



Unallocated Staff Benefits

Unallocated staff benefits are in the Employee Services cost pool and represent benefits that post to central cost centers instead of an employee's pay distribution fund for a number of reasons.

Unfunded Actuarial Accrued Liability (UAAL) for Other Postemployment Benefits (OPEB)

The largest component of the unallocated staff benefit cost relates to the monthly OPEB actuarial determined contribution (ADC) billing to UT Systems Administration (UTSA). UTSA then allocates this cost to the campuses and institutes. Since this rate is an estimate based on a subset of university employees, the cost is not allocated down to departmental level. The following paragraph further explains what is included in this charge.

Employees of the university, who were hired prior to July 1, 2015, and choose coverage, are provided with pre-65 retiree health insurance benefits through the Closed State Employee Group OPEB Plan (EGOP) administered by the Tennessee Department of Finance and Administration. The State of Tennessee Postemployment Benefits Trust (OPEB Trust) was established to accumulate resources to pay for the retiree benefits of EGOP participants. Employers, including the University of Tennessee, contribute to the OPEB Trust based on an ADC rate calculated in a manner to meet the funding goals of the state. The UAAL funding billed to the university relates to UT service for active, eligible employees and to retirees currently receiving the benefit prior to the establishment of the OPEB Trust.

Fee Waivers

Dependents of UT employees are eligible to receive a tuition waiver at other Tennessee Board of Regents (TBR) schools and UT campuses. The TBR schools bill the Bursar's Office on a semester basis and provide the approved paper documentation for the waiver. The TBR schools are paid through the accounts payable office. The other UT campuses do an internal transfer on a semester or annual basis. Due to the manual nature of this process, these waivers are not allocated to departmental level.

Chairs of Excellence Staff Benefits

UTK has endowed chairs that are funded through a permanent state of Tennessee trust fund called the Chairs of Excellence Trust. Income from the chair is used to offset the cost of retaining a nationally or regionally recognized scholar at a state college or university. However, the endowment does not allow benefits to be paid on the chair fund. These benefits are settled to a centrally funded cost center.

Professorships Staff Benefits

UTK has some historic professorship endowments created before 2001 that do not bear the cost of staff benefits. These exceptions were approved by central administration when the restricted expenditure fund was requested. These benefits are settled to a centrally funded cost center.