



Employee Benefit Funds Policy

Office of the Vice President for Administration & Finance
Policy Document Number: AF-03.1-2024

Adopted by the Board of Regents: 11/15/2024
Policy Updates: 10/30/2024

Policy Purpose: This policy applies to the restricted account of the remaining funds after termination of the Employee Benefit Trust under the Amended and Restated Agreement and Declaration of Trust dated February 18, 2016 (the “Trust Agreement”).

POLICY STATEMENT

Upon termination and winding up of the Trust Agreement, Paragraphs 11.5 and 2.1 of the Trust Agreement provides that the remaining funds will be used to pay employees benefits that are permissible pursuant to Section 501(c)(9) of the Internal Revenue Code (“IRC”).

New Mexico Tech shall maintain such funds in a separated, restricted account, for the principle and any interest earned on such funds to be used as allowed in Section 501(c)(9) of the IRC, to safeguard and improve the health of employees and/or to protect against a contingency that interrupts an employee’s earning power. Disbursements of benefits shall be made from time to time, and shall be primarily aimed to improve the well-being of employees. Benefits shall be provided to all New Mexico Tech employees who are eligible for health benefits, and shall not be based on employees’ salaries or years of service.

GENERAL POLICY

The administration shall present all proposed disbursements of these funds to the Board of Regents for approval with documentation of compliance with this policy.

DEFINITIONS

Permissible and Non-permissible benefits are as follows:

Permissible Benefits	Non-permissible Benefits
Life, accident, disability, medical, vision, and dental benefits	Commuting expenses
Vacation benefits (e.g. providing facilities, reimbursing expenses)	Benefits for damage to property
Recreational activities (such as athletic leagues)	Loans to employees (except if it is contingent on a time of distress)
Child-care facilities	Savings accounts for employees
Disaster relief (e.g. relocation and other benefits for wildfires)	Retirement benefit
Supplemental unemployment	Benefits similar to stock bonuses or profit-sharing
Severance benefits	Deferred compensation
Education or training benefits for employee	Education benefits to dependents (unless pursuant to a union collective bargaining agreement)
Personal legal service benefits	



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