



THE X-Y-Z AFFAIR WHAT IS COVERED COMPENSATION ANYWAY?

Cynthia Lynch
Director, Academic Personnel

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COMPENSATION

The ABC's of Compensation =
X, Y, Z



Salary Structure

$$\begin{aligned} & X \text{ (Base Salary)} \\ + & \underline{Y} \text{ (Additional Compensation)} \\ = & \text{Total Salary} \end{aligned}$$

$$\begin{aligned} & \text{Total Salary} \\ + & \underline{Z} \text{ (Incentive/Bonus)} \\ = & \text{Total Income} \end{aligned}$$



“X” = Base Salary

- Associated with rank/step (not series)
- Driven by Health Science Compensation Plan salary scales
- Represents minimum salary rate
- Covered by the UC Retirement Plan

**Example: “X” for Assistant Professor step 1 on Scale 3
is currently \$71,500/year**



What's covered in “covered compensation”?

- Used for retirement calculations
- Used for benefits calculations
 - UC life insurance *
 - UC disability insurance*

*Note: life/disability insurance on the “Y” portion of salary available through School of Medicine



Samples of Current Departmental Salary Scales

<u>Department</u>	<u>Scale</u>	<u>“X” for Asst Prof 2</u>
A	3	\$75,300
B – w/Clin	4	\$81,100
B – w/o Clin	1	\$63,700
C – w/Clin–MD	5	\$86,900
C – w/Clin-Non-MD	4	\$81,100

- Academic Programmatic Unit (APU) is a group of faculty members whose activities are more or less similar in a programmatic sense. The characteristics of the group (type of activity, potential for income, etc.) are used to determine the salary scale upon which the group's members' additional base will be calculated. All members of an APU share the same salary scale.



Why isn't my Department on Scale 10?

- Departments with limited revenue will not have enough money to fund a high covered comp that is supported by departmental income and taxes
- Many departments had to choose whether they wanted:
 - 1) a higher covered comp and possibly a lower take home pay [because of higher departmental taxes]
 - or
 - 2) a lower covered comp and a higher take home pay



“Y” = Additional Compensation

- Will be negotiated with the department chair and division or service chief annually
- Not covered compensation by the UC Retirement Plan
- Midyear renegotiation of the “Y” rarely permitted; requires Dean’s approval; usually associated with new duties
- Based upon such factors as the quality, scope, and volume of a faculty member’s teaching, research, clinical and administrative activities, as well as the availability of a reliable source of income



“Z” = Incentive/Bonus

- Not covered compensation by the UC Retirement Plan
- Department Incentive
- Administrative Incentive



Salary Structure (again!)

$$\begin{aligned} & X \text{ (Base Salary)} \\ + & \underline{Y} \text{ (Additional Compensation)} \\ = & \text{Total Salary} \end{aligned}$$

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Sample new faculty hire

- Dr. Smith was hired as an Assistant Professor in Residence step 2 in Department Q. Faculty in Department Q are on scale 3. Dr. Smith's annual salary is \$100,000. Dr. Smith receives an additional \$10,000/year for serving as Department Q's residency director.



Sample Hire – Dr. Smith (cont'd)

- \$ 75,300 X (scale 3 for Asst Prof 2; covered comp)
- \$ 24,700 Y (neg salary-X; not covered by UCRP)
- \$100,000 = total negotiated salary
- \$ 10,000 Z (Department residency coordinator)
- \$110,000 = total income



What Causes Changes to Total Salary?

Changes to “X”

May or may not change total salary rate

Examples:

- Cost of Living Adjustments (COLAs)
- Advancement

Changes to “Y”

Will affect total salary rate

Example:

- Annual Renegotiation of Salary
note: can be a positive or a negative change



Health Sciences Compensation Plan (HSCP)

“THE Comp Plan”



Health Sciences Compensation Plan (HSCP)

- **Mandated by the UC Office of the President (UCOP) for Health Sciences Campuses**
- **UCOP provides basic framework; School and Department provide details**
- **Represents an “agreement” between the University/Department and the faculty member:**
 - ✓ **outlines the Department/School’s expectations of the faculty member and the Department/School’s commitment to the faculty member**



REVIEW YOUR DEPARTMENT'S HSCP

- Each Department/School has a Comp Plan
- All faculty have access to this document
- Be sure to review it and make sure you understand the terms and conditions
- The Department Manager (MSO) and/or Benefits Representative are great resources for questions concerning your comp plan



Four Key Areas of the HSCP

- Membership
- Benefits
- Compensation
- Grievance Procedures



HSCP - Membership

- Membership not based on rank or series
- Generally, faculty appointed >50% effort are members
- Exceptions for faculty at affiliated sites, e.g. VAMC, Gladstone



HSCP - Benefits

➤ Leaves of Absence

✓ Personal

- Maternity / Paternity Leave
- Extended Illness / Disability Leave
- FMLA

✓ Academic

- Sabbatical/Professional Development Leave



HSCP - Compensation

- **Salary Scale(s) for your department**
- **Incentives**
 - ✓ **how they are earned/calculated**
 - ✓ **who is eligible**



HSCP – Compensation Outside Professional Activities

- Income from occasional service
 - ✓ certain types of income can be retained by faculty members
 - Examples: honoraria, royalties, prizes
 - ✓ certain types of income must be deposited to the Plan
 - Examples: consulting, expert witness fees
- Must be “in good standing”



Resources for Additional Information

- Your departmental benefits representative
- UCSF Faculty Handbook for Success:
www.ucsf.edu/senate/facultyhandbook
- Academic Personnel Manual (APM):
www.ucop.edu/acadadv/acadpers/apm/
- University of California benefits website:
<http://atyourservice.ucop.edu/>