

Compensation Plan & Incentive Pay

The ABC's of X, Y, and Z

New Faculty Curriculum

UCSF Radiology and Biomedical Imaging

Tom McElderry

Chief Financial Officer

Overview

What is the “Compensation Plan”?

What are X, Y and Z?

How are X, Y, and Z set in Radiology?

What are the policies about Outside Income?

What do all those pay codes mean on your earnings statement?

What is the Compensation Plan?

Health Sciences Compensation Plan (HSCP)

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 regarding compensation

Mandated by the UC Office of the President (UCOP) for faculty on Health Sciences Campuses

Understanding the Comp Plan

Each School has a Comp Plan and each Department has its own procedures under the School's framework

All faculty have access to this document

https://radiology-help.ucsf.edu/sites/radiology-help.ucsf.edu/files/wysiwyg/faculty-survival-guide/Radiology_Comp_Plan_FY20_rev81419.pdf

Be sure to review it and understand its terms and conditions

Just a basic overview follows

What's in “The Comp Plan?”

Five Key Areas:

Membership

Compensation

Benefits

Good standing criteria

Dispute resolution procedures

Membership

UCSF faculty appointed at >50% effort are comp plan members – all series:

- Professor, Professor in Residence, Professor of Clinical Radiology, Adjunct Professor, Acting Professor, Health Sciences Clinical Professor, and Visiting Professor.

Faculty with joint appointments at affiliated sites (i.e., VAMC) are members regardless of UCSF % effort

Benefits

Leaves of Absence

- Personal
 - Childbearing/Childrearing Leave
 - Extended Illness / Disability Leave
 - Family and Medical Leave Act (FMLA)
- Academic
 - Sabbatical/Professional Development Leave

Meeting Days

- Limits on annual number, allowable activities

Other provisions

“Good standing” criteria

Grievance and dispute resolution
process

Compensation

Salary scales for the Department are incorporated into the plan

- Scales depend on whether faculty are radiologists or PhDs and whether they have clinical responsibilities

Incentive payments

- how they are earned/calculated
- who is eligible

Outside Income – rules about it

What are X, Y & Z?

The Components of Compensation

X = base salary

Y = negotiated salary

Z = bonus/incentive/additional comp

X + Y + Z = Total Compensation

X = base salary

The minimum, guaranteed salary rate for a faculty member in a department

Associated with rank and step (not series):
e.g., Assistant Professor Step 3

X salary is also called “**covered compensation**” i.e., the rate included in retirement and benefit calculations

X = base salary (continued)

How X is determined for each Plan member:

- Departments must group their faculty into “Academic Programmatic Units” (APUs) and identify which scale is to be used for each APU.
- UC defines 10 different possible pay scales for X
 - Scale 0 = $1.0 * X$
 - Scale 4 = $1.4 * X$
 - Scale 6 = $1.65 * X$
- Radiology has 2 APUs using these X Scales:
 - **Scale 4: PhDs and Other Research Faculty**
 - **Scale 6: Physicians in Clinical Practice**
- Your APU determines your scale, and your rank & step determine your X salary on that scale

Why aren't we on scale 9?

Have to pay for all retirement and other benefits associated with the guaranteed X salary

Cost of guarantee and associated benefits rise with the scales – limited by professional fee income and by grant funding, which can be variable

Having a separate negotiated salary component allows flexibility and affordability

Radiology scales recently increased and are consistent with other departments at UCSF

Y = negotiated salary

Additional salary amount negotiated annually – added to X

Not covered in UC retirement calculations

Radiology establishes target salaries for each rank and step using AAMC salary data (national averages for total compensation of full-time faculty) and AAARAD subspecialty data (from annual survey of academic radiology depts)

Y salary is set in two components:

- Amount needed to bring $X + Y$ to the target salary by subspecialty for each rank/step AND
- An optional negotiated component based upon prior year individual performance

Z = incentive compensation

Clinical incentives

- Calculated semi-annually
- Based upon section surplus (revenue less expenses)
- Bonus pool = 25% of surplus
- Pool is divided among section members in proportion to clinical effort

Z = incentive compensation (cont.)

Other incentives or stipends

- end-of-year bonus
- grant rebates (MDs), report signing bonus (MDs)
- stipends for administrative roles
- payments for outside professional activities

Some Z payments are one-time payments;
some are paid monthly

Not covered in UC retirement calculations

Outside Earnings/Income

Allowed, subject to certain limits and reporting requirements

– See APM-671 Categories I, II, III (handout)

Must be in “good standing”

NOT limited: Royalties, prizes, honoraria from other institutions, unrelated income (e.g., carpenter)

Note: Patient care service (aka moonlighting) at another institution is rare and ALWAYS requires prior approval from the Chair

Outside Earnings/Income

Legal, consulting, CME courses: ok to perform and retain income up to threshold limits:

- Up to \$40,000 or 40% of Scale 0 X-Salary (whichever is greater) annually AND
- Up to 384 hours (48 days) – must count all days worked even if on vacations/weekends/holidays

If you are likely to exceed the threshold – talk to Amy Pradhan re approvals needed

Keep track of all outside earnings (time & dollars) so that you can prepare your annual disclosure

Annual Disclosure Form

The reporting period is for fiscal year (e.g., 7/1/19 - 6/30/20).

Faculty are required to disclose both Category I and II outside income.

Category III does not need to be reported annually.

If you do not have any income to disclose, please check the box that states:

“I did not engage in Category I or II activities during the reporting period.”

You are still required to sign and return the form

Pay Codes on Your Earnings Statement

Faculty pay divided into multiple components – reading your earnings statement can be daunting!

Components enable reporting and special handling of different types of pay

For example, X, Y, & Z components have their own codes to handle the differing benefit implications of each

Further breakdown by code includes elements like:

- Over-the-cap salary (cannot be paid on federal grants)
- Stipends
- Honoraria

How to Read Your Earnings Statement

To help take the mystery out of reading your Earnings Statement, the sample presented here includes a key to the various types of earnings and deductions that may apply to you. If you need further assistance with understanding your Earnings Statement, contact the payroll administrator in your department.

UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
ACCOUNTING OFFICE
 SAN FRANCISCO, CA 94143

EARNINGS STATEMENT

IMPORTANT: PLEASE VERIFY ALL INFORMATION CONTAINED IN THIS STATEMENT AND NOTIFY YOUR DEPARTMENT OF ANY ERRORS. RETAIN THIS STATEMENT AS A RECORD OF YOUR EARNINGS AND DEDUCTIONS.

EARNINGS STATEMENT ADDRESS:

A JOB EMPLOYER: CONTROLLER'S OFFICE
 1805 POLKBLM STREET
 SAN FRANCISCO, CA 94143

B EMPLOYEE ID NUMBER: 012545678
C HOME DEPARTMENT NUMBER: 012545678
G NET EARNINGS OF 95,724.91 WILL BE AVAILABLE AS OF 11/01/06 IN ACCOUNT 012545678 AT LOS ANGELES FCU

J GROSS EARNINGS	K FEDERAL TAXABLE EARNINGS	L CALIFORNIA STATE TAXABLE EARNINGS	M TOTAL DEDUCTIONS	N NET EARNINGS
CURRENT YEAR TO DATE	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE
40,232.71	47,487.25	57,087.25	62,497.04	95,724.91
596,585.51	585,205.65	685,235.65		

P PAY TYPE	Q TITLE	R PAY RATE	S TIME	T GROSS	U PERIOD END DATE
REGULAR	ANALYST V2 - MSP	8232.71	1.0000 X	8,232.71	10/31/06

* TOTAL EARNINGS * **88,252.71**

V DEDUCTIONS	W COVERAGE	X AMOUNT	Y YEAR-TO-DATE AMOUNT	Z TAX-SHELTERED AMOUNT	BB LEAVE BALANCES AS OF 10/31	COMP TIME
PACIFICARE	W/CHILDRN	85.14	85.14	954.54	BEGIN	632.00 335.00 .00
HEBA	W/CHILDRN	416.67	416.67	4,963.37	ACCRUED	46.00 14.00 .00
REP REGULAR		145.65	145.65	1,529.75	TAKEN	.00 32.00 .00
MEDICARE		132.15		1,337.84		
OSDI		679.45		5,634.89		
TD 408B FLAT		500.00	500.00	6,125.00		
FEDERAL TAX		488.11		7,331.96	FINAL	672.00 317.00 .00
CA STATE TAX		277.01		5,746.99		
SUPPL LIFE	W/CHILDRN	36.06				
SUPPL LIFE INS	W/CHILDRN	36				
SUPPL DIS	W/CHILDRN	25.97				
ARAG LEGAL	W/CHILDRN	11.67		128.37		
* TOTALS *		62,497.00	63,145.46			

AA CONTRIBUTIONS	CC CHECK DATE
PACIFIC CONTR W/CHILDRN 495.65	11-01-06
DELTA DENTAL W/CHILDRN 72.98	
VISION PLAN W/CHILDRN 15.47	
* TOTALS *	682.08

ADDRESS SECTION

- A** Earnings Statement Address – the employee's campus address where the Earnings Statement is sent.
- B** Employee ID Number – the employee's nine digit identification number in the Payroll Personnel System (OLPPS)
- C** Home Department Number – the employee's home department number which identifies the employee's department.
- D** Federal Withholding – the employee's federal withholding status and the number of personal allowances.

- E** State Withholding – the employee's state withholding status and the number of personal allowances.
- F** State Itemized – the employee's additional state allowances

BANK INFORMATION SECTION

- G** Net Earnings – total Gross Earnings minus Total Deductions equals the net pay for the current payday.
- H** In Account – the employee's direct deposit account information with the last four digits displaying as X's for privacy protection.
- I** Bank Name – the name of the employee's bank.

EARNINGS SECTION

- J** Gross Earnings – the employee's current summary of gross earnings. The year to date is the total gross earnings for current calendar year.
- K** Federal Taxable Earnings – the portion of the employee's gross pay that is taxable for federal withholding purposes. To calculate, take the gross earnings and subtract the total deduction amount under the tax sheltered column. The year to date is the total federal taxable earnings for current calendar year.
- L** California State Taxable Earnings – the portion of the employee's gross pay that is taxable for state withholding purposes. To calculate, take the gross earnings and subtract the total deduction amount under the tax sheltered column. The year to date is the total state taxable earnings for current calendar year.
- M** Total Deductions – the employee's total paid deductions.
- N** Net Earnings – the employee's net pay for the current payday.
- O** Earnings Detail – information about the employee's pay for the current payday.

- P** Pay Type – the employee's type of pay included in this payday, such as Regular, Overtime Straight, Overtime Premium, Shift Differential, etc.
- Q** Title – the employee's title associated with a specific pay type.
- R** Pay Rate – the employee's pay rate for the type of pay.
- S** Time – the percent or hours the employee is being paid for the type of pay.
- T** Gross – the gross amount paid for the type of pay.
- U** Period End Date – the end date for the pay period for which the employee is paid on the current payday.

DEDUCTIONS SECTION

- V** Type – list the name of each deduction from an employee's pay such as:

Retirement/Savings – Defined Contribution Plan (DCP) and 403 (b) plan withholding.

 A) 2% of monthly gross less \$19.00 for employees coordinated in Social Security. When the Social Security wage base limit is reached by the Retirement Gross the retirement is 4% of monthly gross less \$19.00

 B) 3% of monthly gross less \$19.00 for employees not coordinated in Social Security.

 C) 7.5% for employees in Safe Harbor up to the wage base limit.

Social Security – QASDI tax deducted at 6.2% of gross pay up to the wage base limit and Medicare tax deducted at 1.45% of gross pay. Medicare does not have a wage base limit.

Taxes – federal and state taxes withholdings.

Insurance – various insurance coverage's for Medical premiums, life insurance, AD&D, Supplemental disability, etc.

Other – various voluntary (e.g. Parking, Dependent Care, Credit Union) and mandatory (Union Dues, etc).

- W** Coverage – list the coverage the employee selected for insurance.
- X** Amount – the amount of each deduction from the employee's pay.
- Y** Amount Tax-Sheltered – the amount of each deduction that reduces the employee's taxable gross
- Z** Year-To-Date Amount – the year-to-date total of certain deductions.
- AA** Contributions – list the amount paid by the University for the employee (e.g. Medical, Dental, Vision).
- BB** Leave Balances – Reflects balances as of the pay cycle end date.

Accrued is for the current month.

Taken reflects usage for prior month.

 Formula: Begin Balance PLUS Current Accruals (+/-) Adjustments MINUS Prior Month Usage (+/-) Adjustments EQUALS Final Balance
- CC** Check Date – the date the net pay is available in the employee's bank account.

Section P – Pay Type

XAC = Above the NIH cap on X salary

BYC = Above the NIH cap on Y salary

HOME DEPARTMENT NUMBER: 147100
 FEDERAL WITHHOLDING: SINGLE 000 ALLOWANCES
 STATE WITHHOLDING: SINGLE 000 ALLOWANCES
 STATE ITEMIZED: 000 ALLOWANCES

EARNINGS DETAIL CONTINUED FROM PREVIOUS PAGE

PAY TYPE	TITLE	PAY RATE	TIME	GROSS	PERIOD END DATE
HS-X-ABV CAP	PROF OF CLIN-HCOMP	3124.17		3,124.17	09/30/16
BYA RET C	PROF OF CLIN-HCOMP	2414.13		2,414.13	09/30/16
BYA NO RET	PROF OF CLIN-HCOMP	2083.33		2,083.33	09/30/16
HS FY SCALE	PROF OF CLIN-HCOMP	15425.00	.1500 %	2,313.75	09/30/16
HS FY SCALE	PROF OF CLIN-HCOMP	29625.75	.0330 %	977.65	09/30/16
HS-REG-T	PROF OF CLIN-HCOMP	29625.75	.0849 %	2,515.23	09/30/16
HS DIFF-RATE	PROF OF CLIN-HCOMP	29625.75	.0990 %	2,932.95	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	29625.75	.0331 %	980.61	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	15425.00	.0600 %	925.50	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	29625.75	.3000 %	8,887.73	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	15425.00	.0500 %	771.25	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	29625.75	.0300 %	888.77	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	15425.00	.0300 %	462.75	09/30/16
HS FY SCALE	PROF OF CLIN-HCOMP	29625.75	.0300 %	888.77	09/30/16
HS FY SCALE	PROF OF CLIN-HCOMP	15425.00	.0700 %	1,079.75	09/30/16
HS ADL CMP/C	PROF OF CLIN-HCOMP	15425.00	.0300 %	462.75	09/30/16
* TOTAL EARNINGS				\$31,709.09	

HRG = X salary

HSC = Y salary

UCSF Department of Radiology & Biomedical Imaging

Useful links

Radiology Compensation Plan and academic personnel items

<https://radiology-help.ucsf.edu/faculty-survival-guide/new-faculty-info>

School of Medicine Academic Affairs

<http://academicaffairs.medschool.ucsf.edu/>

- Annual financial disclosure form
- Request to exceed threshold for outside income

Academic Personnel Manual APM-671

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

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

UCSF Department of Radiology
& Biomedical Imaging

For More Information

Just a basic overview given here ...

For more details or specific questions see:

- Amy Pradhan (Interim CAO, Director of Academic Affairs)
- Tom McElderry (Chief Financial Officer)

Questions?

