

SYSTEM REGULATION

31.02.07 Unemployment Compensation Program

Approved September 29, 1995

Revised December 20, 2000

Revised August 2, 2002

Supplements System Policy 31.02

1. GENERAL

The Unemployment Compensation 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 Unemployment Compensation 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 former System employees, excluding those benefits paid to employees whose salaries or wages were paid from the General Revenue Fund or the Cooperative Employees of the Texas Cooperative Extension. The System will be charged with 50% of the cost of benefits paid former employees whose salaries or wages were paid from the General Revenue Fund; the other 50% will be reimbursed by the State Comptroller of Public Accounts from funds appropriated for this purpose. Federal funds will cover claims of former Cooperative Employees of the Texas Cooperative Extension.

3. THE REVOLVING FUND

3.1 A component Unemployment Compensation Revolving Fund (Revolving Fund) is maintained to provide a source of funds to pay the component's liability for benefits paid 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 and Cooperative Employees of the Texas Cooperative Extension. This assessment rate may be adjusted annually by the Chief Executive Officer (CEO), based on the condition of the Revolving Fund and the experience of the Program for the preceding year(s). The CEO 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 component.

