

University of Texas System

Unemployment Compensation Insurance Program

In September of 2003, the responsibility for administration of the Unemployment Compensation Insurance (UCI) program for the University of Texas System was transferred to the Office of Risk Management (ORM). A comprehensive review of the Unemployment Compensation Insurance (UCI) Program at the University of Texas System recommended consolidating duplicative processes under the coordination of ORM.

ORM's management of the UCI program will accomplish the following objectives:

- Assess the rate against all payroll capped at \$9000 per employee,
- Eliminates potential discrepancies in payroll fund source information for premium purposes,
- Experience rates the premium based on 20% FTE count, 60% claim payments, and 20% claim count. This process provides incentive for institutions to reduce and control losses
- Gives institutions a leveling effect for budgeting purposes for all funds rather than self-insuring the General Revenue (GR) funded positions at the institutional level,
- Eliminates duplication of efforts and the need for institutions to make payments directly to the Texas Workforce Commission (TWC),
- Eliminates the possibility that any one institution is late or fails to reimburse the TWC,
- Creates consistency with appropriate controls in the manner in which all claim reimbursements are handled,
- Strengthens administrative controls for monitoring activities.

This recommendation does not eliminate the need for a prudent review of fund source information on the fund source statement from the TWC. It is critical that this information is reviewed to insure the amount invoiced by funding source by the TWC is accurate. Any corrections must be appropriately documented.

In March 2010 ORM contracted with TALX, Inc. to assist in the management and control of unemployment compensation claims. TALX receives notice of unemployment claims electronically from TWC. TALX staff contact UT institution staff directly, if needed, in order to respond appropriately to each unemployment claim. Unemployment claims information and metrics may be accessed through TALX' Insight Reports application.

In April 2011 ORM initiated a contract with NextJob, Inc to provide outplacement services to all UT System employees who are eligible to file an uncontested unemployment claim due to lack of work. This initiative is a cost containment measure intended to shorten the length of unemployment claims and therefore the ultimate cost of the claim to UT System. The NextJob standard service plan will be paid by the UCI fund with no charge to UT institutions.