

System-wide Policy:	
HR0307 - Benefit in the Event of an Employee Death	
Version: 17	Effective Date: 10/01/2017

HR0307 – Benefit in the Event of an Employee Death

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Objective:

To provide a benefit payment in the event of the death of a regular university employee who dies while in an active pay status.

Policy:

1. The university will provide a benefit payment for those regular employees who die while in an active pay status, as defined in [HUMAN RESOURCES POLICY HR0105, EMPLOYMENT STATUS](#).

Employees on a 12-Month or Flex-Year Appointment

2. For regular employees employed on a 12-month or flex-year basis, the benefit payment in the event of death is comprised of:
 - a. Salary or wages earned but unpaid at the time of death; plus
 - b. Unused annual leave not to exceed the allowable maximum as defined in [HUMAN RESOURCES POLICY HR0305, ANNUAL LEAVE](#); plus
 - c. Unused sick leave including excess annual leave; plus
 - d. One month's regular pay at the salary rate in effect at the time of death.
For biweekly paid employees, the applicable formula is (hourly rate) times (normal workweek) times (52/12).

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3. This benefit payment is not applicable for those employees appointed to a flex-year position who die prior to the first day worked in the flex-year position.

Employees on an Academic Year Appointment

3. For regular employees employed on an academic year basis the benefit payment in the event of death is comprised of:
 - a. Salary or wages earned but unpaid at the time of death; plus
 - b. One-twelfth of base annual salary at the time of death; plus
 - c. A payment in lieu of accrued sick leave. The formula to be used to determine this payment is as follows:
 - i. **Payment** equals the employee's (base hourly rate) times the average yearly accumulation rate (70.0 hours) times the academic year conversion factor (.83) times (total years of regular service) times (percent full-time) minus (hours absent due to final illness).
 - ii. **Base Hourly Rate** equals the (base nine-month salary) divided by total hours in a calendar year (2080) times the academic year conversion factor (.83) times (percent full-time). Hours absent due to final illness must be subtracted during non-work periods (such as summer or between quarters or semesters) as well as during those periods the employee should be in an active work status.

Employees on Both a 12-Month and an Academic Appointment

4. In the event an employee, over the period of total employment, has been employed in both an eligible 12-month service appointment and an academic year ineligible sick leave accrual status, the amount of the sick leave benefit payment in the event of death will be comprised of:
 - a. All earned but unused sick leave accumulated during the period the employee worked in an eligible sick leave accrual status; plus
 - b. The payment in lieu of accrued sick leave benefit (as determined in item 3c.) based on the period of service the employee worked in an ineligible sick leave accrual status.

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Employees on an Approved Leave of Absence Without Pay

5. If the employee was on approved leave of absence without pay, the benefit payment will be any salary or wages earned but unpaid at the time of death and any unused annual leave not to exceed the allowable maximum as defined in [HUMAN RESOURCES POLICY HR0305, ANNUAL LEAVE](#) .

Designation of Beneficiary

6. Employees may complete a [DESIGNATION OF BENEFICIARY FORM](#) to be used solely for the payment of the benefit defined in this policy. The form will be retained in the employee's personnel file. The beneficiary noted on the **DESIGNATION OF BENEFICIARY FORM** is not printed on any statement or record that is routinely sent to the employee; therefore, it is the employee's responsibility to insure that the information on the form is correct. This beneficiary designation is revocable at any time by completing and submitting a new form to the campus human resources office.

Benefit Payment

7. The benefit in the event of an employee death will be paid according to these guidelines:
 - a. If a **DESIGNATION OF BENEFICIARY FORM** has been completed, the benefit will be paid to the beneficiary designated on the form, regardless of the amount due.
 - b. If a **DESIGNATION OF BENEFICIARY FORM** has not been completed, any benefit up to \$10,000 will be paid directly to a surviving spouse or, if no surviving spouse, to the surviving children. Any amount above \$10,000 will be paid to the administrator or executor of the estate of the deceased employee as designated by the Probate Court.
8. Each campus shall promulgate a procedure to ensure that survivors and beneficiaries of deceased employees shall be promptly informed of this benefit and any other benefits to which they may be entitled. The campus human

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resources office is responsible for including an executed **DESIGNATION OF BENEFICIARY FORM**, if available, when processing any death benefit payment.

PROCEDURES:

Health Science Center:	https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&
Space Institute:	http://www.utsi.edu/index.php/utsi-procedures/
Institute of Agriculture:	ag.tennessee.edu/Pages/UTIApolicies.aspx

FORMS:

- [Designation of Beneficiary](#)

Related Policies: [HR0105 - Employment Status](#), [HR0305 - Annual Leave \(Vacation\)](#)