at The University of Texas at Austin is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.
- 8.3 Books, periodicals, and magazine subscriptions, if payable from General Budget Funds, shall be purchased at The University of Texas at Austin through the Library by the use of a book order card. Purchases payable from departmental funds, grants, or special projects at The University of Texas at Austin, and which are not to become an acquisition of the Library, are to be purchased through the Library Order Department by the use of the official Departmental Requisition Form. Purchases at the other component institutions shall be made by requisition through the purchasing agents.
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- Sec. 10. Purchase or Rental of Certain Typewriters.--In accordance with the current appropriation bill purchase or rental of executive and/or proportional spacing typewriters is not permitted unless the head of the department makes an affidavit attached to the requisition for the purchase that the use of such typewriter shall be more economical than purchasing printed matter and such typewriter shall be in continuous use for at least six (6) hours a day. Also see Section 7 of this Chapter.
- Sec. 11. Acceptance of Used or Rented Equipment on Purchase of New Equipment.--Used or rented equipment shall not be accepted in fulfillment of an order for new machines or new equipment, even though such machines or equipment have been used by the component institution making the order.
- Sec. 12. Unlisted Telephone Numbers.--The current appropriation bill prohibits the expenditure of funds appropriated thereby for payment of rental or toll charges on telephones for which numbers are not listed or available from "Information Operators" at telephone exchanges.
- Sec. 13. Purchases from Texas Department of Corrections.--In accordance with the intent of the Legislature, and as provided by Article 6203c, VTCS, goods produced by the Texas Department of Corrections shall be purchased when such goods are equal to or lower in price than goods of a comparable quality on the open market.
- Sec. 14. Interception Devices.--The current appropriation bill includes the following provisions:
- "None of the funds herein appropriated may be used for the purchase, rental or contractual agreement for any type of electronic, mechanical or other interception devices used for the purpose of overhearing or recording oral conversation made in private or conversation made by wire without prior approval of the Governor."
- Sec. 15. Passenger Vehicles.--The current appropriation bill provides that:
- "None of the moneys appropriated in this Act may be expended for the purchase, maintenance or operation of a passenger car or of airplanes designed for passenger transportation unless authority to do so is stated by the language of this Act. Where such authority is stated, the purchase of an airplane, or the repair of an airplane, the cost of which is in excess of five thousand dollars (\$5,000), in any one fiscal year shall have the prior written approval of the Governor, and notice of such approval shall be filed with the Legislative Budget Board."

- Sec. 10. Purchase or Rental of Certain Typewriters.--In accordance with the current appropriation bill purchase or rental of executive and/or proportional spacing typewriters is not permitted unless the head of the department makes an affidavit attached to the requisition for the purchase that the use of such typewriter shall be more economical than purchasing printed matter and such typewriter shall be in continuous use for at least six (6) hours a day. Also see Section 7 of this Chapter.
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CHAPTER V

PERSONNEL

- Sec. 1. Classified Personnel. --The Policy of the Board of Regents on the Development and Coordination of the Classified Personnel Programs is and includes:
- 1.1 System Personnel Director.
The System Personnel Director serves as a staff officer advising the Deputy Chancellor.
 - 1.2 The development and coordination of the System-wide Classified Personnel Program.
 - 1.21 The Classification Plan.
 - 1.211 Coverage. --The Classified Plan of The University of Texas System shall include all positions which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The Chief Administrative Officer or his delegate of each component institution shall determine the inclusiveness of the Classification Plan within this general definition.
 - 1.212 Type of Plan. --Uniform use shall be made of the job grading procedure method system of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office.
 - 1.213 Job Titles. --Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.
 - 1.214 Job Code. --A uniform job code shall be used to designate job classes.
 - 1.215 Job Descriptions. --Standardized job descriptions shall be used for similar job titles common to two or more component institutions when practicable.
 - 1.22 The Pay Plan.
 - 1.221 A uniform system of salary steps providing for an increase of approximately 3.4 percent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
 - 1.222 A System-wide Personnel Pay Plan setting forth the salary ranges for each job classification shall be utilized encompassing the salary ranges reflected in the component unit pay plans.

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 - 1.214 Job Code. --A uniform job code shall be used to designate job classes.
 - 1.215 Job Descriptions. --Standardized job descriptions shall be used for similar job titles common to two or more component institutions when practicable.
 - 1.22 The Pay Plan.
 - 1.221 A uniform system of salary steps providing for an increase of approximately 5 percent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
 - 1.222 A uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.

*As amended
3-12-71 -
Foreword p. 31*

CHAPTER V
PERSONNEL

*Entire chapter
rewritten 4/23/71*

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- 1.223 A classified employee appointed to a part-time paid teaching rank shall be paid at the rate applicable to each position.
 - 1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution and the requirements of the Fair Labor Standards Act.
- 1.23 The Policies and Rules.
- 1.231 Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.
 - 1.232 Formal approval of the policies and rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
 - 1.233 Changes in the policies and rules require the approval of the Chief Administrative Officer or his delegate, the System Personnel Director, and the Deputy Chancellor.
 - 1.234 Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.
- 1.24 Approval of additions to and changes in the Classified Personnel Program.
- 1.241 Formal approval of the Classification Plan and System-wide Personnel Pay Plan, including annual revision thereto, is obtained annually from the Board of Regents. Such approval shall be secured prior to the effective date of the plan.
 - 1.242 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following require only the approval of the Chief Administrative Officer or his delegate, the System Personnel Director, and the Deputy Chancellor.
 - (a) Type A. Adjustment of a salary range in a component unit plan within the established System-wide salary range, which when approved, will not change the System-wide Personnel Pay Plan in any way.
 - (b) Type B. Adjustments to the component unit personnel pay plan, which when approved, will change the System-wide Personnel Pay Plan in some way.
 - (1) Deletion of Title
 - (2) Change in title only

As amended June 5, 1975

- 1. 223 A classified employee appointed to a part-time paid teaching rank shall be paid at the rate applicable to each position.
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 - (1) Deletion of Title
 - (2) Change in title only

As amended June 5, 1975

- (3) Change in code number only
 - (4) Addition of a title to a component unit pay plan that is in the System-wide Plan and the Salary range requested is within the established System-wide salary range.
- 1.243 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following must have approval of the Chief Administrative Officer or his delegate, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the docket procedure.
- (a) The addition of a title to a component unit pay plan which is not included in the System-wide Plan.
 - (b) The addition of a title to a component unit pay plan which is included in the System-wide Plan, but the salary range being proposed is not within the established System-wide salary range.
 - (c) Adjustment of a salary range in a component unit pay plan that would change the established System-wide salary range.
- 1.25 Institutional Personnel Officer.
- 1.251 The Chief Business Officer of each institution shall designate an Institutional Personnel Officer to be responsible for the development and operation of the Classified Personnel Program.
- 1.252 Functional direction and help on technical personnel matters shall be provided each Institutional Personnel Officer by the System Personnel Director.

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 - 1.242 Changes in the Classification Plan and Pay Plan at each institution involving only deletions of titles, changes in title, and changes in code numbers require the approval of the Chief Administrative Officer or his delegate and the System Personnel Officer.
 - 1.243 Changes in the Classification Plan and Pay Plan involving new titles and changes in pay ranges for existing titles must have approval of the Chief Administrative Officer, the Chief Business Officer, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.
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 - 1.242 Changes in the Classification Plan and Pay Plan at each institution involving only deletions of titles, changes in title, and changes in code numbers require the approval of the Chief Administrative Officer or his delegate and the System Personnel Officer.
 - 1.243 Changes in the Classification Plan and Pay Plan involving new titles and changes in pay ranges for existing titles must have approval of the Chief Administrative Officer, the Chief Business Officer, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.

- (3) Change in code number only
 - (4) Addition of a title to a component unit pay plan that is in the System-wide Plan and the Salary range requested is within the established System-wide salary range.
- 1.243 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following must have approval of the Chief Administrative Officer or his delegate, the System Personnel Director, and the Deputy Chancellor. In addition, such changes require ratification of the Board of Regents through the docket procedure.
- (a) The addition of a title to a component unit pay plan which is not included in the System-wide Plan.
 - (b) The addition of a title to a component unit pay plan which is included in the System-wide Plan, but the salary range being proposed is not within the established System-wide salary range.
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- 1.252 Functional direction and help on technical personnel matters shall be provided each Institutional Personnel Officer by the System Personnel Director.

Sec. 2. General Personnel.**2.1 Leave for Military Duty.**

- 2.11 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.
- 2.12 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.
- 2.13 The Chief Business Officer of each institution may prescribe forms and procedures for such leaves.

2.2 Maternity Leave

- 2.21 Upon request, a leave of absence without pay shall be granted to regular employees for maternity reasons. A pregnant employee who wishes to retain her position or comparable position may be granted such leave for a "reasonable period" of time as determined by the individual circumstances of her case with due consideration being given to the well-being of the employee and to the interests of the institution.
- 2.22 A "reasonable period" is considered to not exceed three months prior to the anticipated delivery date and to not exceed three months after the delivery date, unless the employee presents a written statement from her physician which alters this period of leave of absence.
- 2.23 A statement encompassing the details of a maternity leave shall be entered in the remarks section of the appropriate Personnel Action Form.
- 2.24 Accrued sick leave shall be granted in conjunction with maternity leave and shall be governed by the policy on sick leave. Also, vacation leave and sick leave do not accrue while on maternity leave.
- 2.25 A replacement may be provided on a temporary basis during the employee's absence.

As amended 5/3/74

Sec. 2. General Personnel.**2.1 Leave for Military Duty.**

- 2.11 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.
- 2.12 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.
- 2.13 The Chief Business Officer of each institution may prescribe forms and procedures for such leaves.

2.2 Maternity Leave

- 2.21 Disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery therefrom, are, for all job related purposes, temporary disabilities and will be treated as are other temporary disabilities. Upon request, a leave of absence without pay shall be granted to regular employees for maternity reasons, which include pregnancy, miscarriage, abortion, childbirth, and recovery therefrom. A pregnant employee who wishes to retain her position or comparable position may be granted such leave for a "reasonable period" of time as determined by the individual circumstances of her case with due consideration being given to the well-being of the employee and to the interests of the institution.
- 2.22 A "reasonable period" is considered to not exceed three months prior to the anticipated delivery date and to not exceed three months after the delivery date, unless the employee presents a written statement from her physician which alters this period of leave of absence.
- 2.23 A statement encompassing the details of a maternity leave shall be entered in the remarks section of the appropriate Personnel Action Form.
- 2.24 Accrued sick leave and vacation leave shall be granted in conjunction with maternity leave and shall be governed by the policy on sick leave and the policy on vacation leave. Also, vacation leave and sick leave do not accrue while on maternity leave.
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As amended
3-12-71
formerly P. 33

- 1.25 Institutional Personnel Officer
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Sec. 2. General Personnel.

- 2.1 Leave for Military Duty.
 - 2.11 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.
 - 2.12 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.
 - 2.13 The Chief Business Officer of each institution may prescribe forms and procedures for such leaves.
- 2.2 Maternity Leave.
 - 2.21 Upon request, a leave of absence without pay shall be granted to regular monthly salaried employees for maternity reasons. A pregnant employee who wishes to retain her position or comparable position may be granted such leave for a "reasonable period" of time as determined by the individual circumstances of her case with due consideration being given to the well-being of the employee and to the interests of the institution.
 - 2.22 A "reasonable period" is considered to not exceed three months prior to the anticipated delivery date and to not exceed three months after the delivery date, unless the employee presents a written statement from her physician which alters this period of leave of absence.
 - 2.23 A statement encompassing the details of a maternity leave shall be entered in the remarks section of the appropriate Personnel Action Form.
 - 2.24 Accrued sick leave may not be granted in conjunction with Maternity Leave. Also, vacation leave and sick leave do not accrue while on Maternity Leave.
 - 2.25 A replacement may be provided on a temporary basis during the employee's absence.

2.3 Overtime

- 2.31 The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the Chief Administrative Officer or the Chief Business Officer, or both.
- 2.32 In order to comply with the Fair Labor Standards Act, those employees in a non-exempt status who are authorized to perform overtime services in excess of forty hours per week shall be reimbursed at the rate of one and one-half times the regular rate.
- 2.33 Overtime compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Chief Business Officer of the institution involved.

2.4 Patent Policy.

- 2.41 Statement of Basic Philosophy and Objectives. While the discovery of patentable processes or inventions is not the primary objective of the University, for any such discoveries made, it is the objective of the Board of Regents to provide a patent policy which will encourage the development of such inventions for the best interest of the public, the inventor, and the sponsor whenever an invention occurs, and will permit the timely disclosure of any patentable discoveries, whether by patent, publication or both. The policy is further intended to protect the respective interests of all concerned by ensuring that the benefits of patents accrue to the public, to the inventor, to the University and to sponsors of specific research in varying degrees of protection, monetary return and recognition, as circumstances justify or require.
- 2.42 General Policy.
- 2.421 The patent policy as adopted shall apply to all persons employed by the component institutions of The University of Texas System, to anyone using University facilities under the supervision of University personnel, and to postdoctoral and predoctoral fellows.
- 2.422 It is the intent of this policy to permit staff members maximum freedom in respect to their findings, consistent with their obligations to the University. Any person affected by this policy who, as a result of

- his University researches makes a discovery, other than on certain government or other sponsored research projects, where individual grant agreements provide otherwise, should retain the ultimate right to decide how it is to be made public -- by publication, by patenting, or both.
- 2.423 Property rights in inventions will be based on the degree of University support, as hereinafter specified.
- 2.424 The University will provide patent review and management services either by its own staff, through a related Foundation, or by other means.
- 2.425 It is a basic policy of the University that patents be developed primarily to serve the public interest. This objective usually will require patent development by non-exclusive licensing but the public interest may best be promoted by the granting of a limited exclusive license or even an exclusive license for the period of the patent. These determinations will be recommended and made in accordance with the administrative procedures hereinafter set out and with the approval of the Board of Regents.
- 2.43 Institutional Patent Committees and System Patent Office.
- 2.431 Patent Committees: To help administer the patent policy at each component institution and to make recommendations to Chief Administrative Officers for further referral to the Deputy Chancellor and Board of Regents (in those cases when action by the Deputy Chancellor and/or the Board of Regents is required), Institutional Patent Committees shall be established as directed by the Deputy Chancellor.
- 2.432 System Patent Office: To assist the Institutional Patent Committees to provide technical advice to individual faculty and staff members in patent matters, and to coordinate details in respect to patent procedures, a System Patent Office shall be established.

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- 2.44 Classification of Discoveries by Source of Research Support.
- 2.441 The patentable idea has developed as a result of the individual's efforts on his own time, with no direct University support or use of University facilities.
- 2.442 The patentable idea has resulted from research performed by the individual on University time, with support by state funds, or using University facilities.
- 2.443 The patentable idea has resulted from research supported by a grant or contract with the Federal Government or an agency thereof, or with a non-profit foundation, or by a private gift to the University.
- 2.444 The patentable idea has resulted from research supported by commercial concerns or industry.
- 2.45 Property Rights and Obligations:
- 2.451 Patentable ideas developed on an individual's own time and without direct University support or use of University facilities (see 2.441) are the exclusive property of the inventor, and the University has no interest in any patent obtained, and no claim to any profits resulting therefrom. Should the inventor choose to offer his invention to the University, the Institutional Patent Committee shall recommend as to whether the University should support and finance the patent application and manage the patent development. If the inventor makes his offer after obtaining the patent, the Institutional Patent Committee shall recommend as to whether the University should reimburse the inventor for his expenses in obtaining the patent. If the Patent Committee recommends and the invention is accepted for patent management by the University, the procedures to be followed and the rights of the parties shall be those set out in Subsection 2.4524 following.

- 2.452 Patentable ideas resulting from research performed on University time, with support by State funds, or using University facilities (see 2.442).
- 2.4521 The inventor may choose to publish the details of his research and not to patent.
- 2.4522 Before or after publishing, if the inventor decides to patent ideas resulting from research done on University time, with support by State funds, or using University facilities, he shall submit such ideas to the Institutional Patent Committee for determination of the University's interest. In those instances, however, where delay would jeopardize obtaining the patent, the inventor may, with the approval of the Chairman of the Institutional Patent Committee and the Chief Administrative Officer, file the patent application prior to the Committee and administrative review provided in the following two subsections. If the request is granted, the inventor may proceed with the filing of his patent application pending the determination of the University's interest as provided therein; provided, however, that the inventor shall be reimbursed for his expenses in filing the patent application if the decision of the University is to assert and exploit its interests. The Chairman of the Institutional Patent Committee shall notify the System Patent Office of any such application.
- 2.4523 If the Institutional Patent Committee recommends that the University not assert and exploit its interest, and that recommendation is approved by the System Patent Officer and the Deputy Chancellor, the

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- 2.4523 If the Institutional Patent Committee recommends that the University not assert and exploit its interest, and that recommendation is approved by the System Patent Officer and the Chancellor, the

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inventor shall be notified within ninety (90) days of the date of submission that he is free to obtain and exploit a patent in his own right and the University shall not have any further rights, obligations or duties thereto.

(In some instances, the Committee may elect to impose certain limitations or obligations, dependent upon the degree of University support.)

2.4524 If the University decides to patent and assert and exploit its interest, it shall proceed either through its own efforts or those of a patent agent to obtain and manage the patent. The division of royalties or other income, patenting and licensing costs first being recaptured, shall be as follows:

0 - \$5,000 / 75% to Inventor
25% to University

5,000 - 10,000 / 50% to Inventor
50% to University

above - 10,000 / 25% to Inventor
75% to University

The division of royalties and other income from patents managed by a patent agent will be controlled by the University's agreement with such agent, as approved by the Board of Regents. Any other deviation from this rule requires the prior approval of the Board of Regents.

2.453 Patentable ideas resulting from research supported by a grant or contract with the Federal Government, or an agency thereof, or with a non-profit foundation or by a private gift to the University (see 2.443).

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- 2.4531 Administrative approval of application requests to, and acceptance of grants or contracts with, the Federal Government, or any agency thereof, or with a non-profit foundation, implies a definite decision that the value to the University of receiving the grant or performing the contract outweighs the impact of any resulting change in the basic patent policy of the University.
- 2.4532 The patent policy of the University is subject to, and thus amended and superseded by, the specific terms pertaining to patent rights included in Federal grants and contracts, or grants and contracts with non-profit foundations, to the extent of any conflict.
- 2.4533 In those instances where it is possible to negotiate System-wide patent agreements with the Federal agencies or non-profit foundations and thereby obtain more favorable treatment for the inventor and the University, every effort will be made to do so after consultation with the Institutional Patent Committees and the Chief Administrative Officer.
- 2.454 Patentable ideas resulting from research supported by a grant or contract with commercial concerns and industry.
(see 2.444)
- 2.4541 The University of Texas System recognizes the academic advantages which can come from close scientific cooperation between the research staffs of the University and the research staffs of industry.

As amended 7/25/75

- 2.4542 The provisions of joint research arrangements with industry shall take into account (a) the extent of the industrial participant's contribution of funds and other services, including unique knowledge; (b) the import of the joint effort to the research and educational program of the University; (c) the protection of the personal achievements of the University participant or participants; and (d) most importantly, the interests of the State and its citizens who provide basic fiscal support.
- 2.4543 Balancing the equities between these different interests may require the joint arrangement to contain provisions for (a) non-exclusive licensing; (b) granting exclusive information prior to publication or patent application; (c) royalty free non-exclusive license; (d) exclusive license for some limited period of time; (e) exclusive license for the life of the patent; or (f) such other provisions as will properly equate the equities involved, including the right of the University to terminate an exclusive license upon failure of the industrial participant to develop or exploit the invention in a manner which will enhance the interests of the public.
- 2.4544 All such arrangements or contracts with industrial participants shall be approved in advance by the Institutional Patent Committee and recommended and approved by the Chief Administrative Officer, **the Deputy Chancellor, and the Board of Regents.**
- 2.4545 Any agreement altering the basic patent policy of The University of Texas as set out in the

As amended 9/20/74

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As amended 7/25/75

preceding sections shall have the advance approval of the Patent Committee, the Chief Administrative Officer, the Deputy Chancellor and the Board of Regents.

- 2.46 University Income from Patents.
The portion of the net income the University retains from royalty or other patent-related income shall be used first to defray the expenses of the System Patent Office, if any, and thereafter, as approved by the Board of Regents, for research purposes at the component institutions where the invention originated.
- 2.47 Implementation of Revised Patent Policy.
A Patent Procedures Manual shall be developed to provide more detail as to procedures to be followed under the various provisions of this policy.

Sec. 3. Certain Provisions in Current Appropriation Act. --The Rules and Regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Act, including the following pertaining to personnel:

- 3.1 Use of Alcoholic Beverages. --"None of the moneys appropriated under this Act shall be used for the payment of salaries to any employee who uses alcoholic beverages while on active duty. None of the funds appropriated under this Act for travel expenses may be expended for alcoholic beverages."

As amended 9/20/74

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- 2.33** Overtime compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Chief Business Officer of the institution involved.

2.4 Patent Policy. --Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by employees of The University of Texas System:

- 2.41** The title to the patent for a discovery or invention by an employee shall belong to the employee subject to the following provisions:
- 2.411** When total net royalties, or other compensations, are less than \$1,000, no payment to The University of Texas System is required.
- 2.412** When net royalties, or other compensations, amount to more than \$1,000 but less than \$5,000, 10 percent of the excess of such royalties or other compensations over \$1,000 shall be paid to The University of Texas System.
- 2.413** When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid The University of Texas System will be 10 percent on the amount above \$1,000 but less than \$5,000, and 20 percent on all amounts of \$5,000 or more.
- 2.414** Where contributions have been made to research projects by private donors, nonexclusive licenses on all inventions or discoveries resulting from such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

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- * 3.2. Advocating Overthrow of the Government. --"None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

Sec. 4. Employee Training, Education, and Development.

- 4.1 The Texas State Employees Training Act of 1969, Chapter 283, Acts of the 61st Legislature, Regular Session, 1969 (Article 6252-11a, Vernon's Texas Civil Statutes), recognizes that the State Departments and other State Institutions, including The University of Texas System, must develop a more comprehensive Training Program as an integral part of a successful personnel program. The System Personnel Director, as delegated by the Deputy Chancellor, is responsible for promulgating the necessary policies and procedures for implementation of the State Employees Training Act, consistent with the guidelines already approved by the Governor of the State of Texas and the Regents' rules.
- 4.2 Through implementation of the State Employees Training Act, the University will provide programs that will greatly benefit most employees. In addition, the use of various types of training programs will also encourage the initiative of young, talented employees and stimulate and motivate less productive employees. Organized training programs will, moreover, help identify those employees who are willing to exercise their initiative and prove their performance and also find the areas where employees are resisting change and improved procedures and programs.
- 4.3 The following general objectives of the overall training effort will lead to the University's gaining more efficiency and economy in its overall personnel program:
- 4.31 Developing well trained staffs, both professional and supportive;
 - 4.32 Assisting all employees toward achieving their highest potential usefulness;
 - 4.33 Motivating employees and stimulating a sense of participation and involvement;
 - 4.34 Insuring that The University of Texas System receives a fair return on its investment in training and education.

- 3.2 Separation from State Employment. --No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective day of the employee's resignation, dismissal, or separation from State employment (See Part One, Chapter III, Subsections 15.3 and 19.3).
- 3.3 Advocating Overthrow of the Government. --"None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

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 - 4.33 Motivating employees and stimulating a sense of participation and involvement;
 - 4.34 Insuring that The University of Texas System receives a fair return on its investment in training and education.

- 4.4 The program elements for this general training program are:
 - 4.41 Identifying staff members who need staff development in order to determine the exact kind and scope of program needed;
 - 4.42 Training individuals for current assignments and developing them for future assignments, as a means of improving the quality and quantity of work done;
 - 4.43 Developing all supervisors to enable them to assume and discharge their primary responsibility for the maximum utilization of personnel, the training of their staff members, and the maintenance of sound employee relations;
 - 4.44 Advising and assisting employees with respect to continuing education, and means by which they can improve their usefulness;
 - 4.45 Evaluating all training and education activities to determine whether they have effectively met the needs of The University of Texas System.

- 4.5 With these objectives and general program elements as a background, four specific training programs are established. The administration and implementation of the following training programs at each component is to be primarily the task and responsibility of the Institutional Personnel Officer, with approval of the Chief Administrative Officer. The System Personnel Director shall have the responsibility of coordinating all training programs through review and approval of training policies promulgated by the component institution.

- 4.6 College or University Degree Program.
 - 4.61 Definition: This Program will provide graduate or undergraduate level training leading to a degree. Basically, it provides for full-time student enrollment and is to be for selected, qualified employees of The University of Texas System. This program will be provided by the University on the basis of need of the University and to the extent funds are available.
 - 4.62 Objectives: To provide a college or university education for qualified University of Texas System employees specifically required in their area of employment.
 - 4.63 Program Elements: This training is essentially of only one type: to provide full-time student enrollment in a graduate or undergraduate program leading to a degree.
 - 4.64 Administration: Eligibility Requirements
 - 4.641 Selected employees must have necessary academic qualifications to meet all entrance requirements of the college or university where training is provided.
 - 4.642 Degree training must be directly related to an existing job or job series used by The University of Texas System.
 - 4.643 Selected employees must be scheduled for appointment to a job requiring the degree training on completion of schooling.

- 4.72 Objectives: To equip an individual to perform a particular task within a particular situation and/or to equip the employee to deal with new technological and legal developments, to develop additional work capabilities, or increase his level of competence.
- 4.73 Program Elements: In-service training and education programs are divided into the following three principal categories:
 - 4.731 Orientation serves the purpose of acquainting the employee to a new job situation. It does not include the development of skills for that particular job situation.
 - 4.732 Basic Training for a Specific Task includes pre-employment and recruit type training involving job knowledge and/or the development of skills required for a specific task. It also includes training in supervisory and managerial skills.
 - 4.733 Advanced In-Service Training includes the development of a higher level of skill, an increase in job knowledge, and instruction in new concepts and changing aspects of job responsibility.
- 4.74 Administration: Eligibility Requirements. It is a basic responsibility of The University of Texas System to provide training as the individual situation may require. It is recognized that the need for some of these programs will vary according to skills required and the availability of pre-employment training. Manpower needs and the availability of skilled applicants may also be a determining factor. With this general background as reference, employees will be identified, selected, trained, and evaluated according to the needs of the University.
- 4.75 Administration: Obligations. The employee has an obligation to successfully complete the training program and should recognize that The University of Texas System will use this type of training as a continuation of the selection process.
- 4.8 Out-of-Agency Staff Development Program.
 - 4.81 Definition: This program is to provide training through workshops, seminars, institutes, training sessions, extension courses, college or university courses (with or without academic credit), and other special programs or activities offered either within or outside the State. Such programs must be of concentrated, precise content and designed to improve the individual's professional or technical knowledge in the performance of his present or prospective duties and responsibilities. This program is for selected individual staff members and will be provided on the basis of need of the University and to the extent funds are available.
 - 4.82 Objectives: To improve and enhance the individual's professional and technical knowledge and ability in the performance of his present or prospective duties and responsibilities.

- 4.83 Program Elements: This program is generally the type that meets the following criteria: relatively short term; specific in content; and presented outside the employing agency.
 - 4.84 Administration: Eligibility Requirements.
 - 4.841 Out-of-Agency Staff Development education and training authorized by The University of Texas System will be conducted primarily for the benefit of The University of Texas System.
 - 4.842 The training and education must be related to the employee's current or prospective duty assignment during the period of his participation.
 - 4.843 Such training and education must be approved by the Chief Administrative Officer or someone delegated by him on recommendation of the head of the employing department or unit.
 - 4.85 Administration: Obligations. Employees receiving Out-of-Agency Staff Development authorized by The University of Texas System will be obligated to fulfill such terms and conditions as the Chief Administrative Officer may prescribe, compatible with the nature and extent of the training or education.
- 4.9 Internship Training Program.
- 4.91 Definition: Internship training is intended to provide the type of learning experience that can be obtained only through actual work experience. Internship programs will normally be of a longer duration than training mentioned under the headings of Out-of-Agency Staff Development and In-Service Training and Education. This training will be provided to those individuals selected under the standards listed below in 4.95, Eligibility Requirements. This training will be provided on the basis of need of the University and to the extent funds are available.
 - 4.92 Objectives: This type of training and education has a broader objective than other types of training in that it serves not only The University of Texas System but also the State of Texas in the following ways:
 - 4.921 It allows The University of Texas System and/or the State of Texas to screen potential employees while simultaneously enjoying an advantageous recruiting position.
 - 4.922 It facilitates the infusion of new people and new ideas into the information interchange which is continually taking place between State government and the University.
 - 4.923 It will allow the University and/or the State to gain trained personnel who can carry a heavier work load in a relatively short period of time.
 - 4.924 Internship programs produce a work product, although this is not the justification for any internship program.

- 4.93 Program Elements: Type I Internships are those that are within The University of Texas System for Non-Employees of the State.
- 4.931 Type I Internships are held with The University of Texas System by persons who are not employed by the State or the University.
- 4.932 Such internships relate to the educational program of the person serving the internship, which suggests that there will be a constant interchange and evaluation between both The University of Texas System and the sponsor of the person's educational program.
- 4.933 These internships should be initiated only to the extent that the University can provide a meaningful working role and learning experience.
- 4.934 Type I Internships are not designed primarily to produce a work product. (Example: The employee of a private data processing equipment firm observing and being trained in the Data Processing Department of a component institution which serves as the training ground.)
- 4.94 Program Elements: Type II Internship Programs are for the State of Texas and/or University of Texas System employees.
- 4.941 Type II (a) internships provide for the State of Texas to be the trainee represented by a person in the employ of a state agency other than The University of Texas System. (Example: An employee of another state agency [State Auditor's Office] serving as an intern trainee with The University of Texas System.)
- 4.942 Type II (b) internships provide for the State of Texas to be the trainee represented by a person in the employ of The University of Texas System. A Type II (b) internship may be served either within The University of Texas System or with another state agency. Employees on Type II (b) internship status should be considered as employees of The University of Texas System as they would if they were physically present on the job. (Example: An employee of a University of Texas component serving as an intern trainee at another University of Texas component or with another state agency, i. e., an Accountant from a component Business Office serving as a trainee in the Business Office of another component or in the State Auditor's Office.)
- 4.943 The primary objective sought by both of the Type II internship programs is for the trainee to gain skills from the training agency and to promote the ability of persons to work with broader situations and more competently in the multi-levels of administration of the State or the University.

- 4. 944 A "No Proselyting" agreement should be secured in both of the Type II internship programs.
- 4. 95 Administration: Eligibility Requirements.
 - 4. 951 Internship education and training authorized by The University of Texas System will be conducted primarily for the benefit of The University of Texas System.
 - 4. 952 Internship training and education must be approved by the Chief Administrative Officer or someone delegated by him on recommendation of the head of the employing department or unit.
- 4. 96 Administration: Obligations.
 - 4. 961 Type I - No obligatory arrangement is required.
 - 4. 962 Type II - The following standards should be observed:
 - 4. 9621 The need for these programs will vary according to skills required and the availability of pre-employment training within the State of Texas and/or The University of Texas System.
 - 4. 9622 The employee has an obligation to successfully complete the training program and should recognize that the State of Texas and The University of Texas System will use this type of training as a continuation of the selection process.
 - 4. 9623 Employees receiving internship training authorized by The University of Texas System will be obligated to fulfill such terms and conditions as the System Personnel Director may prescribe, compatible with the nature and extent of the training or education.

Sec. 5. Other Regulations Concerning Personnel are Reported in the Rules and Regulations of the Board of Regents, Part One, as follows:

Physical Examination - Chapter III, Sec. 1.7, Page 27

Employment of Aliens - Chapter III, Sec. 3, Page 28

Indebtedness to The University of Texas System or the State - Chapter III, Sec. 28, Page 40

Appointment of Relative (Nepotism Rule) - Chapter III, Sec. 5, Page 29

Holidays - Chapter III, Sec. 14, Page 35b

Vacation - Chapter III, Sec. 15, Page 36

Sick Leave - Chapter III, Sec. 19, Page 37

Leave for Jury Duty - Chapter III, Sec. 20, Page 37

Absence from Usual and Regular Duties - Chapter III, Sec. 21, Page 37

Leaves of Absence Without Pay - Chapter III, Sec. 16, Page 36

Office Hours - Chapter III, Sec. 12, Page 35

Outside Employment - Chapter III, Sec. 13, Page 35

Acceptance of Money from Students - Chapter III, Sec. 26, Page 39

Textbooks and Other Materials Prescribed for the Use of Students -
Chapter III, Sec. 24, Page 38

Institutional Employees as Students - Chapter III, Sec. 30, Page 40

Power to Authorize Expenditures out of The University of Texas
System Funds - Chapter III, Sec. 27, Page 39

Division of Salaries for Staff Engaged in Teaching and Non-teaching
Activities - Chapter III, Sec. 18, Page 37

Compensation for Correspondence and Extension Teaching of Full-time
Staff Members - Chapter III, Sec. 23, Page 38

Classified Personnel Systems - Chapter III, Sec. 2, Page 27

Code of Ethics - Chapter III, Sec. 4, Page 28

Tenure, Promotion, and Termination of Employment - Chapter III,
Sec. 6, Page 30

Retirement and Modified Service - Chapter III, Sec. 31, Page 40

Faculty Development Leaves - Chapter III, Sec. 17, Page 37

*As amended
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CHAPTER V

PERSONNEL

Sec. 1. Classified Personnel. --The Policy of the Board of Regents on the Development and Coordination of the Classified Personnel Programs is and includes:

- 1.1 The development and operation of the Institutional Personnel Program as defined in the duties of the Institutional Personnel Officer. This extends to:
 - 1.11 The administration of the Classified Personnel Program in his institution. The Institutional Personnel Officer shall:
 - 1.111 Know the objectives and all of the details of the program.
 - 1.112 Assume responsibility for recommending all changes in the written program to his chief executive officer.
 - 1.113 Interpret the personnel program to his institution-- administration, supervisors, and employees.
 - 1.12 The classification plan. The Institutional Personnel Officer shall:
 - 1.121 Recommend all changes in any existing job classification or the creation of any new job classification.
 - 1.122 Write all job descriptions.
 - 1.123 Allocate all positions to the proper job classification.
 - 1.124 Assure that no person is appointed in a position in the classified service under a title not included in the Classification Plan.
 - 1.13 The pay plan. The Institutional Personnel Officer shall:
 - 1.131 Recommend all changes in approved salary ranges together with the ranges for all new job classifications.
 - 1.132 Make salary studies to determine correctness of existing salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.
 - 1.133 Assure that no appointment and/or change in salary is made which is:
 - 1.1331 Below the minimum salary for the class range (except for a "Trainee").
 - 1.1332 Above the maximum salary for the class range.
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 - 1.121 Recommend all changes in any existing job classification or the creation of any new job classification.
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- 1.14 The policies and rules. The Institutional Personnel Officer shall:
 - 1.141 Provide a uniform interpretation of the institution's personnel policy.
 - 1.142 Advise his chief executive officer and the System Personnel Director of any violation or abuse of this policy.**
 - 1.143 Recommend any necessary change in the written Policies and Rules.
- 1.15 Personnel transaction. The Institutional Personnel Officer shall:
 - 1.151 Approve all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees prior to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.
 - 1.152 Call to the attention of his chief executive officer in writing any violation of the program that may be approved outside the channels provided above, with a copy to the System Personnel Director.**
- 1.16 Personnel services. The Institutional Personnel Officer shall provide necessary personnel services to departments of his institution as rapidly as time and staff permit. These services should include, as a minimum, the following:
 - 1.161 Centralized personnel records.
 - 1.162 A program of interdepartmental promotions.
 - 1.163 Centralized recruiting for job vacancies.
 - 1.164 A training program.
 - 1.165 A program of employee communication.
 - 1.166 A program of employee benefits.**
- 1.2 The development and coordination of the System-wide Personnel Program.
 - 1.21 The Classification Plan.
 - 1.211 Coverage.-- The Classified Service of The University of Texas System shall include all positions which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief executive officer of each component institution shall determine the inclusiveness of the classified service within this general definition, and shall submit to the Chancellor

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- upon request a list of those administrative or research positions not included in the classified program.
- 1.212 Type of Plan. --Uniform use shall be made of the job grading procedure method system of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office of The University of Texas System.
 - 1.213 Job Titles. -- Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.
 - 1.214 Job Code. -- A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code may be used on punched cards to compile statistical information on classified employees.
- 1.22 The Pay Plan.
- 1.221 A uniform system of salary steps providing for an increase of 5 per cent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
 - 1.222 A uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.
 - 1.223 A classified employee nominated for part-time teaching at rank of Assistant Instructor shall be paid at the rate applicable to each position.
 - 1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by salary surveys.
- 1.23 The policies and rules.
- 1.231 Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.
 - 1.232 Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.

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- 1.24 Approval of additions to and changes in the Classified Personnel Program.
 - 1.241 Formal approval of the Classification Plan, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
 - 1.242 Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution involving only deletions of titles, changes in title, and changes in code numbers require the approval of the Executive Head of the institution and the System Personnel Officer.
 - 1.243 Changes in the Classification Plan, Pay Plan, and the Policies and Rules involving new titles and changes in pay ranges for existing titles must have approval of the executive head of the institution, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.
- 1.25 Institutional Personnel Officer.
 - 1.251 The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program.
 - 1.252 Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the System Personnel Director.
- 1.26 System Personnel Director. --The System Personnel Director serves as a staff officer advising the Chancellor through the Deputy Chancellor for Administration on the Classified Personnel programs, Workmen's Compensation insurance, and staff benefits, for each of the component institutions of the System.
- 1.27 Reports. --Necessary reports concerning the status and operation of the various Classified Personnel programs may be required by the Chancellor.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

- 2.11 As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond that shall

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- 2.11 As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. All employees shall be covered in the amount of not less than \$5,000 each. It shall be the responsibility of the System Comptroller to recommend to the Chancellor through the Vice-Chancellor for Business Affairs the administrative officials who are to be covered by amounts in excess of this figure, and the amount of coverage recommended for each. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.

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- 2.12 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond. The bond shall be issued in "triplicate originals," with one original to remain with the System Comptroller. A copy of the bond shall be filed in the Office of the Secretary to the Board of Regents.
- 2.13 The premium for the bond is prorated to the component institutions on the basis of the number of employees covered for which a premium charge is made and the excess coverage thereon.
- 2.14 At the time a loss occurs, the System Comptroller shall be notified by the appropriate institutional business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor as well as by the System Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.
- 2.15 The blanket position fidelity bond coverage may be combined with money and securities coverage. See Chapter III, Section 16.
- 2.2 Withholding Exemption Certificate.-- Every employee must execute and file with the institutional business officer an Employees' Withholding Exemption Certificate before compensation can be paid, since the United States Treasury Department, Internal Revenue Service, requires collections of Income Tax on wages at the source. The deductions for taxes withheld are authorized by State law on payroll forms prescribed by the State Comptroller.
- 2.3 Leave for Military Duty.
 - 2.31 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, or - dered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.

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- 2.32 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.
- 2.33 The institutional heads may prescribe forms and procedures for such leaves.
- 2.4 Overtime.
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 - 2.411 The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the Executive Head.
 - 2.412 In order to comply with the Fair Labor Standards Act, those employees in a non-exempt status who are authorized to perform overtime services shall be reimbursed at the rate of one and one-half times the regular rate.
 - 2.413 Overtime Compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Executive Head of the institution involved. Where such overtime compensation is authorized, it shall be on a straight-time basis and paid either in compensatory time or in unusual or extraordinary circumstances in cash.
- 2.5 Student Employment
 - 2.51 The employment of students as Teaching Assistants and Assistants at The University of Texas at Austin is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule.
 - 2.52 The Quantity of Work rule provides that the student's combined employment and semester-hour load may not exceed forty hours per week. A student-employee may register for a thesis or dissertation course in addition to the course load authorized herein provided that his thesis or dissertation course does not require any absence from his place of employment.
 - 2.53 Exceptions to this rule are rarely made and then shall be made only upon specific recommendation of the student's academic dean.
- 2.6 Patent Policy.-- Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to

established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the Executive Head.

- 2.412 In order to comply with the Fair Labor Standards Act, those employees in a non-exempt status who are authorized to perform overtime services shall be reimbursed at the rate of one and one-half times the regular rate.
- 2.413 Overtime Compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Executive Head of the institution involved. Where such overtime compensation is authorized, it shall be on a straight-time basis and paid either in compensatory time or in unusual or extraordinary circumstances in cash.

2.5 Student Employment

- 2.51 The employment of students as Teaching Assistants and Assistants at The University of Texas at Austin is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule.
- 2.52 The Quantity of Work rule provides that the student's combined employment and semester-hour load may not exceed forty hours per week. A student-employee may register for a thesis or dissertation course in addition to the course load authorized herein provided that his thesis or dissertation course does not require any absence from his place of employment.
- 2.53 Exceptions to this rule are rarely made and then shall be made only upon specific recommendation of the student's academic dean.

2.6 Patent Policy.-- Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by employees of The University of Texas System:

- 2.61 The title to the patent for a discovery or invention by an employee shall belong to the employee subject to the following provisions:
 - 2.611 When total net royalties, or other compensations, are less than \$1,000, no payment to The University of Texas System is required.

established work periods except when operating necessities demand it. Any overtime services actually required must have the advance approval of the Executive Head.

2.412 In order to reimburse these employees for approved work performed in excess of forty (40) hours in any one week, it is required that compensatory time be granted at the rate of 1 1/2 times the overtime performed within the same month (pay period) that said overtime was accrued. In the case of hospital employees, said employees shall be reimbursed with compensatory time at the rate of 1 1/2 times the overtime accrued in excess of eighty (80) hours over a fourteen (14) day consecutive period.

2.413 This provision shall not apply to medical personnel and employees employed in a Bona Fide executive, administrative or professional capacity, including any employee employed in the capacity of Academic Administrative personnel. Compensatory time for those employees excepted from this provision shall be determined by the Executive Head of the institution involved.

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demand it. Equivalent compensatory time off for required overtime of at least one hour or more above established work periods is given employees whose salary rate is below \$750.00 per month at all institutions except the M. D. Anderson Hospital and Tumor Institute at Houston where definite salary limits are set.

2.412 Overtime equivalent not to exceed a regular work week may be accumulated and compensatory time taken at a mutually convenient time. Under exceptional circumstances payment may be made to eligible employees on a straight time basis from the budget of the employing department, upon approval of the appropriate administrative officials.

2.413 Full-time employees on a twelve months' salary basis shall not be permitted extra employment on government and other sponsored projects, except in rare instances when the interest of the institution is paramount. In the event that such employment is approved, it is limited to a maximum of 10 additional hours per week.

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 - 2.613 When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid The University of Texas System will be 10 per cent on the amount above \$1,000 but less than \$5,000, and 20 per cent on all amounts of \$5,000 or more.
 - 2.614 Where contributions have been made to research projects by private donors, nonexclusive licenses on all inventions or discoveries resulting from such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

Sec. 3. Certain Provisions in Current Appropriation Bill.-- The Rules and Regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Bill, including the following pertaining to personnel:

- 3.1 Use of Alcoholic Beverages.-- "None of the moneys appropriated under this Act shall be used for the payment of salaries to any employee who uses alcoholic beverages while on active duty. None of the funds appropriated under this Act for travel expenses may be expended for alcoholic beverages."
- 3.2 Separation from State Employment. -- No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective day of the employee's resignation, dismissal, or separation from State employment (See Part One, Chapter III, Subsections 15.3 and 19.3).
- 3.3 Advocating Overthrow of the Government. -- "None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

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- 3.4 Liability Insurance. -- "As employee compensation in addition to that otherwise provided herein, any state agency authorized by the 1968-69 Appropriations Bill to purchase and operate motor vehicles, may reimburse its employees, out of funds appropriated in this Act, for costs incurred in purchasing any necessary additional personal liability insurance for the purpose of insuring against personal liability arising out of the full-time use of such state-owned motor vehicles."

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Sec. 4. Other Regulations Concerning Personnel are Reported in the Rules and Regulations of the Board of Regents, Part One, as follows:

Affidavit- Chapter III, Sec. 1.6, page 26.

Political Aid and Legislative Influence - Chapter III, Sec. 1.7, page 27.

Physical Examination - Chapter III, Sec. 1.8, page 27.

Employment of Aliens - Chapter III, Sec. 3, page 23.

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Employment of Aliens - Chapter III, Sec. 3, page 28.

Indebtedness to The University of Texas System or the State - Chapter III, Sec. 28, page 40.

Appointment of Relative (Nepotism Rule) - Chapter III, Sec. 5, page 29.

Holidays - Chapter III, Sec. 14, page 35.

Vacation - Chapter III, Sec. 15, page 36.

Sick Leave - Chapter III, Sec. 19, page 37.

Leave for Jury Duty - Chapter III, Sec. 20, page 37.

Absence from Usual and Regular Duties - Chapter III, Sec. 21, page 37.

Leaves of Absence Without Pay - Chapter III, Sec. 16, page 36.

Office Hours - Chapter III, Sec. 12, page 34.

Outside Employment - Chapter III, Sec. 13, page 35.

Acceptance of Money from Students - Chapter III, Sec. 26, page 39.

Textbooks and Other Materials Prescribed for the Use of Students - Chapter III, Sec. 24, page 38.

Institutional Employees as Students - Chapter III, Sec. 30, page 40.

Power to Authorize Expenditures out of The University of Texas System Funds - Chapter III, Sec. 27, page 39.

Division of Salaries for Staff Engaged in Teaching and Non teaching Activities - Chapter III, Sec. 18, page 37.

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Division of Salaries for Staff Engaged in Teaching and Non teaching Activities - Chapter III, Sec. 18, page 37.

Compensation for Correspondence and Extension Teaching of Full-time Staff Members - Chapter III, Sec. 23, page 38.

Classified Personnel Systems - Chapter III, Sec. 2, page 27.

Code of Ethics - Chapter III, Sec. 4, page 28.

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Compensation for Correspondence and Extension Teaching of Full-time Staff Members - Chapter III, Sec. 23, page 38.

Classified Personnel Systems - Chapter III, Sec. 2, page 27.

Code of Ethics - Chapter III, Sec. 4, page 28.

Tenure, Promotion, and Termination of Employment - Chapter III, Sec. 6, page 30.

Modified Service - Chapter III, Sec. 31, page 40.

Faculty Development Leaves - Chapter III, Sec. 17, page 37.

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Sec. 6, page 30.

Modified Service - Chapter III, Sec. 31, page 40.

Faculty Development Leaves - Chapter III, Sec. 17, page 37.

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws. Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 Effective September 1, 1972, any employee of The University of Texas System employed at least one-half time, whether paid on a monthly or hourly basis, and provided his employment will continue for a period of four and one-half (4 1/2) consecutive months, is eligible for and required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except:
 - 1.21 persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted;
 - 1.22 members of the Employees Retirement System, about which information is given later; and
 - 1.23 participants under the Optional Retirement Program, about which information is given later.
- 1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 percent of their salary up to and including \$25,000 per year, with the maximum contribution of \$1,500 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the five highest years of creditable service, not to exceed \$25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of \$8,400.

- 1.5 When a member leaves the employment of the public schools, colleges, or universities of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges, or universities of Texas.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
- 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75 per month. An auxiliary employee is entitled to minimum benefits of \$60 per month.
- 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
- 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$130 per month. An auxiliary employee is entitled to minimum benefits of \$95 per month.
- 1.74 With twenty years creditable service upon reaching age 55 or with thirty years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- 1.8 Creditable service consists of prior service, former membership service, and current membership service. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.

- 2.24 Any employee who becomes ineligible for the Optional Retirement Program, but is nevertheless eligible for Teacher Retirement, must rejoin Teacher Retirement (A. G. Op. No. M-647 [1970])
- 2.3 Effective Date of Participation
- 2.31 Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.
- 2.32 Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first ninety days of employment.
- 2.4 Contributions to Retirement Plan shall be as follows:
- 2.41 The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 percent of the salary ceiling of \$25,000 per year.
- 2.5 The Deputy Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be approved by the Deputy Chancellor's Office only after furnishing a letter of application that must include the following:
- 2.51 A statement that the company is qualified and admitted to do business in the State of Texas.
- 2.52 A statement that the annuity contracts to be offered by the company are in accordance with Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-1i, Vernon's Texas Civil Statutes), as amended by Chapter 235, Acts of the 61st Legislature, Regular Session, 1969, and the contract offered has the approval of the State Board of Insurance.
- 2.53 A statement that the company will observe The University of Texas System's Rules and Regulations regarding the retirement program.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the Deputy Chancellor, and the Board of Regents.
- 4.2 Any employee employed at least one-half time or more is eligible for coverage. An insured employee's spouse and unmarried children between the ages of 19 and 25 may also be covered.
- 4.3 Employees may enroll within 60 days after they become eligible for coverage. Employees who do not enroll within 60 days may then do so only during the annual enrollment period.
- 4.4 The anniversary date of the contract is January 1 of each year. The annual enrollment period will fall during the month of November preceding each anniversary date.
- 4.5 The contract offers three benefit schedules that provide each employee with options to determine the most suitable plan consistent with his income. The premium rates for coverage depend on the plan selected by the employee and the number of persons in the family to be covered.
- 4.6 Under the Hospital Benefits and Doctor Benefits portions of the contract, specified amounts are provided under the three plans for room and board allowance, benefit period, surgical benefits, and other specified items.
- 4.7 The Major Medical Supplement is on a graduated schedule under each of the three plans, with one basic deductible amount for all three plans (\$100).
- 4.8 An insurance continuation provision is available for employees who leave the employment of the University or who retire.

Sec. 5. Group Term Life Insurance

- 5.1 The University of Texas System carries a master group term life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for a "One Year Term Plan."

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- 5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of \$100,000 or 200% of annual compensation, whichever is the lesser amount. The amount of insurance for any employee who does not elect to change to the new schedule will continue to conform to the Insurance Table in effect prior to September 1, 1975. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
- 5.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 5.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 5.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 5.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System, the Optional Retirement Program, or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has

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increased for each person with each year of age, and are payable entirely by the individual. The program is optional and is available to any employee employed at least one-half time or more; new employees are notified of their eligibility by the personnel office at the time of employment.

- 5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
- 5.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 5.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 5.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 5.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System, the Optional Retirement Program, or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has

increase for each person with each year of age, and are payable entirely by the individual. The program is optional and is available to any employee employed at least one-half time, provided his employment will continue for a period of four and one-half (4 1/2) consecutive months; new employees are notified of their eligibility by the personnel office at the time of employment.

- 5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
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deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.

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- 5.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System, the Optional Retirement Program, or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has

attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the 10 years prior to retirement.

- 5.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 6 Supplemental Cash Value Paid-Up at Age 65 Life Insurance Plan

- 6.1 Supplemental Group Cash Value Paid-Up at Age 65 Life Insurance was made available to employees of The University of Texas System by a rider to the group term life insurance master policy with the Aetna Life Insurance Company. Premiums remain level and are based on the age of the insured at the time he enrolls or, if he increases coverage, his age at the time he changes the amount of insurance. The program is optional and is available to any employee insured under the maximum (two times annual earnings) group term life insurance who has not attained age 65. In order to be eligible for group term life insurance, an individual must be employed at least one-half time or more. New employees are notified of their eligibility at the time of employment. The plan became effective initially April 1, 1972.
- 6.2 The amount of insurance available is based on a schedule of annual earnings and is in units of \$5,000, \$10,000, or \$15,000. Annual earnings for academic personnel shall be the nine month or twelve month rate, as applicable. Annual earnings for nonacademic personnel shall be the twelve month rate. For personnel paid on an hourly basis, the annual earnings shall be the hourly rate times 2,080 hours. When an employee becomes eligible for a greater amount of insurance, a new request form must be completed, and coverage will become effective on the annual renewal date, April 1st, of this plan.
- 6.3 No medical examination is required if application is made for insurance within sixty (60) days from date of employment. After sixty (60) days the insurance company will require that the employee furnish evidence of insurability at his own expense before he can obtain the insurance.

attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the 10 years prior to retirement.

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- 6.2 The amount of insurance available is based on a schedule of annual earnings and is in units of \$5,000, \$10,000, or \$15,000. Annual earnings for academic personnel shall be the nine month or twelve month rate, as applicable. Annual earnings for nonacademic personnel shall be the twelve month rate. For personnel paid on an hourly basis, the annual earnings shall be the hourly rate times 2,080 hours. When an employee becomes eligible for a greater amount of insurance, a new request form must be completed, and coverage will become effective on the annual renewal date, April 1st, of this plan.
- 6.3 No medical examination is required if application is made for insurance within sixty (60) days from date of employment. After sixty (60) days the insurance company will require that the employee furnish evidence of insurability at his own expense before he can obtain the insurance.

As amended June 9, 1972

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- 5.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 6. Group Long Term Disability Income Insurance.

- 6.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or monthly salaried employees appointed at least one-half time. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 6.2 Monthly rate of basic earnings is the rate in effect on the March 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$4,166.66 per month. All premiums and benefits are payable 12 months per year.
- 6.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$2,708.33 per month, and any extra compensation is excluded. The plan will pay all of the 65% guarantee if the insured is not eligible for "other income benefits." If he is eligible for "other income benefits," the plan will add to the total

- 6.4 If an employee elects a lesser amount of insurance than annual earnings permit, or does not take an insurance increase that he is eligible for, he will be unable to elect an additional amount of insurance, regardless of the circumstances, without evidence of insurability. No medical examination is required if evidence of insurability is accepted by the company after review, but if it is not accepted, the applicant must have a medical examination at his own expense.
- 6.5 Beneficiaries are designated by the insured on the application forms and may be changed during the life of the policy upon application to the business or personnel offices. Each insured receives a certificate issued by the company and transmitted through the business office or personnel office.
- 6.6 The Plan provides employees with the option, upon retirement at age 65, to elect either the cash value of the policy or life insurance protection after age 65 that is paid-up, and requires no further premium payments. If an employee leaves The University of Texas System prior to retirement, he has the option of electing the cash value of the policy or taking his paid-up insurance with him.
- 6.7 A waiver of premium is provided for an insured who becomes totally and permanently disabled before age sixty (60). Provided disability has lasted nine months and proofs of disability are accepted, contributions will cease and no further contributions will be required as long as the employee remains disabled.
- 6.8 Benefits at death are payable to the beneficiary in lump sums or in regular installments. Upon notification of death of an insured, the personnel officer assists in the preparation of the required records to be sent to the insurance company.
- 6.9 Participation in this plan terminates when the employee terminates unless the insured retires under bona-fide retirement provisions of the Teacher Retirement System, the Employee's Retirement System, or the Optional Retirement Program. A person may continue to keep the coverage, however, during a period of temporary lay-off or official leave of absence by paying a sufficient amount in advance through the business office of the appropriate component institution to cover contributions that will become due during the period of leave.
- 6.10 The life insurance under this plan will cease at the end of the last policy month for which a contribution was made, except, that if death should occur within 31 days thereafter, the death benefits will be payable. Within this 31-day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert a part of his cash value insurance to an individual life insurance policy or any regular whole life or endowment plan. The part that is convertible is the difference between the amount of insurance in force and the amount of paid-up insurance available in accordance with the non-forfeiture provision of the plan. The premiums will be based on the age of the insured at the time of conversion.
- 6.11 When an employee terminates and he does not wish to convert to another insurance plan, he may elect to withdraw the cash value or

As amended 5/3/74

keep the amount of paid-up insurance he is entitled to without making another premium payment. Cash value is available only upon termination of employment.

- 6.12 The insured employee may not borrow against the cash value of his policy.

Sec. 7. Group Long Term Disability Income Insurance.

- 7.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional and is available to any employee employed at least one-half time or more. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 7.2 Monthly rate of basic earnings is the rate in effect on the March 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$4,166.66 per month. All premiums and benefits are payable 12 months per year.
- 7.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$2,708.33 per month, and any extra compensation is excluded. The plan will pay all of the 65% guarantee if the insured is not eligible for "other income benefits." If he is eligible for "other income benefits," the plan will add to the total of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from his component institution, or from any other employer, while he is eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas System.
- 7.4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65, whichever happens first.

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As amended 5/3/74

- 7.5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form prepared by the company and available through the personnel office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.
- 7.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.
- 7.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
- 7.71 Upon discontinuance of the policy.
- 7.72 At the end of a policy month during which the employee's employment with The University of Texas System in the classes eligible for the insurance terminates.
- 7.73 On the date the employee attains the age of 65 years.
- 7.8 A person may continue to keep the coverage during periods of official Leave of Absence upon the direct payment of premiums through the business office of the appropriate component institution.

Sec. 8. Group Accident Insurance.

- 8.1 Group Accident Insurance was made available to employees of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to any employee under age 70 employed at least one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.
- 8.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside of the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
- 8.3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that

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- 8.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside of the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
- 8.3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that

exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who select coverage for themselves may also take coverage for their spouses in an amount between \$10,000 up to a maximum of 50 percent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for \$1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

Sec. 9, Workmen's Compensation Insurance.

- 9.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 percent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 9.2 The System Personnel Director, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board. His office is responsible for the System-wide coordination of occupational safety and health activities, and for administration and enforcement of state and national laws and standards applicable to occupational safety and health.
- 9.3 All employees whose names appear on the payrolls are eligible except:
 - 9.31 Administrative staff, including officers of the administration;
 - 9.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly, or being exposed to hazards of occupational disease; and
 - 9.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 9.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.

- 9.5 A physical examination by a designated physician is required for all persons to be covered, and before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations that must be approved by the System Personnel Director. The physician's fee is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 9.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Workmen's Compensation Insurance Division of the System Personnel Office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.
- 9.7 The percentage of annual payroll, within the 2 percent mentioned in Sub-section 9.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional chief business officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund.
- 9.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the System Personnel Director and are called for treatment when possible, though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 9.9 The Supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost

- 9.10 A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.
- 9.11 The weekly compensation benefit for a covered employee injured in the course of his work is equal to $66 \frac{2}{3}$ percent of the average weekly earnings for the 12 months immediately preceding injury, though not more nor less than the amount set forth in Article 8306, Section 29, Vernon's Texas Civil Statutes. Compensation to an employee on less than a full work day basis is not more than $66 \frac{2}{3}$ percent of his average weekly earnings, with the same maximum as the amount set forth in Article 8306, Section 29, Vernon's Texas Civil Statutes. Benefits may be paid for no longer than 401 weeks from date of removal from payroll for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or eye. In case of death, benefits shall be the same as those provided in Article 8306, Section 8, Vernon's Texas Civil Statutes.
- 9.12 Payment for medical aid, hospitalization and compensation is through the System Personnel Office.
- 9.13 The System Personnel Office shall issue an annual report through proper channels to the Deputy Chancellor and to the Secretary to the Board of Regents for the information of the members of the Board which shall include at least the following information for each component institution: the total claims and number of days lost, total compensation and medical benefits paid, receipts, and total expenditures including allocation of overhead. The report shall also include the balance in the fund at the beginning of the fiscal year, total receipts including interest, total disbursements, and balance in the fund at the end of the fiscal year.

- 9.13 Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.
- 9.14 The System Personnel Office shall issue an annual report through proper channels to the Deputy Chancellor for Administration and to the Secretary to the Board of Regents for the information of the members of the Board which shall include at least the following information for each component institution: the total claims and number of days lost, total compensation and medical benefits paid, total amount paid to private physicians and component institutions for physical examinations performed, receipts, and total expenditures including allocation of overhead. The report shall also include the balance in the fund at the beginning of the fiscal year, total receipts including interest, total disbursements, and balance in the fund at the end of the fiscal year.

Sec. 10. Unemployment Compensation Program

- 10.1 The University of Texas System Unemployment Compensation Program, effective January 1, 1972, and thereafter, is administered on a System-wide basis. Under the program, certain weekly benefits are payable to former employees who were separated from employment with The University of Texas System under conditions specified in the Texas Unemployment Compensation Act and are unable to find suitable employment. Two methods of funding the cost of approved claims for such former employees will be in effect, as follows:
- 10.11 For former employees whose salaries were paid from State General Revenue Funds, the cost of approved claims chargebacks are paid by the State Comptroller as provided in the current State General Appropriation Act. Initially, the Texas Employment Commission (TEC) pays approved claims and, quarterly, notifies the State Comptroller's Office and the appropriate University of Texas System component institution of the claims amounts paid by individual. TEC bills the State Comptroller's Office, which makes payments to TEC from State General Revenue Funds appropriated for this purpose. Administration of claims, periodic reporting of salaries paid, and other aspects of administering the program for employees whose salaries are paid out of State General Revenue are the same as for those whose salaries are not paid out of State General Revenue, except that the assessments provided in Subsection 10.4 are not applied to salaries paid from State General Revenue Funds, or such other exceptions as are deemed by the System Personnel Director to be necessary for effective administration.

- 9.13 Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.
- 9.14 The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: the names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

Sec. 10. Unemployment Compensation Program

- 10.1 The University of Texas System Unemployment Compensation Program, effective January 1, 1972, and thereafter, is administered on a System-wide basis. Under the program, certain weekly benefits are payable to former employees who were separated from employment with The University of Texas System under conditions specified in the Texas Unemployment Compensation Act and are unable to find suitable employment. Two methods of funding the cost of approved claims for such former employees will be in effect, as follows:

- 10.11 For former employees whose salaries were paid from State General Revenue Funds, the cost of approved claims chargebacks are paid by the State Comptroller as provided in the current State General Appropriation Act. Initially, the Texas Employment Commission (TEC) pays approved claims and, quarterly, notifies the State Comptroller's Office and the appropriate University of Texas System component institution of the claims amounts paid by individual. TEC bills the State Comptroller's Office, which makes payments to TEC from State General Revenue Funds appropriated for this purpose. Administration of claims, periodic reporting of salaries paid, and other aspects of administering the program for employees whose salaries are paid out of State General Revenue are the same as for those whose salaries are not paid out of State General Revenue, except that the assessments provided in Subsection 10.4 are not applied to salaries paid from State General Revenue Funds, or such other exceptions as are deemed by the System Personnel Director to be necessary for effective administration.

- 10.12 For former employees whose salaries were paid from funds other than State General Revenue, the cost of approved claims chargebacks is paid initially by the State Comptroller as specified under 10.11 above. Quarterly, or periodically as otherwise required by the State Comptroller, The University of Texas System, by check made payable to the State Comptroller, reimburses the State General Revenue Fund from The University of Texas System Unemployment Compensation Insurance Fund, a self-insurance fund described in Subsection 10.4.
- 10.2 The System Personnel Director, working in close cooperation with the System Comptroller and other appropriate officials of the System and its component institutions, is responsible for:
- 10.21 Administering the Unemployment Compensation Program for all employees of The University of Texas System, with the assistance of appropriate institutional officials.
- 10.22 Determining the University's official position regarding claims protests in questionable cases, and assisting component officials in protest hearings.
- 10.23 Representing the institutions in all cases where claims are appealed to Appeals Tribunal or Commission Review and assisting the State Attorney General as required in representing the System with institutional participation in all cases in court actions provided for in the law.
- 10.24 Establishing and maintaining such additional policies and procedures as are necessary for the effective administration of the program as provided under existing statutes and these Rules and Regulations, including requirements for employee separation and claims administration, informing affected personnel about the Unemployment Compensation Program, and analyzing statistical data as needed.
- 10.25 Administering the Unemployment Compensation Insurance Fund and all policies and procedures necessary to bring about effective fund management and loss control for the Unemployment Compensation Program.
- 10.26 Maintaining records of all claims filed and paid, all chargebacks, and other records necessary to separate approved claims information applicable to student employment and extending such record-keeping to any additional group(s) of employees for which such analysis may be deemed by the System Personnel Director to be necessary for effective administration, including

records necessary to determine individual "benefit ratios" under Subsection 10.61 for each of the following categories of fund sources:

- 10.261 State General Revenue
- 10.262 Other than State General Revenue
 - (a) Organized Research (including contract research and services)
 - (b) Educational Service Agreements (including training grants)
 - (c) Organized Activities Related to Educational Departments (including hospitals and clinics)
 - (d) Auxiliary Enterprises
 - (e) All Other

- 10.3 All services performed in the employ of The University of Texas System are deemed to constitute employment and are provided for under the Unemployment Compensation Program. However, benefits based on service in an instructional, research, or principal administrative capacity are not payable between two contractual periods of service, as specified in the Texas Unemployment Compensation Act.
- 10.4 The System-wide Unemployment Compensation Insurance Fund is established January 1, 1972, to accumulate necessary funds to pay reimbursements to the State Comptroller for claims of former employees whose salaries were not paid out of State General Revenue Funds. Sources of all salaries other than State General Revenue are charged an assessment beginning on the effective date and each month or payroll period thereafter. Checks covering these charges will be forwarded monthly to the System Personnel Director for deposit in the Unemployment Compensation Insurance Fund. Following the close of each calendar quarter, or such other reporting period as may be deemed by the System Personnel Director to be necessary for effective administration, institutional chief business officers will prepare and send to the System Personnel Office reports itemizing by employees the salaries reported to the TEC and the amounts of such salaries subject to assessment. The reported assessable salaries will be reconciled to the checks submitted monthly in payment of the assessments. The reports will also contain such other information as may be required for effective reporting. In instances in which amounts may be due the Unemployment Compensation Insurance Fund from the State Comptroller for adjustments on claims paid, assessments, or as otherwise deemed necessary by the institutional chief business officers for effective and commensurate allocation of assessments or approved claims chargebacks, the State Comptroller is requested to issue a state warrant for the amount due.

10.5 Separate and apart from all other System monies or funds, an Unemployment Compensation Fund, administered under the same custodianship as other monies administered by the University, is established and maintained in one or more regular depositories of the University, secured by collateral in accordance with state statutory requirements. The fund consists of all assessments collected, all interest earned on deposits of any monies in the fund, and all other monies received for the fund from any other source. This fund is designated as a "revolving fund" under the "University of Texas Central Services Account" provision of the current General Appropriation Act. Expenditures from the Unemployment Compensation Insurance Fund are restricted to direct costs: payments and chargebacks of approved Unemployment Compensation claims, and System administrative costs not to exceed five percent per year of the balance in the fund at the beginning of each preceding year. Investments or time deposits of such funds are in accordance with regular University policies.

10.6 The University of Texas System Unemployment Compensation Insurance Fund operates under principles and methods generally consistent with those established by the Texas Unemployment Compensation Act for operation of the State Unemployment Compensation Fund.

10.61 After an initial development period (as provided in Subdivision 10.62) assessment rates will be computed based upon principles and methods consistent with provisions in the Texas Unemployment Compensation Act for determination of "Contribution" rates. In applying these principles, "benefit ratios" will be developed for determination of basic rates which will be adjusted (decreased or increased, respectively) by one-tenth of one percent for each \$25,000 or fraction thereof by which the amount in the Unemployment Compensation Insurance Fund exceeds \$1,755,000 or is less than \$1,215,000. Such computation will be made at the beginning of each calendar year, and the assessment rate(s) so calculated, but in no event less than one-tenth of one percent, will be applicable to the fiscal year beginning within that calendar year.

10.62 Compensation experience and fund balances will be developed during the period January 1, 1972 through August 31, 1976. Assessment rates during this initial development period are as follows:

10.621 January 1, 1972 through August 31, 1973, the assessment rate is 2.7 percent applied to salaries and wages up to \$4,200 per employee per calendar year.

- 10.622 September 1, 1973 through August 31, 1976, the assessment rates are subject to approval of the Board of Regents based upon determinations by System Administration after review of all available data on loss experience and levels of fund balances.
- 10.63 A single assessment rate is charged to all affected fund sources on a nondiscriminatory basis throughout The University of Texas System, unless differential rates are found to be desirable as between categories of funding sources and such differential rates are approved by the Board of Regents.
- 10.7 In the event that the amount in the Unemployment Compensation Insurance Fund is fully depleted and further reimbursement payments create a deficit in the fund, at the end of any month, such deficit will be recovered by additional emergency assessments which the component institutions will fund by distribution of the costs to all accounts based upon the covered wages which had been charged to the accounts during the month and paid from funds other than State General Revenue.
- 10.8 The System Personnel Office will issue an annual report to include separate reporting of income and disbursements by institution, fund categories, and such other information as may be deemed necessary for effective administration.

Sec. 11. Social Security (Old Age and Survivors Insurance).

- 11.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the Federal Social Security Program as a condition of employment.

- 10.622 September 1, 1973 through August 31, 1976, the assessment rates are subject to approval of the Board of Regents based upon determinations by System Administration after review of all available data on loss experience and levels of fund balances.
- 10.63 A single assessment rate is charged to all affected fund sources on a nondiscriminatory basis throughout The University of Texas System, unless differential rates are found to be desirable as between categories of funding sources and such differential rates are approved by the Board of Regents.
- 10.7 In the event that the amount in the Unemployment Compensation Insurance Fund is fully depleted and further reimbursement payments create a deficit in the fund, at the end of any month, such deficit will be recovered by additional emergency assessments which the component institutions will fund by distribution of the costs to all accounts based upon the covered wages which had been charged to the accounts during the month and paid from funds other than State General Revenue.
- 10.8 The System Personnel Office will issue an annual report to include separate reporting of income and disbursements by institution, fund categories, and such other information as may be deemed necessary for effective administration.

*Entire Chapter amended
4/23/71.
- monthly reorganized -*

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws.
Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 All employees of The University of Texas System employed on a regular salaried basis are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.
- 1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 percent of their salary up to and including \$25,000 per year, with the maximum contribution of \$1,500 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the five highest years of creditable service, not to exceed \$25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of \$8,400.

- 1.5 When a member leaves the employment of the public schools, colleges, or universities of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges, or universities of Texas.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
 - 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
 - 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
 - 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.
 - 1.74 With twenty years creditable service upon reaching age 55 or with thirty years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- 1.8 Creditable service consists of prior service, former membership service, and current membership service. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.

1. 9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the component institution business or personnel office, the System Personnel Office, or the Teacher Retirement System in Austin.
1. 10 Few employees of The University of Texas System are members of the Employees Retirement System because they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees. Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 5 percent of the total salary earned, which is deducted from monthly salary payments.

Sec. 2. Optional Retirement Program.

2. 1 Pursuant to Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-li, Vernon's Texas Civil Statutes), as amended, the Board of Regents of The University of Texas System has authorized:
2. 11 The establishment of an Optional Retirement Program in lieu of active membership in Teacher Retirement System of Texas to become effective September 1, 1968.
2. 12 Any insurance or annuity company qualified and admitted to do business in this State to offer an Optional Retirement Plan to eligible employees of The University of Texas System.
2. 13 The ceiling on both the employee's contribution and the State's matching contribution to the Optional Retirement Plan to be the same as is in effect for contributions to the Teacher Retirement System.
2. 14 Compliance with the terms and provisions of the Act, and further compliance with prescribed rules and regulations of the State Board of Insurance and The University of Texas System.
2. 2 Eligibility - The following types of employees are eligible to participate in the Optional Retirement Program:
2. 21 All full-time faculty members appointed at least 4-1/2 months.
2. 22 All full-time administrative, research or professional personnel appointed for at least 4-1/2 months, excluding any person employed in a position which is in the classified personnel pay plan of a component institution of the University.
2. 23 A full-time person who enters the program and later reduces to part-time status will remain eligible for the Program.

- 2.24 Any employee who becomes ineligible for the Optional Retirement Program, but is nevertheless eligible for Teacher Retirement, must rejoin Teacher Retirement (A. G. Op. No. M-647 [1970])
- 2.3 Effective Date of Participation
- 2.31 Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.
- 2.32 Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first ninety days of employment.
- 2.4 Contributions to Retirement Plan shall be as follows:
- 2.41 The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 percent of the salary ceiling of \$25,000 per year.
- 2.5 The Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be approved by the Chancellor's Office only after furnishing a letter of application that must include the following:
- 2.51 A statement that the company is qualified and admitted to do business in the State of Texas.
- 2.52 A statement that the annuity contracts to be offered by the company are in accordance with Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-li, Vernon's Texas Civil Statutes), as amended by Chapter 235, Acts of the 61st Legislature, Regular Session, 1969, and the contract offered has the approval of the State Board of Insurance.
- 2.53 A statement that the company will observe The University of Texas System's Rules and Regulations regarding the retirement program.

- 2.54 A guarantee on the part of the company that the first year's State matching contribution (or fractional part thereof) will be refunded to The University of Texas System in the event the employee does not begin his second year of participation in the Optional Retirement Program.
 - 2.55 A description of the company's procedure in allocating the State's first year matching contribution and an assurance that such procedure will enable the policy to retain its 403(b) tax deferred status during the first year of employee participation under a salary reduction agreement.
 - 2.56 A statement that the company will comply with the provisions set out in the memorandum issued from Office of the Chancellor dated October 8, 1968, to Insurance and Annuity Companies in reference to the Optional Retirement Program.
 - 2.57 A statement certifying that the company's contract to provide an annuity under The University of Texas System Optional Retirement Program does not contain a life insurance feature as referred to in A.G. Op. M-595 (1970).
 - 2.58 The letter to be submitted by the company must be signed by either the President or General Counsel of the Company.
 - 2.59 Specimen copies of all types of contracts to be offered by the carrier, both group and individual, must be submitted for approval with the letter of application.
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- 2.6 The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.
 - 2.7 There can be only one change in Optional Retirement Program carriers per person, and such change may be made only on September 1st of each year.
 - 2.8 Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.

- 2.9 A.G. Op. M-196 (1968) held that Section 7 of Article 2922-li, Vernon's Texas Civil Statutes, violates Section 48a of Article 3 of the Texas Constitution. As a result of this ruling, benefits cannot be paid under the Optional Retirement Program to any individual also receiving benefits payable under other State pension retirement funds or direct aid from the State of Texas.
- 2.10 Optional Retirement programs provide for vesting of benefit rights after one year of participation in the program by the employee. Vesting is to be effective on the first day of employment after one year's participation in the program under The University of Texas System. Participation may be with more than one approved carrier (A.G. Op. M-420 [1969]).

Sec. 3. Tax Deferred Annuities.

- 3.1 Under a plan approved by the Board of Regents, employees of The University of Texas System may purchase 403(b) Tax Deferred Annuities from Texas-licensed insurance companies.
- 3.2 An employee desiring to participate in this program may enter into an agreement with his component institution and designate a portion of his monthly gross compensation to be used by the component institution to purchase an annuity for the employee from the company selected by the employee. This agreement is irrevocable for one year.
- 3.3 The Chief Business Officer or his delegate of each component institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The payroll deduction method will be employed for the annuity payments and the amounts contracted for by the employees will be forwarded to each insurance company after the payroll deductions therefor.
- 3.4 The participation and purchase of 403(b) Tax Deferred Annuities shall be in accordance with Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), and shall be in accordance with the Internal Revenue Code and amendments thereto.
- 3.5 Additional information may be secured from the institutional business offices or the personnel offices.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the Deputy Chancellor for Administration, the Chancellor, and the Board of Regents.
- 4.2 Any employee appointed at least one-half time on a monthly basis is eligible for coverage. The spouse of employees and unmarried children between the ages of 19 and 25 may also be covered.
- 4.3 Employees may enroll within 60 days after they become eligible for coverage. Employees who do not enroll within 60 days may then do so only during the annual enrollment period.
- 4.4 The anniversary date of the contract is January 1 of each year. The annual enrollment period will fall during the month of November preceding each anniversary date.
- 4.5 The contract offers three benefit schedules that provide each employee with options to determine the most suitable plan consistent with his income. The premium rates for coverage depend on the plan selected by the employee and the number of persons in the family to be covered.
- 4.6 Under the Hospital Benefits and Doctor Benefits portions of the contract, specified amounts are provided under the three plans for room and board allowance, benefit period, surgical benefits, and other specified items.
- 4.7 The Major Medical Supplement is on a graduated schedule under each of the three plans, with one basic deductible amount for all three plans (\$100).
- 4.8 An insurance continuation provision is available for employees who leave the employment of the University or who retire.

Sec. 5. Group Life Insurance.

- 5.1 The University of Texas System carries a master group life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll

deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.

- 5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
- 5.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 5.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 5.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 5.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of

age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the 10 years prior to retirement.

- 5.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 6. Group Long Term Disability Income Insurance.

- 6.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or monthly salaried employees appointed at least one-half time. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 6.2 Monthly rate of basic earnings is the rate in effect on the March 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$4,166.66 per month. All premiums and benefits are payable 12 months per year.
- 6.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$2,708.33 per month, and any extra compensation is excluded. The plan will pay all of the 65% guarantee if the insured is not eligible for "other income benefits." If he is eligible for "other income benefits," the plan will add to the total

of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from his component institution, or from any other employer, while he is eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas System.

- 6.4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65, whichever happens first.
- 6.5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form prepared by the company and available through the personnel office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.
- 6.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.
- 6.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
 - 6.71 Upon discontinuance of the policy.
 - 6.72 At the end of a policy month during which the employee's employment with The University of Texas System in the classes eligible for the insurance terminates.
 - 6.73 On the date the employee attains the age of 65 years.
- 6.8 A person may continue to keep the coverage during periods of official Leave of Absence upon the direct payment of premiums through the business office of the appropriate component institution.

Sec. 7. Group Accident Insurance.

- 7.1 Group Accident Insurance was made available to faculty and staff members of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to all faculty and staff members

under age 70 appointed to one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.

- 7.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside of the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
- 7.3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who select coverage for themselves may also take coverage for their spouses in an amount between \$10,000 up to a maximum of 50 percent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for \$1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

Sec. 8. Social Security (Old Age and Survivors Insurance).

- 8.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the Federal Social Security Program as a condition of employment.

Sec. 9. Workmen's Compensation Insurance.

- 9.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 percent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 9.2 The System Personnel Director, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board. His office is responsible for the System-wide coordination of occupational safety and health activities, and for administration and enforcement of state and national laws and standards applicable to occupational safety and health.
- 9.3 All employees whose names appear on the payrolls are eligible except:
- 9.31 Administrative staff, including officers of the administration;
 - 9.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly, or being exposed to hazards of occupational disease; and
 - 9.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 9.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.

- 9.5 A physical examination by a designated physician is required for all persons to be covered, and before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations that must be approved by the Board of Regents. The physician's fee is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 9.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Workmen's Compensation Insurance Division of the System Personnel Office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.
- 9.7 The percentage of annual payroll, within the 2 percent mentioned in Sub-section 9.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional chief business officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund.
- 9.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the System Personnel Director and are called for treatment when possible, though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 9.9 The Supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost

from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the end of each 60-day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.

- 9.10 The employees' supervisors are also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. They approve the statement from the physician as to services rendered although not actual charges for treatment.
- 9.11 A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.
- 9.12 The weekly compensation benefit for a covered employee injured in the course of his work is equal to 60 percent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$49 nor less than \$12 per week. Compensation to an employee on less than a full work day basis is not more than 60 percent of his average weekly earnings, with the same maximum of \$49. Benefits may be paid for no longer than 401 weeks from date of removal from payroll for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.

- 9 .13 Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.
- 9 .14 The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: the names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

*Entire Chapter
amended 12-12-69*

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws.
Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 All employees of The University of Texas System employed on a regular salaried basis are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.
- 1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 per cent of their salary up to and including \$25,000 per year, with the maximum contribution of \$1,500 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the ten highest years of creditable service, not to exceed \$25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of \$8,400.

- 1.5 When a member leaves the employment of the public schools, colleges, or universities of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges or universities of Texas.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
- 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
- 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
- 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.
- 1.74 With 20 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- 1.8 Creditable service consists of prior service, former membership service, and current membership service. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.

- 1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the component institution business or personnel office, the System Personnel Office, or the Teacher Retirement System in Austin.
- 1.10 Few employees of The University of Texas System are members of the Employees Retirement System because they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees. Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 5 per cent of the total salary earned, which is deducted from monthly salary payments.

Sec. 2. Optional Retirement Program

- 2.1 Pursuant to Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-li, Vernon's Texas Civil Statutes), the Board of Regents of The University of Texas System has authorized:
- 2.11 The establishment of an Optional Retirement Program in lieu of active membership in Teacher Retirement System of Texas to become effective September 1, 1968.
- 2.12 Any insurance or annuity company qualified and admitted to do business in this State to offer an Optional Retirement Plan to eligible employees of The University of Texas System.
- 2.13 The ceiling on both the employee's contribution and the State's matching contribution to the Optional Retirement Plan to be the same as is in effect for contributions to the Teacher Retirement System.
- 2.14 Compliance with the terms and provisions of the Act, and further compliance with prescribed rules and regulations of the State Board of Insurance and The University of Texas System.
- 2.2 Eligibility - The following types of employees are eligible to participate in the Optional Retirement Program:
- 2.21 All full-time faculty members appointed at least 4-1/2 months.
- 2.22 All full-time administrative, research or professional personnel appointed for at least 4-1/2 months, excluding any person employed in a position which is in the classified personnel pay plan of a component institution of the University.
- 2.23 A full-time person who enters the program and later reduces to part-time status will remain eligible for the Program.

- 2.3 Effective Date of Participation**
- 2.31** Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.
- 2.32** Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first 90 days of employment.
- 2.4 Contributions to Retirement Plan shall be as follows:**
- 2.41** The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 per cent of the salary ceiling of \$25,000 per year.
- 2.5** The Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be indicated by the Chancellor's Office.
- 2.6** The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.
- 2.7** Because of the one-year vesting clause in the law, the State's matching contribution must be returned to the University if an employee does not begin a second year of participation.
- 2.8** There can be only one change in Optional Retirement Program carriers per person, and such change may be made only on September 1st.
- 2.9** Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.

Sec. 3. Group Life Insurance.

- 3.1 The University of Texas System carries a master group life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.
- 3.2 The amount of insurance available is equal to the next highest thousand dollars above the annual salary with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
- 3.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 3.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 3.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 3.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 3.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of

age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the ten years prior to retirement.

- 3.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the System Personnel Director, the Executive Vice-Chancellor for Fiscal Affairs, the Deputy Chancellor, the Chancellor, and the Board of Regents.
- 4.2 This plan provides for a basic coverage supplemented by major medical coverage.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 5.2 The Supervisor of Workmen's Compensation Insurance, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.
- 5.3 All employees whose names appear on the payrolls are eligible except:
- 5.31 Administrative staff, including officers of the administration;
- 5.32 Teaching staff, research staff, clerical and office employees and

supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly, or being exposed to hazards of occupational disease; and

- 5.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 5.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.
- 5.5 A physical examination by a designated physician is required for all persons to be covered, and before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations that must be approved by the Board of Regents. The physician's fee is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 5.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Supervisor's office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.
- 5.7 The percentage of annual payroll, within the 2 per cent mentioned in subsection 5.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional chief business officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund.
- 5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the supervisor and approval of the System Personnel Director and are called for treatment when possible, though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used,

except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.

- 5.9 The supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the end of each 60-day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.
- 5.(10) The employees' supervisors are also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. They approve the statement from the physician as to services rendered although not actual charges for treatment.
- 5.(11) A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.
- 5.(12) The weekly compensation benefit for a covered employee injured in the course of his work is equal to 60 per cent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$49 nor less than \$12 per week. Compensation to an employee on less than a full work day basis is not more than 60 per cent of his average weekly earning, with the same maximum of \$49. Benefits may be paid for no longer than 401 weeks from date of removal from payroll for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.

- 5.(13) Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.
- 5.(14) The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: The names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

Sec. 6. Social Security (Old Age and Survivors Insurance).

- 6.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the Federal Social Security Program as a condition of employment.

Sec. 7. Tax Deferred Annuities

- 7.1 Under a plan approved by the Board of Regents, employees of The University of Texas System may purchase 403B Tax Deferred Annuities from Texas-licensed insurance companies.
- 7.2 An employee desiring to participate in this program may enter into an agreement with his component institution and designate a portion of his monthly gross compensation to be used by the component institution to purchase an annuity for the employee from the company selected by the employee. This agreement is irrevocable for one year.
- 7.3 The chief business officer (or his delegate) of each component institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The payroll deduction method will be employed for the annuity payments and the amounts contracted for by the employees will be forwarded to each insurance company after the payroll deductions therefor.
- 7.4 The participation and purchase of 403B, Tax Deferred Annuities shall be in accordance with the authorization provided by Senate Bill Number 17, 57th Legislature, Third Called Session, 1962 and shall be in accordance with the Internal Revenue Code in amendments thereto.
- 7.5 Additional information may be secured from the institutional business offices or the personnel offices.

Sec. 8. Group Long Term Disability Income Insurance.

- 8.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or monthly salaried employees appointed at least one-half time. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 8.2 Monthly rate of basic earnings is the rate in effect on the October 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$2,500.00 per month. All premiums and benefits are payable 12 months per year.
- 8.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$1625.00 per month, and any extra compensation is excluded. The plan will pay all of this 65% guarantee if the insured is not eligible for "other income benefits". If he is eligible for "other income benefits," the plan will add to the total of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from their component institution, or from any other employer, while they are eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas System.
- 8.4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65 -- whichever happens first.
- 8.5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60 day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.

- 8.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.
- 8.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
- 8.71 Upon discontinuance of the policy.
- 8.72 At the end of a policy month during which the employee's employment with The University of Texas System in the classes eligible for the insurance terminates.
- 8.73 On the date the employee attains the age of sixty-five years.
- 8.8 A person may continue to keep the coverage during periods of official Leave of Absence upon the direct payment of premiums through the business office of the appropriate component institution.

Sec. 9. Group Accident Insurance.

- 9.1 Group Accident Insurance was made available to faculty and staff members of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to all faculty and staff members under age 70 appointed to one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.
- 9.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside of the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
- 9.3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who elect coverage for themselves may also take coverage for their spouses in an amount between \$10,000 up to a maximum of 50 per cent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for \$1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws. Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 All employees of The University of Texas System employed on a regular salaried basis are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.
- 1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 per cent of their salary up to and including \$8,400 per year, with the maximum contribution of \$504 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned

in the ten highest years of creditable service, not to exceed \$8,400 of salary for any one year.

- 1.5 When a member leaves the employment of the public schools, colleges, or universities of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges or universities of Texas.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
 - 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
 - 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
 - 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.
 - 1.74 With 25 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- 1.8 Creditable service consists of prior service, former membership service, and current membership service. For teacher members, prior service is that before September 1, 1937, former membership service

is that rendered during the period September 1, 1937, to August 31, 1955, and current membership service is that rendered subsequent to August 31, 1955. For auxiliary employees, prior service is that rendered prior to September 1, 1949, former membership service is that rendered during the period September 1, 1949, to August 31, 1955, and current membership service is that rendered subsequent to August 31, 1955.

- 1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the component institution business or personnel office, the System Personnel Office, or the Teacher Retirement System in Austin.

Sec. 2. Employees Retirement System.

- 2.1 There are relatively few employees of The University of Texas System who are members of the Employees Retirement System since they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees.
- 2.2 Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 4 1/2 per cent of the total salary earned, which is deducted from monthly salary payments. The component institution contributes an amount equal to that of employees, payable from the same source as the salary. All contributions are deposited monthly with the Employees Retirement System and by law are deposited by that agency with the State Treasurer.
- 2.3 Members' deposits are handled in the same way as in the Teacher Retirement System.
- 2.4 Provisions for membership and retirement requirements and benefits are quite similar to those for the Teacher Retirement System; however, "prior service" in the Employees Retirement System is all creditable service rendered prior to September 1, 1947, and "membership service" is that which has been earned since that date.

- 2.5 Further details, including information pertaining to reciprocal service with Teacher Retirement System, may be secured from the component institution business office or personnel office, the System Personnel Office, or the Employees Retirement System in Austin.

Sec. 3. Group Life Insurance.

- 3.1 The University of Texas System carries a master group life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to full-time annual faculty and staff; new employees are notified of their eligibility by the personnel office at the time of employment.
- 3.2 The amount of insurance available is equal to the next highest thousand dollars above the annual salary with a maximum of \$20,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for non-teaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.
- 3.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 3.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 3.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in

- 2.54 A guarantee on the part of the company that the first year's State matching contribution (or fractional part thereof) will be refunded to The University of Texas System in the event the employee does not begin his second year of participation in the Optional Retirement Program.
 - 2.55 A description of the company's procedure in allocating the State's first year matching contribution and an assurance that such procedure will enable the policy to retain its 403(b) tax deferred status during the first year of employee participation under a salary reduction agreement.
 - 2.56 A statement that the company will comply with the provisions set out in the memorandum issued from Office of the Chancellor dated October 8, 1968, to Insurance and Annuity Companies in reference to the Optional Retirement Program.
 - 2.57 A statement certifying that the company's contract to provide an annuity under The University of Texas System Optional Retirement Program does not contain a life insurance feature as referred to in A.G. Op. M-595 (1970).
 - 2.58 The letter to be submitted by the company must be signed by either the President or General Counsel of the Company.
 - 2.59 Specimen copies of all types of contracts to be offered by the carrier, both group and individual, must be submitted for approval with the letter of application.
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- 2.6 The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.
 - 2.7 There can only be one change in Optional Retirement Program carriers per year, and such change may be made only on September 1st of each year.
 - 2.8 Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.

age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the ten years prior to retirement.

- 3.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the System Personnel Director, the Deputy Chancellor for Administration, the Chancellor, and the Board of Regents.
- 4.2 This plan provides for a basic coverage supplemented by major medical coverage.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 5.2 The Supervisor of Workmen's Compensation Insurance, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.
- 5.3 All employees whose names appear on the payrolls are eligible except:
- 5.31 Administrative staff, including officers of the administration;
 - 5.32 Teaching staff, research staff, clerical and office employees and

age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the ~~ten years~~ prior to retirement.

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- 4.2 This plan provides for a basic coverage supplemented by major medical coverage.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 5.2 The Supervisor of Workmen's Compensation Insurance, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.
- 5.3 All employees whose names appear on the payrolls are eligible except:
- 5.31 Administrative staff, including officers of the administration;
- 5.32 Teaching staff, research staff, clerical and office employees and

accordance with one of several options. There are no disability benefits after age 60.

- 3.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 3.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the ten years prior to retirement.
- 3.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 4. Group Hospitalization and Medical Benefit Plans.

- 4.1 Group hospitalization and medical benefit plans may be instituted or continued at each of the component institutions subject to approval of the institutional head, the System Personnel Adviser, the Vice-Chancellor for Business Affairs, the Chancellor, and the Board of Regents.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.

- 5.2 The Supervisor of Workmen's Compensation Insurance, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.
- 5.3 All employees whose names appear on the payrolls are eligible except:
- 5.31 Administrative staff, including officers of the administration;
 - 5.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly, or being exposed to hazards of occupational disease; and
 - 5.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 5.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.
- 5.5 A physical examination by a designated physician is required for all persons to be covered and, before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations which is approved by the Board of Regents. A fee of \$5 is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 5.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Supervisor's office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.

- 5.7 The percentage of the annual payroll, within the 2 per cent mentioned in Section 5.1 above is approved by the Board of Regents, and the amount is set aside from available appropriations other than itemized salary appropriations. Institutional chief business officers shall prepare and send to the System Comptroller a monthly report of covered employees showing the source of their salaries and, if from local funds, enclosing a check for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund in the State Treasury.
- 5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the Chancellor and the Board of Regents and are called for treatment when possible though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 5.9 The supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the end of each 60-day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.
5. (10) The employees' supervisors are also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. They approve the statement from the physician as to services rendered although not actual charges for treatment.
5. (11) Compensation paid is in lieu of salary and wages, and the employee's name is therefore dropped from the payroll when he is unable to work after injury, and is not returned to the payroll until he is back on the job after certification by the attending physician.

5. (12) The compensation for a covered employee injured in the course of his work is equal to 60 per cent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$35 nor less than \$9 per week. Compensation to an employee on less than a full work day basis is not more than 60 per cent of his average weekly earning, with the same maximum of \$35. Compensation is not paid for incapacity of less than one calendar week unless incapacity continues for 28 days at which time the compensation is paid for the first seven days. Benefits may be paid for no longer than 401 weeks from date of injury for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.

5. (13) Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.

5. (14) The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: The names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

Sec. 6. Social Security (Old Age and Survivors Insurance).

6.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the Federal Social Security Program as a condition of employment.

Sec. 7. Tax Deferred Annuities

7.1 Under a plan approved by the Board of Regents, employees of The University of Texas System may purchase 403B Tax Deferred Annuities from Texas-licensed insurance companies.

7.2 An employee desiring to participate in this program may enter into an agreement with his component institution and designate a portion of his

monthly gross compensation to be used by the component institution to purchase an annuity for the employee from the company selected by the employee. This agreement is irrevocable for one year.

- 7.3 The chief business officer (or his delegate) of each component institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The payroll deduction method will be employed for the annuity payments and the amounts contracted for by the employees will be forwarded to each insurance company after the payroll deductions therefor.
- 7.4 The participation and purchase of 403B, Tax Deferred Annuities shall be in accordance with the authorization provided by Senate Bill Number 17, 57th Legislature, Third Called Session, 1962 and shall be in accordance with the Internal Revenue Code in amendments thereto.
- 7.5 Additional information may be secured from the institutional business offices or the personnel offices.

Sec. 8. Group Long Term Disability Income Insurance.

- 8.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or full-time monthly salaried employees. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 8.2 Monthly rate of basic earnings is the rate in effect on the October 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$2,500.00 per month. All premiums and benefits are payable 12 months per year.
- 8.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$1625.00 per month, and any extra

compensation is excluded. The plan will pay all of this 65% guarantee if the insured is not eligible for "other income benefits". If he is eligible for "other income benefits," the plan will add to the total of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from their component institution, or from any other employer, while they are eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas System.

- 8.4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65 -- whichever happens first.
- 8.5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60 day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.
- 8.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.
- 8.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
 - 8.71 Upon discontinuance of the policy.
 - 8.72 At the end of a policy month during which the employee's employment with The University of Texas System in the classes eligible for the insurance terminates.
 - 8.73 On the date the employee attains the age of sixty-five years.
- 8.8 A person may continue to keep the coverage during periods of official Leave of Absence upon the direct payment of premiums through the business office of the appropriate component institution.

*As amended
4/23/71*

CHAPTER VII

*Completely rewritten
- revised in
parts -*

PHYSICAL PROPERTIES

Sec. 1. Except as otherwise specifically authorized, property of The University of Texas System shall be used only for official business. Only Library books and other items of similar nature of well-established use may be used for the personal benefit or pleasure of employees. A Property Manager is designated at each component institution.

Sec. 2. Inventories.

- 2.1 An actual physical inventory of property of The University of Texas System shall be made each fiscal year in accordance with Chapter 356, Acts of the 52nd Legislature, Regular Session, 1959, as amended (Article 6252-6, Vernon's Texas Civil Statutes), and in compliance with the "Manual of Instruction - Property Inventory Procedures," issued by the State Comptroller. The Chief Business Officer of each component institution shall issue the necessary implementing instructions.
- 2.2 Department heads are responsible for all University property in their care and for the taking of the inventory on the prescribed record forms.
- 2.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All nonconsumable property valued at \$50 or more per unit is equipment subject to inventory. Items that are worn out or discarded shall be deleted in accordance with instructions furnished.

Sec. 3. Motor Vehicles.

- 3.1 Any motor vehicles permitted under State law to be owned and operated by The University of Texas System shall be used only on official business. Each vehicle shall carry an inscription on both sides as prescribed by law.
- 3.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed within ten days in a central location designated by the Chief Business Officer.

- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 3.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 3.5 It shall be the obligation of the Chief Business Officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 3.6 Each institution shall be cognizant of and render reports on operation of motor vehicles as required by the current appropriations bill.
- 3.7 The University of Texas System is authorized to acquire, operate, and maintain, including replacing, two passenger airplanes. Such airplanes may be acquired by gift only, purchase, or partly by gift and partly by purchase. All costs of acquisition, operation, and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System.

Sec. 4 Insurance on Property of The University of Texas System.

- 4.1 The following types of insurance coverage, where practicable, shall be maintained on a System-wide basis:
 - Fire and Extended Coverage Insurance
 - Boiler and Machinery Insurance
 - Blanket Position (Fidelity) Bond
 - Money and Securities Insurance
 - Motor Vehicle Liability Insurance on State Owned Vehicles) May be 1 policy
- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Associate Deputy Chancellor for Operations in accordance with procedures approved by the Deputy Chancellor and the Board of Regents.

- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 3.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 3.5 It shall be the obligation of the Chief Business Officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 3.6 The current appropriation bill provides that no funds appropriated thereby may be expended for the purchase or maintenance of motor vehicles by a state institution unless the institution submits to the Legislative Budget Board and the Governor's Budget Office within thirty (30) days after the beginning of each fiscal year a complete list of all rules, regulations, and policies prohibiting and penalizing the personal use of State-owned passenger vehicles by employees.
- 3.7 The University of Texas System is authorized to acquire, operate, and maintain, including replacing, one passenger airplane. Such airplane may be acquired by gift only, purchase, or partly by gift and partly by purchase. All costs of acquisition, operation, and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System.

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- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Deputy Chancellor for Administration or his delegate in accordance with procedures approved by the Chancellor and the Board of Regents.

- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the Associate Deputy Chancellor for Operations on an individual basis upon recommendation by the Chief Business Officer of the component institution affected.
- 4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the Associate Deputy Chancellor for Operations shall be notified by the Chief Business Officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board of Regents.

Sec. 5. Keys to Buildings, Offices, Etc.

- 5.1 Keys to buildings, offices, and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Chief Business Officer or his delegate shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the Chief Business Officer and the Chief Administrative Officer.
- 5.2 A deposit is usually required for keys which sum is in turn deposited in the business office. Department heads shall cooperate in requiring that keys be turned in at the termination of employment. Where a deposit has been required, refund is made to the employee upon turning in the key.

Sec. 6. Safe and Vault Combinations.--The combinations to all vaults and safes used by component institutions shall be filed under seal with the Chief Business Officer.

Sec. 7. Police and Security Officers.

- 7.1 Police and other security officers are employed at the component institutions to protect and safeguard the property of the institution.
- 7.2 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the Deputy Chancellor or his delegate on an individual basis upon recommendation by the Chief Business Officer of the component institution affected.
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- 7.2 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

Sec. 8. Telephones.--The Director of Physical Plant, or the Chief Business Officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 9. Disposal of Property of The University of Texas System.

- 9.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the Chief Business Officer. Upon receipt of such report, it shall be the responsibility of the Chief Business Officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.
- 9.2 If the Chief Business Officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.
- 9.3 For items of little value or limited use where sale on competitive bids is not practicable, the Chief Business Officer shall have the authority to dispose of the property on the basis of negotiated bids in amounts under \$2,000.
- 9.4 Sale of property estimated to bring \$2,000 or more shall be made on a basis of competitive bids.
- 9.5 Sales in amount of \$10,000 or more shall be approved in advance by the Deputy Chancellor and ratified by the Board of Regents through the institutional docket.

Sec. 10. Transfer of Property.--Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the Chief Business Officer concerned and shall be reported to the Chief Administrative Officer. The Chief Business Officer or his delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

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9.2 If the Chief Business Officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.

9.3 For items of little value or limited use where sale on competitive bids is not practicable, the Chief Business Officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$1,000.

9.4 Sale of property estimated to bring \$1,000 or more shall be made on a basis of competitive bids.

9.5 Sales in amount of \$5,000 or more shall be approved in advance by the Deputy Chancellor for Administration and ratified by the Board of Regents through the institutional docket.

Sec. 10. Transfer of Property.--Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the Chief Business Officer concerned and shall be reported to the Chief Administrative Officer. The Chief Business Officer or his delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of appropriated funds." 4/23/71

- 11.2 TV Stations Prohibited.-- "None of the moneys appropriated in this Article may be expended for the acquisition, construction, or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the medical schools, dental school, general academic institutions or other agencies of Higher Education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent general academic teaching institutions with existing transmitter stations to use same for educational purposes, or to prevent the continuance of operating arrangement with existing transmitter stations for purely educational purposes."
- 11.3 Presidents' Homes.-- "No funds appropriated by this act may be used for the purpose of constructing a home for a president of any of the general academic teaching institutions named herein, without obtaining the approval of the Governor prior to obligating any funds for this purpose; provided, however, that copies of such requests for the Governor's approval... shall be filed with the Legislative Budget Board."
- 11.4 Use of Educational and General Funds for Alumni Activities Prohibited.-- "None of the funds appropriated by this Article may be expended by State agencies of higher education for the support or maintenance of alumni organizations or activities."
- 11.5 Vending Machines Authorized.-- "... Vending machines may be placed on State-owned Property or in State-owned Buildings only with the approval of the governing Board and such approval shall be recorded in the minutes of the body. A copy of the contract shall be filed with the State Board of Control showing the location within the agency and the terms of the contract. Proceeds, net revenue, rentals or commissions received shall be accounted for as State revenue and the amount so collected is hereby appropriated to the Institution for use as directed by the Board authorizing the installation."
- 11.6 Pay Station Telephones Authorized.-- "Pay telephones may be located in State-owned Buildings or on State-owned Land only with the approval of the governing Board and the net proceeds shall be collected and accounted for as State revenue and the amount so collected is hereby appropriated for use by the agency as determined by the governing Board."

*DUE TO REVISION OF CHAPTER VII, THERE IS NO PAGE 55.

Page eliminated 4/23/71.

*Entire Chapter
amended 12-12-69
1st complete revision
-also amended*

CHAPTER VII

PHYSICAL PROPERTIES

Sec. 1. Except as otherwise specifically authorized, property of The University of Texas System shall be used only for official business. Only Library books and other items of similar nature of well-established use may be used for the personal benefit or pleasure of employees. A Property Manager is designated at each component institution.

Sec. 2. Inventories.

- 2.1 An actual physical inventory of property of The University of Texas System shall be made each fiscal year in accordance with Chapter 356, Acts of the 52nd Legislature, Regular Session, 1959, as amended (Article 6252-6, Vernon's Texas Civil Statutes), and in compliance with the "Manual of Instruction - Property Inventory Procedures," issued by the State Comptroller. The Chief Business Officer of each component institution shall issue the necessary implementing instructions.
- 2.2 Department heads are responsible for all University property in their care and for the taking of the inventory on the prescribed record forms. The report is prepared in triplicate, one copy being kept for departmental files and the original and one copy forwarded to the business office or other designated office.
- 2.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All nonconsumable property valued at \$50 or more per unit is equipment subject to inventory. Items that are worn out or discarded shall be deleted in accordance with instructions furnished.

Sec. 3. Motor Vehicles.

- 3.1 Any motor vehicles permitted under State law to be owned and operated by The University of Texas System shall be used only on official business. Each vehicle shall carry an inscription on both sides as prescribed by law.
- 3.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed with the office of the institutional head within ten days after use of the vehicle.

- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 3.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 3.5 It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 3.6 The current appropriation bill provides that no funds appropriated thereby may be expended for the purchase or maintenance of motor vehicles by a state institution unless the institution submits to the Legislative Budget Board and the Governor's Budget Office within thirty (30) days after the beginning of each fiscal year a complete list of all rules, regulations, and policies prohibiting and penalizing the personal use of State-owned passenger vehicles by employees.
- 3.7 The University of Texas System is authorized to acquire, operate, and maintain, including replacing, one passenger airplane. Such airplane may be acquired by gift only, purchase, or partly by gift and partly by purchase. All costs of acquisition, operation, and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System.

Sec. 4 Insurance on Property of The University of Texas System.

- 4.1 The following types of insurance coverage, where practicable, shall be maintained on a System-wide basis:
 - Fire and Extended Coverage Insurance
 - Boiler and Machinery Insurance
 - Blanket Position (Fidelity) Bond)
 - Money and Securities Insurance)

) May be in one policy
- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Deputy Chancellor for Administration or his delegate in accordance with procedures approved by the Chancellor and the Board of Regents.
- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the System Comptroller on an individual basis upon recommendation by the chief business officer of the component institution affected.

- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
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 - Blanket Position (Fidelity) Bond)
 - Money and Securities Insurance)

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- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Deputy Chancellor for Administration or his delegate in accordance with procedures approved by the Chancellor or the Chancellor-Elect and the Board of Regents.
- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the System Comptroller on an individual basis upon recommendation by the chief business officer of the component institution affected.

as amended
12/69

- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
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- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Executive Vice-Chancellor for Fiscal Affairs or his delegate in accordance with procedures approved by the Chancellor or the Deputy Chancellor and the Board of Regents.
- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the System Comptroller on an individual basis upon recommendation by the chief business officer of the component institution affected.

- 4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the System Comptroller shall be notified by the appropriate business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

Sec. 5. Keys to Buildings, Offices, Etc.

- 5.1 Keys to buildings, offices, and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Director of Physical Plant, or some other authorized person, shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the business officers and the institutional heads.
- 5.2 A deposit is usually required for keys which sum is in turn deposited in the business office. Department heads shall cooperate in requiring that keys be turned in at the termination of employment. Where a deposit has been required, refund is made to the employee upon turning in the key.

Sec. 6. Safe and Vault Combinations. -- The combinations to all vaults and safes used by component institutions shall be filed under seal with the institutional business officer or other authorized person designated by the institutional head.

Sec. 7. Watchmen and Security Officers.

- 7.1 Watchmen and other security officers are employed at the component institutions to protect and safeguard the property of the institution.
- 7.2 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

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Sec. 9 . Disposal of Property of The University of Texas System.

9.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the institutional chief business officer. Upon receipt of such report, it shall be the responsibility of the business officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

9.2 If the business officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.

9.3 For items of little value or limited use where sale on competitive bids is not practicable, the business officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$1,000.00.

9.4 Sale of property estimated to bring \$1,000.00 or more shall be made on a basis of competitive bids.

9.5 Sales in amount of \$2,000.00 or more shall be approved in advance by the Board of Regents.

Sec. 10. Transfer of Property.-- Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the institutional business officers concerned and shall be reported to the executive heads. The purchasing agents shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

Sec. 11. Certain Special Provisions in Current Appropriation Bill.-- The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Bill, including the following:

11.1 Prohibition against Additional Museums.-- "None of the moneys appropriated in this Article, except bequests and gifts, may be

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Orig. Chapter

CHAPTER VII

PHYSICAL PROPERTIES

- Sec. 1. Except as otherwise specifically authorized, property of The University of Texas System shall be used only for official business. Only Library books and other items of similar nature of well-established use may be used for the personal benefit or pleasure of employees. A Property Manager is designated at each component institution.
- Sec. 2. Use Of Physical Facilities by Outside Groups; The University of Texas System as a Joint Sponsor (See, also, Section 6, Chapter VI, Part One of these Rules and Regulations). --Use of physical facilities of The University of Texas System, especially auditoriums, gymnasiums, and large rooms, by outside groups shall be subject to the following rules in which the "University" shall mean any component institution.
- 2.1 The University will not permit the unrestricted use by non-University groups of any of its facilities.
 - 2.2 The University will not enter into joint sponsorship of any project or program that is to result in private gain for the cooperating group or groups.
 - 2.3 The University, established as a public institution without regard to political affiliation or religious faith, cannot be a joint sponsor with any noncampus organization for political or sectarian gatherings. However, the appearance by or on behalf of a candidate for public office may be authorized under conditions prescribed by the Board of Regents.
 - 2.4 Whenever non-University groups share in the use of University buildings, it must be upon the invitation of the University and under its joint sponsorship, and with the further understanding that all the conditions governing such sponsorship are to be set by the University.
 - 2.5 The University when entering into joint sponsorship of any program or activity assumes full responsibility for all details and reserves the right to approve all copy for advertising, as well as news releases.

- 2.6 The University will not enter into joint sponsorship of any program or activity in which the educational implications are not self-evident and which does not directly supplement the educational purposes of the University.
- 2.7 It shall be understood that the availability of the University's auditorium facilities for functions other than the institution's own activities is strictly subject to the needs and the convenience of the University, which are always to have priority in the scheduling of facilities.
- 2.8 The use of University auditoriums on Sundays will be limited to Sunday ^{Sec.} afternoons. Authorization for their use at that time will be given only ^{11-203(a)(4)} for concerts or other programs appropriate to the day.
- 2.9 In the case of programs for which the University is a joint sponsor with some other group or organization, the fee to be paid by the co-sponsor will be a matter for negotiation in each case and will be specified in the agreement providing for the joint sponsorship.

Sec. 3. Inventories.

- 3.1 An actual physical inventory of property of The University of Texas System shall be made each fiscal year in accordance with H. B. No. 753, 52nd Legislature, as amended, and in compliance with the "Manual of Instruction - Property Inventory Procedures", issued by the State Comptroller.
- 3.2 Department heads are responsible for all University property in their care and for the taking of the inventory on the prescribed record forms. The report is prepared in triplicate, one copy being kept for departmental files and the original and one copy forwarded to the business office or other designated office.
- 3.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All nonconsumable property valued at \$10 or more per unit is equipment subject to inventory. Items which are worn out or discarded are listed as charged off in accordance with instructions furnished.

Sec. 4. Motor Vehicles.

- 4.1 Any motor vehicles permitted under State law to be owned and operated by The University of Texas System shall be used only on official business.

Amended 52
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Each vehicle shall carry an inscription on both sides as prescribed by law.

- 4.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed with the office of the institutional head within ten days after use of the vehicle.
- 4.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 4.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 4.5 It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 4.6 The current appropriation bill provides that no funds appropriated thereby may be expended for the purchase or maintenance of motor vehicles by a state institution unless the institution submits to the Legislative Budget Board and the Governor's Budget Office within thirty (30) days after the beginning of each fiscal year a complete list of all rules, regulations, and policies prohibiting and penalizing the personal use of State-owned passenger vehicles by employees.
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- 5.1 The following types of insurance coverage, where practicable, shall be maintained on a System-wide basis:
 - Fire and Extended Coverage Insurance
 - Boiler and Machinery Insurance
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) May be in one policy
- 5.2 The terms of the policies covering the risks indicated above are negotiated by the Vice-Chancellor for Business Affairs or his delegate

Each vehicle shall carry an inscription on both sides as prescribed by law.

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- 4.5 It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation. Under the terms of the current appropriation bill, employees whose terms of employment contemplate the "full-time use" of University-owned motor vehicles, may be reimbursed for costs incurred in purchasing any additional personal liability insurance for purpose of insuring against personal liability arising from such use.
- 4.6 The current appropriation bill provides that no funds appropriated thereby may be expended for the purchase or maintenance of motor vehicles by a state institution unless the institution submits to the Legislative Budget Board and the Governor's Budget Office within thirty (30) days after the beginning of each fiscal year a complete list of all rules, regulations, and policies prohibiting and penalizing the personal use of State-owned passenger vehicles by employees.

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- 5.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the System Comptroller shall be notified by the appropriate business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

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- 10.2 If the business officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.
- 10.3 For items of little value or limited use where sale on competitive bids is not practicable, the business officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$1,000.00.
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Sec. 12. Certain Special Provisions in Current Appropriation Bill.-- The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Bill, including the following:

- 12.1 Prohibition against Additional Museums.-- "None of the moneys appropriated in this Article, except bequests and gifts, may be

used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of appropriated funds."

- 12.2 TV Stations Prohibited.--"None of the moneys appropriated in this Article may be expended for the acquisition, construction, or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the medical schools, dental school, general academic institutions or other agencies of Higher Education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent general academic teaching institutions with existing transmitter stations to use same for educational purposes, or to prevent the continuance of operating arrangement with existing transmitter stations for purely educational purposes."
- 12.3 Presidents' Homes.--"No funds appropriated by this act may be used for the purpose of constructing a home for a president of any of the general academic teaching institutions named herein, without obtaining the approval of the Governor prior to obligating any funds for this purpose; provided, however, that copies of such requests for the Governor's approval... shall be filed with the Legislative Budget Board."
- 12.4 Use of Educational and General Funds for Alumni Activities Prohibited.--"None of the funds appropriated by this Article may be expended by State agencies of higher education for the support or maintenance of alumni organizations or activities."
- 12.5 Vending Machines Authorized.--"... Vending machines may be placed on State-owned Property or in State-owned Buildings only with the approval of the governing Board and such approval shall be recorded in the minutes of the body. A copy of the contract shall be filed with the State Board of Control showing the location within the agency and the terms of the contract. Proceeds, net revenue, rentals or commissions received shall be accounted for as State revenue and the amount so collected is hereby appropriated to the Institution for use as directed by the Board authorizing the installation."
- 12.6 Pay Station Telephones Authorized.--"Pay telephones may be located in State-owned Buildings or on State-owned Land only with the approval of the governing Board and the net proceeds shall be collected and accounted for as State revenue and the amount so collected is hereby appropriated for use by the agency as determined by the governing Board."