The Health Sciences Compensation Plan: Easy as XYZ

Jonathan R. Hiatt
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Vice Dean for Faculty

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David Geffen School of Medicine
Compensation plan, simplified
Today’s topics

The Health Sciences Compensation Plan (HSCP)

How it works for individual faculty members

Salary

Outside professional activities
Where do I find the HSCP?

http://www.ucop.edu/academic-personnel-programs/academic-personnel-policy/index.html
Where do I find the HSCP?

http://www.ucop.edu/academic-personnel-programs/academic-personnel-policy/index.html
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http://www.ucop.edu/academic-personnel-programs/academic-personnel-policy/salary-administration/index.html
Where do I find the HSCP?

http://medschool.ucla.edu/academic-affairs-academic-salary
670-0 Policy

The Health Sciences Compensation Plan (HSCP) provides a policy framework within which Implementing Procedures will be developed by each health sciences school that participates in the Plan. School Implementing Procedures must be consistent with the Plan and its philosophy (see Appendix A), reviewed by the appropriate faculty committee(s), approved by the Chancellor, and reviewed prior to implementation by the President or the President’s designee.

In developing Procedures consistent with this policy, the participating health sciences schools, after discussion and comment by the participants, and consultation with the school Advisory Committee (see APM - 670-4), may include provisions that are more, but not less, restrictive than those outlined herein.


http://www.ucop.edu/academic-personnel-programs/_files/apm/apm-671.pdf
670-0 Policy

The Health Sciences Compensation Plan (HSCP) provides a policy framework within which Implementing Procedures will be developed by each health sciences school that participates in the Plan. School Implementing Procedures must be consistent with the Plan and its philosophy (see Appendix A), reviewed by the appropriate faculty committee(s), approved by the Chancellor, and reviewed prior to implementation by the President or the President’s designee.

In developing Procedures consistent with this policy, the participating health sciences schools, after discussion and comment by the participants, and consultation with the school Advisory Committee (see APM - 670-6-d), may include provisions that are more, but not less, restrictive than those outlined herein.
What is the purpose of the HSCP?

670-2  Purpose

The purpose of this Health Sciences Compensation Plan is to provide a common administrative framework within which a participating health sciences school can compensate its faculty according to the competitive requirements of each discipline.
Who are members of the HSCP?

a. Membership Requirements

Individuals in health sciences schools, disciplines or specialties that have been approved for participation in this Plan shall be members of this Plan if they hold a University appointment at greater than 50 percent of full time, funded by one or more of the participating health sciences units, in any of the following title series:

1) Professor
2) Professor In Residence
3) Professor of Clinical __________ (e.g., Medicine)
4) Adjunct Professor
5) Acting Professor
6) Visiting Professor
7) Health Sciences Clinical Professor
8) Health Sciences School Dean titles
Is HSCP membership optional?

Membership in the Plan is a term and condition of employment.
Is HSCP membership optional?

Membership in the Plan is a term and condition of employment. All new and continuing eligible Plan members shall receive a copy of this Plan document, the school Implementing Procedures, and any related School or Departmental Guidelines setting forth campus and departmental policy applicable to faculty covered by the Plan.
HSCP – Salary components

X  base salary
X’ retirement factor
Y  delta
Z  bonus (may be guaranteed)

\( X + X' + Y = \text{Total Negotiated Salary (TNS)} \)

\( X + X' + Y + \text{guar. } Z = \text{Total Compensation} \)
HSCP - Salary - X

X determined by step and rank

Set by the University
Salary – X’

X’ is the retirement factor

Determined by Academic Personnel Unit (APU)

APU usually a Dept./Div.

Scale 1 to 8 = 110% to 200% of X
Salary – $X + X'$

$X + X' =$

base salary rate

covered compensation for retirement purposes

Tables found on websites
## TABLE 5
Faculty Ladder Ranks—Professor Series
Health Sciences Compensation Plan

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<th>Rank</th>
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<th>Years at Step</th>
<th>Scale 3 1.30</th>
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UCOP: Office of Academic Personnel and Programs

http://www.ucop.edu/academic-personnel-programs/compensation/2016-17-academic-salary-scales.html
Salary - Y

Y is the delta

From activities: grants, clinical earnings

May be zero
Salary - Z

Bonus and/or guarantee
Contribution beyond primary responsibility
May be paid for a particular set of duties
Payment schedule, other aspects determined by divisional and dept. HSCP bylaws
(In Dept. of Medicine, based on RVUs)
HSCP - Salary

\[ X + X' + Y = \text{Total Negotiated Salary (TNS)} \]

Monthly paycheck is \(1/12\) of TNS

Guaranteed Z can be paid monthly
HSCP - Salary

\[ X + X' + Y = \text{Total Negotiated Salary (TNS)} \]

\[ X + X' + Y + \text{guar. } Z = \text{Total Compensation} \]

Negotiated annually with chair

Cannot be lower than \( X + X' \)
HSCP – Salary components

\[ X \text{ base salary} \]
\[ X' \text{ retirement factor} \]
\[ Y \text{ delta} \]
\[ Z \text{ bonus (may be guaranteed)} \]

\[ X + X' + Y = \text{Total Negotiated Salary (TNS)} \]

\[ X + X' + Y + \text{guar. } Z = \text{Total Compensation} \]
SALARY ADMINISTRATION

Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants

671-0 Policy

The University of California policy on conflict of commitment and outside activities and the disposition of income earned from outside professional activities provides guidance for the identification and management of outside professional activities in order to avoid conflicts of commitment while assuring that Health Sciences Compensation Plan (the “Plan”) participants may engage in a wide array of outside activities without unnecessary limitations. This policy is specific to faculty members who are participants in the Health Sciences Compensation Plan. Faculty members who are not participants in the Health Sciences Compensation Plan are subject to the provisions of APM - 025.

http://www.ucop.edu/academic-personnel-programs/_files/apm/apm-671.pdf

UCLA DAVID GEFFEN SCHOOL OF MEDICINE IMPLEMENTING PROCEDURES UNDER THE UC HEALTH SCIENCES COMPENSATION PLAN

I. ADOPTION

This document sets forth the UCLA David Geffen School of Medicine Implementing Procedures under the University of California Health Sciences Compensation Plan (“Plan”) and Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants. The Plan supersedes any previous plan except as found in Appendix A. These Procedures have been recommended by the Chancellor, after consultation with the Dean and the Faculty Executive Committee, and are effective July 1, 2015, after approval by the President or the President’s designee, prior to implementation.

HSCP – Conflict of commitment and outside activities

Principles
Definitions
Types of outside activities
Thresholds
  Time and income
HSCP – Conflict of commitment and outside activities

Principles:

Primary professional allegiance owed to University

Outside professional activities have value but may create conflict of commitment

APM 671 manages conflicts of commitment and defines disclosure/approval/reporting
Definitions:

Outside professional activities, compensated or uncompensated, and regardless of financial interest, are defined as those activities that are within a faculty member’s area of professional, academic expertise and that advance or communicate that expertise through interaction with industry, the community, or the public.
HSCP – Conflict of commitment and outside activities

Definitions:

A conflict of commitment occurs when a faculty member’s outside activities interfere with the faculty member’s professional obligations to the University of California.
HSCP – Conflict of commitment
and outside activities

Definitions:

Compensation for outside professional activities includes all types of remuneration (including stock and stock options) that have immediate or potential financial value, excluding customary honoraria, reimbursement for reasonable travel expenses, & per diem expenses.
HSCP - Conflict of commitment and outside activities

Outside activities are placed in categories (I, II, III and Other)

Category I and II are regulated by the HSCP:
Subject to approval and reporting requirements
Subject to thresholds

There are 2 thresholds
1. Maximum time for outside activities
2. Maximum income that may be retained
Category I activities

Category I activities are outside professional activities that are most likely to create a conflict of commitment because they:
1) are related to the training and expertise which is the individual’s qualification for University appointment, but performed for a third party, and
2) require significant professional commitment.

Faculty must obtain prior approval from the Chancellor’s Office to engage in Category I activity.
List of Category I activities

a) Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University

b) Employment outside of the University

c) Assuming a founding/co-founding role of a company

d) Assumption of an executive or managerial position outside of the University
Category I activities are outside professional activities that are most likely to create a conflict of commitment because they:

1) are related to the training and expertise which is the individual’s qualification for University appointment, but performed for a third party, and

2) require significant professional commitment.

Faculty must obtain prior approval from the Chancellor’s Office to engage in Category I activity.
Category II activities

Category II activities are typically shorter-term outside professional activities that are outside the course and scope of University employment. Category II activities have a lesser potential for a conflict of commitment than do Category I activities.

This category also includes outside consulting activities that are outside the course and scope of the faculty member’s regular University appointment.

Faculty may engage in Category II activities without prior approval from the Chancellor’s Office.
List of Category II activities

a) Additional University-compensated teaching, including UNEX courses and program, other continuing education program run by the University, and self-supporting University degree programs
b) Consulting under the auspices of the University of California
c) Consulting or testifying as an expert or professional witness
d) Consulting for for-profit entities
e) Consulting for non-profit entities
f) Consulting for non-profit health or education-related organizations
g) Consulting for government agencies
h) Serving on a board of directors outside of the Univ, compensated or uncomp.
i) Providing or presenting a workshop for industry
j) Providing outside consulting and compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories
k) Other income-generating activities specified in approved implementing procedures
Category II activities

Category II activities are typically shorter-term outside professional activities that are outside the course and scope of University employment. Category II activities have a lesser potential for a conflict of commitment than do Category I activities.

This category also includes outside consulting activities that are outside the course and scope of the faculty member’s regular University appointment.

Faculty may engage in Category II activities without prior approval from the Chancellor’s Office.
Category III activities

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues. Nevertheless, they must not interfere with a faculty member’s obligations to the University.

Category III activities, even if compensated:
1. do not require prior approval;
2. do not require disclosure in annual reporting;
3. do not count toward the faculty member’s maximum time limit for outside professional activities, and;
4. the income does not count toward the earnings approval threshold.
List of Category III activities

a) Service on a government or professional panel or committee or as an officer of a professional or scholarly society

b) Reviewing manuscripts and acting in an editorial capacity

c) Attending and presenting talks at scholarly colloquia and conferences

d) Developing scholarly or creative work
Category III activities

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues. Nevertheless, they must not interfere with a faculty member’s obligations to the University.

Category III activities, even if compensated:

1. do not require prior approval;
2. do not require disclosure in annual reporting;
3. do not count toward the faculty member’s maximum time limit for outside professional activities, and;
4. the income does not count toward the earnings approval threshold.
“Other” activities

“Other” activities, even if compensated:

1. do not require prior approval;
2. do not require disclosure in annual reporting;
3. do not count toward the faculty member’s maximum time limit for outside professional activities, and;
4. the income does not count toward the earnings approval threshold.
List of “Other” activities

a) **Prizes**: gifts in recog. of personal achievements, not services rendered
b) **Royalties**: shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies
c) **Honoraria**: payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University and which are not in return for other services, whether given directly or indirectly
d) **University honoraria**: payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy
e) **Administrative stipends**
f) **Income from a profession unrelated** to the training and experience which is the individual’s qualification for University employment
“Other” activities

“Other” activities, even if compensated:

1. do not require prior approval;
2. do not require disclosure in annual reporting;
3. do not count toward the faculty member’s maximum time limit for outside professional activities, and;
4. the income does not count toward the earnings approval threshold.
Outside activity thresholds

For all Category I & II activities --

1. Maximum annual time limit for compensated and uncompensated outside professional activities – set by departments between 21 and 48 days

2. Annual earnings approval threshold – set by the School at $40,000 or 40% of the Scale 0 base salary, whichever is greater.
Outside activity thresholds

For all Category I & II activities --

1. Maximum annual time limit for compensated and uncompensated outside professional activities – set by departments between 21 and 48 days

Exceeding the limit requires chair approval (48 days max)
Outside activity thresholds

For all Category I & II activities --

2. Annual earnings approval threshold – set by the School at $40,000 or 40% of the Scale 0 base salary, whichever is greater.

Income below threshold is reported but retained

Exceeding the threshold requires chair approval

Income above threshold is owed to the HSCP and handled according to departmental HSCP bylaws
Income above threshold

In advance of each fiscal year, faculty members shall discuss with their chair and select in writing one of the following options for income accumulated in the Plan in excess of financial requirements:

OPTION A: Z Payment
OPTION B: Academic Enrichment Account
OPTION C: Academic Enrichment Account and Z Payment
Academic Enrichment Funds

Allocated from funds available for distribution as “Z”

Are to be used to support University-approved academic professional activities by reimbursing expenses that can be characterized as either:

1) an allowable direct charge, or
2) a reimbursable University-related business expense

Ultimate disposition of funds is solely each dept’s decision
In a nutshell...

Under APM - 671, Plan members in good standing are permitted to:
1) engage in compensated and uncompensated Category I & II activities up to a maximum time limit as selected by the dept. and
2) retain earnings from Category I & II activities up to $40k or 40% of scale 0 base salary, whichever is greater.

Once either of these thresholds (time or earnings) is met, the faculty member must obtain approval to continue to engage in the activity, with the understanding that all earnings received above the approval threshold must be deposited to the Compensation Plan.
Please begin by clicking the button below.

Log in to OATS

The Outside Activity Tracking System (OATS) is an easy to use web-based system through which faculty members can report outside activities and income. It employs a simple question and answer interactive format and an intuitive interface, and automatically determines activity category and what APM-671 guidelines the activity is associated with. The system will decide when pre-approval is required and will route requests automatically to the appropriate reviewer or approver group.

Policies
- APM-670 UC Health Sciences Compensation Plan
- APM-671 Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants
- DGSOM Implementing Procedures Under the UC Health Sciences Compensation Plan
- Outside Activities Health Sciences Compensation Plan FAQs

How-To Guides
- Faculty Guide
- Reviewer Guide
- Approver Guide

Helpful Forms
- IRS Tax Letter Template
- Request to Exceed Earnings Retention Threshold
- Sabbatical and Leave of Absence Form

Getting a UCLA Log on ID
- Learn how to get a UCLA Logon ID
OATS – reporting an activity
OATS – faculty dashboard
OATS – reviewer interface
HSCP – FAQs

TO: All School of Medicine Faculty on the Health Sciences Compensation Plan – Includes BSCP, MCP, PCCP, AND ILP

FROM: Jonathan R. Hiatt, M.D.
Vice Dean for Faculty
David Geffen School of Medicine at UCLA

RE: Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants – FAQs under APM-670 and APM-671

http://medschool.ucla.edu/workfiles/Site-AcademicAffairs/Salary/FAQs__New_7.1.15.pdf
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Outside professional activities