

31.02.07 Unemployment Compensation Program

Approved September 29, 1995
Revised December 20, 2000
Revised August 2, 2002
Revised April 15, 2011
Next Scheduled Review: April 15, 2013



Regulation Statement

The Unemployment Compensation Program (Program) is an employer-paid insurance program to assist workers who are unemployed through no fault of their own. It provides temporary financial assistance to qualified individuals while they search for other work.

Reason for Regulation

All members of The Texas A&M University System (system) are responsible for maintaining a program for unemployment compensation. This regulation establishes procedures for members to maintain compliance with the Texas Unemployment Compensation Act and Program.

Procedures and Responsibilities

1. GENERAL

The Program provides that under certain conditions the Texas Workforce Commission will compensate eligible workers for a portion of their wage loss during periods of unemployment. The objective of the Program is to aid unemployed persons while they are looking for work by providing a weekly income at stipulated rates and for stipulated periods of time based on their past employment. All employees of the system are covered by the Program.

2. STATE PROGRAM

The Texas Unemployment Compensation Act specifies that agencies of the state are "reimbursing" employers. The system will be charged with the total cost of benefits paid by the Texas Workforce Commission to eligible system employees, excluding those benefits paid to employees whose salaries or wages were paid from the General Revenue Fund. The system member will be charged with 50 percent of the cost of benefits paid to former employees whose salaries or wages were paid from the General Revenue Fund. The other 50 percent will be reimbursed by the State Comptroller of Public Accounts from funds appropriated for this purpose. The system member will be charged 100 percent of

the cost of benefits paid to former employees whose salaries or wages were paid from Dedicated Funds, other Special Funds or local funds held outside the State Treasury.

3. THE REVOLVING FUND

3.1 A system member Unemployment Compensation Revolving Fund (Revolving Fund) is maintained to provide a source of funds to pay the member's liability for benefits paid to former employees and to facilitate payment of related administrative expenses associated with the Program.

3.2 The Revolving Fund is financed by a payroll assessment of all non-general revenue salaries and wages, which excludes those individuals paid from the General Revenue Fund. This assessment rate may be adjusted annually based on the condition of the Revolving Fund and the experience of the Program for the preceding year(s). The member is authorized to establish guidelines which ensure that the unobligated balance of the Revolving Fund is adequate to cover any unexpected expenses.

3.3 The Revolving Fund is administered by the fiscal office of each member.

4. DEPARTMENTAL RESPONSIBILITIES

Each employing department has the responsibility for controlling the costs of the Program. Proper planning of staffing needs, sound hiring practices and adequate documentation for termination of employment will contribute to the effective control of costs. Each department or unit will observe the following:

- (a) review applications of potential employees to verify the individuals' qualifications to adequately perform the services required;
- (b) use the services of the member's human resources department to obtain new employees;
- (c) report to the human resources department as early as possible those employees whose jobs are to be discontinued so relocation efforts can be made; and
- (d) record the circumstances of each employment termination on personnel action forms and all applicable documents.

5. ADMINISTRATIVE COORDINATION

Each system member is responsible for claims investigation and processing, hearings and other aspects of internal program administration.

Related Statutes, Policies, or Requirements

[Texas Labor Code, Chapter 201 – Unemployment Compensation Act](#)

[Texas Labor Code, Chapter 502 – Workers’ Compensation Insurance Coverage for Certain Government Employees](#)

[Texas Labor Code, Chapter 205 – Reimbursements](#)

[Texas Comptroller of Public Accounts-Fiscal Policies & Procedures APS 003](#)

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