SUPPLEMENTAL COMPENSATION PLAN

Section 1. LEGAL AUTHORITY

1.1 Article VII, Section 10 of the Constitution of the State of Nebraska, and Neb. Rev. Stat. § 85-106 relating to the power of the Board of Regents to fix compensation of University employees.

1.2 Section 3.3.1 of the Bylaws of the Board of Regents relating to compensation paid to members of the academic-administrative staff.

Section 2. PURPOSE AND APPLICABILITY.

The purpose of this policy is to authorize the establishment of supplemental compensation plans within the Colleges and equivalent units of the University of Nebraska Medical Center (UNMC) for the benefit of members of the eligible academic-administrative staff, and to prescribe the fundamental guidelines and requirements for any such supplemental compensation plan. This policy shall not apply to:

(a) The Medical Service Plan approved by the Board of Regents for clinical faculty of the College of Medicine.

(b) The Dental Service Plan approved by the Board of Regents for clinical faculty of the College of Dentistry.

(c) The academic-administrative staff members of any college or equivalent unit subject to a collective bargaining agreement.

Section 3. DEFINITIONS.

3.1 Base University Salary. The term base University salary shall mean the salary and benefits paid by the University to a member of the academic-administrative staff on an all-year appointment or on an academic year appointment as provided by Section 3.3.1 of the Bylaws of the Board of Regents.

3.2 College or Equivalent Unit. College or equivalent unit shall mean any one of the UNMC colleges named and designated in Neb. Rev. Stat. § 85-107, or the Eppley Institute for Research in Cancer and Allied Diseases.

3.3 Eligible Academic-Administrative Staff Member. The term eligible academic/administrative staff member shall mean any member of the UNMC academic-administrative staff as defined in Section 3.1.1.1 of the Bylaws of the Board of Regents who holds an appointment of at least one-half full-time equivalent (.5 FTE) within the college or equivalent unit or within the subunit to which a supplemental compensation plan applies.

3.4 Occasional Professional Services. The term occasional professional services shall mean compensated professional services not in excess of 192 hours per fiscal year performed by a member of the full-time academic-administrative staff which have been duly approved pursuant to the provisions of Section 3.4.5 of the Bylaws of the Board of Regents.
3.5 Participating Staff Member. The term participating staff member shall mean any eligible academic-administrative staff member participating in a supplemental compensation plan approved pursuant to this policy.

Section 4. ESTABLISHMENT OF SUPPLEMENTAL COMPENSATION PLANS

4.1 General. The guidelines included in this Regental policy are intended to provide a framework to enable the development of specific supplemental compensation plans within the colleges and equivalent units of UNMC. Subject to the review and approval requirements herein after prescribed, the dean of a college or director of an equivalent unit included under Section 3.2 of this policy may establish a supplemental compensation plan consistent with this policy for the benefit of eligible academic-administrative staff members of an entire college or equivalent unit, or for the benefit of one or more subunits of a college or equivalent units (i.e. department, division, center, school, etc.). Any such supplemental compensation plan and any subsequent revisions thereof must be reviewed by the appropriate faculty bodies of the college or equivalent unit, and the Chancellor. No supplemental compensation plan or any revision thereof shall be effective until it has been approved by the President. Specific supplemental compensation plans developed pursuant to this policy may include provisions which are more restrictive, but not less restrictive, than the guidelines and requirements set forth herein.

4.2 Role of the President. The President shall have authority to approve any supplemental compensation plan or any revision thereof which conforms to the limitations set forth in this policy.

The President shall have authority to approve individual exceptions, including exceptions to the compensation limits specified in Section 5.6 of this policy, to meet specific teaching or research requirements.

4.3 Role of the Deans, Directors and Chancellor. The dean or director shall have responsibility for the development of the specific supplemental compensation plan(s), for his or her college or equivalent unit, and, subsequent to approval by the President, shall have responsibility for the implementation and monitoring of the plan(s). In the process of developing or revising a specific plan, the dean or director shall consult with the appropriate faculty bodies within the college or equivalent unit. The dean or director present any plan he has developed to the Chancellor for review and approval prior to submitting it to the President for final approval.

Section 5. REQUIREMENTS FOR SUPPLEMENTAL COMPENSATION PLAN.

5.1 Eligible Participants. Only eligible academic-administrative staff members as defined in Section 3.3 of this policy shall be eligible for participation in a supplemental compensation plan.

5.2 Components of Total University Compensation under a Supplemental Compensation Plan. Under any supplemental compensation plan, the total annual compensation for a participating staff member will consist of his or her base University salary plus supplemental compensation approved in accordance with the terms of the supplemental compensation plan.

5.3 Sources of Funds for Supplemental Compensation Plans. Supplemental compensation to be made available for distribution to participating staff members under a supplemental compensation plan may be derived from any one or more of the following sources:
(a) Funds made available for academic salaries through University administered extra-mural grants and contracts;

(b) Income from professional services approved pursuant to Section 3.4.5 of the Bylaws of the Board of Regents, except for income from occasional professional services excluded under Section 5.4(a) of this policy;

(c) Gifts, grants and bequests; and

(d) Such funds as may be designated by the Board of Regents, the President, the Chancellor, or the Dean or Director for a supplemental compensation plan.

5.4 Categories of Income Excluded from a Supplemental Compensation Plan. The following categories of income shall be excluded from the provisions of any supplemental compensation plan and may be received by a participating staff member without affecting his or her eligibility or status under a supplemental compensation plan:

(a) Income from occasional professional services as defined in Section 3.4 of this policy;

(b) Prizes or awards received in recognition of personal achievement and not as payment for services rendered;

(c) Royalties received in accordance with the University's copyright and/or patent policies as shares of proceeds for contributions as an author or as an inventor;

(d) Honoraria received as payments made by agencies outside of the University for occasional lectures and similar public appearances which are beyond the scope of normal academic responsibilities to the University, and which are not in return for other professional services;

(e) Administrative stipends received as payments of salary made by the University for performance of duties related to University administration beyond the scope of normal University teaching, research or service responsibilities; and

(f) Income from a business, profession or other activity unrelated to the training and experience which constitute the participating staff member's qualifications for his or her University academic-administrative staff appointment.

5.5 Determination of Supplemental Compensation. Supplemental compensation in the form of supplemental salary and other supplemental benefits to be paid to each participating staff member under a supplemental compensation plan over and above his or her base University salary will be individually negotiated with the participating staff member for each fiscal year and then reduced to writing in a Terms of Employment Agreement to be submitted to the Board of Regents for approval. Each Terms of Employment Agreement shall be in a format approved by the Executive Vice President and Provost and shall expressly provide:

(a) That full payment of the stipulated supplemental compensation over and above the participating staff member's base University salary will be made only if funds are available in the appropriate supplemental compensation plan account to pay in full the approved supplemental compensation for all staff members participating in the plan; and
(b) That in the event there are not adequate funds available in the appropriate supplemental compensation account to pay in full the approved supplemental compensation for all participating staff members in the plan, then the amount of supplemental compensation to be paid to each participating staff member will be reduced by a uniform percentage based upon the funds available in the appropriate supplemental compensation account for distribution as supplemental compensation.

5.6 **Maximum Supplemental Compensation.** Each supplemental compensation plan approved pursuant to this policy may establish maximum levels of supplemental compensation which may be paid to participating staff members based upon academic or professional rank, academic or professional discipline or field of specialization, teaching, research or clinical duties, and length of University service; provided, however, that the maximum level of supplemental compensation which may be paid to a participating staff member under any supplemental compensation plan is 25% of base University salary. Each supplemental compensation plan will, insofar as possible, attempt to provide total compensation to participating staff members which takes into account professional responsibility, competence and productive efforts, and which is competitive with total compensation obtained elsewhere by peers at other academic institutions.

5.7 **Participation Voluntary.** Each supplemental compensation plan shall expressly provide that participation in the plan by eligible academic-administrative staff members is voluntary, and that no eligible academic-administrative staff member shall be adversely affected with respect to the amount of his or her base University salary or with respect to any other term or condition of University employment by reason of non-participation in a supplemental compensation plan. However, a plan may provide a period of minimum advanced notice before the voluntary withdrawal of any participating staff member becomes effective.

5.8 **Withdrawal from a Plan.** Withdrawal from a plan by a participating staff member will automatically result upon death or upon termination of employment in a college or subunit thereof where the plan exists. Withdrawal may also be accomplished by voluntary withdrawal from the plan at the conclusion of the period for notice of withdrawal required by the plan.

**Section 6. ACCOUNTABILITY AND ADMINISTRATION.**

6.1 **General Standards.** Each supplemental compensation plan shall include billing and accounting procedures which provide thorough accountability for receipt and disbursement of plan funds. The Vice Chancellor for Business and Finance shall provide assistance in the proper administration of each plan.

6.2 **Establishment of Plan Account.** Each supplemental compensation plan shall provide for the establishment of a separate University account for the plan which may receive funds from any one or more of the sources permitted under Section 5.3 of this policy.

6.3 **Disbursement of Funds.** Each supplemental compensation plan shall incorporate procedures and regulations to govern disbursements from the plan account. Each plan shall provide that disbursements shall be made in the following order of priority:

(a) The University shall be reimbursed (1) for any and all expenses of billing and collection of professional services fees to be paid into the plan account, (2) for use of University owned and/or leased equipment and facilities in connection with the plan, and (3) for any other University expenses directly attributable to the plan.
(b) To the extent that funds remain available after reimbursement of the University as provided in subsection (a) above, supplemental salary compensation shall be paid to participating staff members of the plan.

(c) To the extent that funds remain available after the foregoing disbursements, the plan may elect to fund supplemental benefits as provided in Sections 7.3 and 7.4 of this policy.

(d) To the extent that funds remain available after the foregoing disbursements, the plan shall provide for the establishment of a reserve for contingencies (which may be composed in part of accounts receivable) in an amount approved by the Chancellor.

(e) When a supplemental compensation plan account has accumulated a surplus beyond that required for disbursements and reserves as provided in all of the above categories in this section, the surplus shall be used for other purposes of the college or equivalent unit as recommended by the Dean or Director and approved by the Chancellor.

6.4 Reduction of Supplemental Compensation Due to Inadequate Funds in a Plan Account. In the event the funds in a supplemental compensation plan account (including its reserve for contingencies) are insufficient to pay the stipulated supplemental compensation to all participating staff members, the Dean or Director shall reduce the participating staff members' supplemental compensation by a uniform percentage based upon funds available in the account for disbursement as supplemental compensation.

6.5 Final Accounting and Settlement Upon Withdrawal. Each plan shall provide specific procedures for final accounting and settlement in the event of withdrawal from the plan by a participating staff member.

Section 7. BENEFITS

7.1 General. A supplemental compensation plan may provide for benefits to participating staff members in the form of salary supplements, supplemental retirement benefits and other supplemental benefits as described below in this section.

7.2 Salary Supplements. First priority for disbursement of funds in a supplemental compensation plan shall be for individual salary supplements to be negotiated with each participating staff member as provided in Section 5.5 of this policy. Fringe benefits of University employment which are payable by virtue of base University salary received by a participating staff member shall not apply to or be paid on account of any compensation paid as a salary supplement under a supplemental compensation plan.

7.3 Supplemental Retirement Benefits. Supplemental retirement benefits may be provided to participating staff members through payments made from the plan account not to exceed an amount determined by applying the prevailing percentage of employer contribution paid on account of the participating staff member's base University salary to the total supplemental salary paid to the participating staff member. For example, if the prevailing percentage of the employer contribution to the participating staff member's base University salary is 7% and the total supplemental salary paid is $7,000.00, then the maximum supplemental retirement benefit is $490.00.
7.4 **Other Supplemental Benefits.** Other supplemental benefits which may be provided to participating staff members under a supplemental compensation plan are as follows:

(a) Professional society dues.

(b) Travel to educational meetings or schools for enhancement of professional knowledge and skills.

(c) Support for sabbatical leave in lieu of, or in addition to, support provided by the University or other sources.

Any of the foregoing other supplemental benefits must be provided uniformly to participating staff members.

**Section 8. GENERAL PROVISIONS.**

8.1 **Additional Funds Not Required for Supplemental Compensation Plans.** The implementation, administration, and continued operation of any supplemental compensation plan approved pursuant to this policy shall be contingent upon the understanding and assurance that it will not require the expenditure of more state-appropriated funds in the UNMC budget than operation without the plan would otherwise require.

8.2 **Authority to Discontinue a Supplemental Compensation Plan.** The Board of Regents may discontinue and dissolve any supplemental compensation plan upon making disbursement of all funds in the plan's account in accord with the priorities for disbursement of funds prescribed in Section 6.3 of this policy.