



Faculty Compensation Office of Academic Affairs

Applies to: Faculty

POLICY

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Compensation decisions should support the recruitment, performance, and retention of high-quality faculty.

Units must offer benefits to tenure-track faculty and clinical and research faculty above 50% FTE.

The compensation rate for individual positions is primarily established by relevant competitive markets, as well as the impact of individual positions on the unit’s mission, as feasible within the unit’s budget. Compensation rates for individuals should vary with the credentials and performance of individuals holding the positions. Compensation decision makers should monitor equity patterns across groups of similarly employed individuals and address observed inequities in a timely way.

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Policy Details

1.0 Principles

Step, across-the-board, longevity, cost-of-living, or other increases indicative of minimum entitlements may have an adverse effect on equity by negating appropriate variation among individuals. Such increases are not a part of the university’s compensation strategy except in extraordinary circumstances.

Salary increase calculations based on actual dollars rather than on percentages of pre-existing base salaries permit flexibility in addressing market considerations and equity. Unit heads should determine the actual dollar figure of an individual’s compensation on the basis of performance and market considerations. Unit heads should then distribute annual salary increase in a way that allows the maximum number of faculty and staff to receive appropriate compensation.

One-time cash payments are permissible to reflect truly outstanding achievements on time-bound projects and/or to supplement the salary increase process in recognizing unusually outstanding performance. With few exceptions (such as a bona-fide variable compensation program), a one-time cash payment should not be used as a substitute for a permanent salary increase where the latter is justified. For budgetary reasons, the executive vice president and provost and vice president for human resources may in certain years prohibit such payments; this decision will be conveyed to the Council of Deans as soon as possible during the compensation planning process.

Zero increases are appropriate in the following instances:

- Inadequate performance. In such instances the performance deficiencies should be documented and communicated to the individual throughout the performance cycle, to the extent permitted by available information.
- Failure by an individual to provide required documentation of his/her performance.
- Current salary substantially exceeds market or salaries of other individuals within the same unit with similar duties, levels of performance, and experience/qualifications.

Units may offer benefits to full-time, full academic year visiting faculty appointees who will be engaged in both teaching and research as an academic unit treats all individuals who meet the eligibility criteria equally. The offering unit must have the funds available to cover the cost of the benefits and should designate benefits-eligibility (BE) when entering the appointment in the human resources (HR) System.

Also see the Office of Academic Affairs (OAA) [Policies and Procedures Handbook](#) for sample letters of offer and the [Employee Benefit Program Eligibility Booklet](#) specifically the section concerning faculty at 50% FTE or greater.



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2.0 Faculty extra compensation

Faculty compensation in excess of the base salary may take the form of:

- supplemental compensation
- off-duty period compensation for 9-month faculty
- one-time cash payment
- external consulting fee

All arrangements for extra compensation require administrative approval. Units must secure approvals before the extra work is carried out in order for the faculty member to be compensated for the work.

2.1 Supplemental compensation

Supplemental compensation may not exceed 20% of the base salary per fiscal year. Supplemental compensation in excess of 20% of the base salary is rare and must be justified by unusual circumstances.

Supplemental compensation is for temporary work clearly beyond the faculty member's normal assignments, in an amount appropriate to the allocation of time necessary to complete the extra assignment. The extra assignment should be nonrecurring and clearly limited in time and scope. Supplemental compensation is for use only during on-duty periods, and should not be used in combination with off-duty period compensation (see 2.2).

Department chairs, school directors, deans, and other principal administrative officers (as defined in the Bylaws of the Board of Trustees (BOT) of The Ohio State University 3335-1-03) are ineligible for supplemental compensation per Office of Human Resources (OHR) Policy 3.35.

2.1.1 Required approvals

Columbus campus: Tenure-initiating unit (TIU) head, college dean.
Regional campus: Regional campus dean/director.

Exceptions to 20% cap also require OAA approval.

The relevant administrator(s) must consider whether the faculty member is fully and satisfactorily performing all responsibilities for which the base salary is paid, as well as the impact of the extra work on the performance of these responsibilities plus any concurrent extra compensation arrangements. Both the interest of the university and the university's responsibility as a public institution require that faculty who are underperforming in any aspect of their primary position not receive enhanced compensation.

2.2 Off-duty period appointment for 9-month faculty

Off-duty period appointments for 9-month faculty may not exceed 2/9 of the base salary from university funds. Supplemental compensation may not be used to exceed this limit, and must not be paid during off-duty periods.

Off-duty period appointments for 9-month faculty may not exceed 3/9 of the base salary from external grant and contract funds as long as the university funds portion does not exceed 2/9 and the external funds portion does not exceed 2.5/9. Off-duty period compensation may consist of a flat dollar amount or be computed in terms of ninths on the basis of 19 days worked (on average) per ninth of extra compensation. (See Rules of the University Faculty 3335-5-07, Definition of Faculty Duties and Responsibilities.) Nine-month faculty earning 3/9 during the off-duty period are expected to be on duty



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during these three months and must account for their time and effort in accordance with Office of Sponsored Research (OSP) guidelines.

2.2.1 Required approvals

Columbus campus: TIU head, college dean.
Regional campus: Regional campus dean/director.

The relevant administrator(s) must consider whether the faculty member is fully and satisfactorily performing all responsibilities for which the base salary is paid, as well as the impact of the extra work on the performance of these responsibilities plus any concurrent extra compensation arrangements. Both the interest of the university and the university's responsibility as a public institution require that faculty who are underperforming in any aspect of their primary position not receive enhanced compensation.

2.3 One-time cash

A one-time cash payment is generally an after-the-fact bonus for exceptional work on a non-continuing project that was not otherwise subject to extra compensation, or a negotiated bonus given upon the accomplishment of written goals. For additional information see OHR Policy 3.15. Annual guidance regarding payment of bonuses in the context of the Annual Merit Compensation Process is available on the OHR website at <http://hr.osu.edu/comp/>.

2.3.1 Required approvals

Columbus campus: TIU head, college dean, OAA
Regional campus: Regional campus dean/director, OAA.

The relevant administrator(s) must consider whether the faculty member is fully and satisfactorily performing all responsibilities for which the base salary is paid, as well as the impact of any concurrent extra compensation arrangements. Both the interest of the university and the university's responsibility as a public institution require that faculty who are underperforming in any aspect of their primary position not receive enhanced compensation.

3.0 Administrative compensation

Major administrative assignments may entail additional compensation, appropriate to the magnitude of duties, in the form of a temporary administrative attachment and/or off-duty period appointment.

Administrative compensation is added at the beginning of the appointment and removed at its conclusion, and should in no circumstance be retained. The letter of offer must spell out the specifics of any administrative compensation and identify step-down arrangements for removing the administrative compensation.

When a faculty member steps down from a 12-month administrative appointment to a 9-month faculty appointment, all accrued vacation is forfeited (see OHR Policy 6.27). See the Faculty Appointments Policy for information on converting between 9- and 12-month appointments.

3.1 Required approvals

The dean (unless the prospective appointment is for the dean) and OAA.

3.2 Administrative attachments



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Administrative attachments provide additional compensation in recognition of the increased responsibilities attached to the specific administrative role. The administrative attachment must be entered into the HR system using the FAA code.

An administrative attachment may be included in an off-duty period appointment (see below) for 9-month faculty in an administrative position when justified by specific responsibilities associated with the appointment.

3.3 Off-duty period appointment

An off-duty period appointment may be appropriate for 9-month faculty in an administrative position. Off-duty period compensation may consist of a flat dollar amount or be computed in terms of ninths, not to exceed 2/9 of the base 9-month salary. It may or may not include an administrative attachment. Faculty members receiving an additional off-duty appointment from external grants and contracts should not receive administrative attachments on that external compensation.

3.4 Exceptions

Exceptions to the administrative compensation policies stated here will be considered on a case-by-case basis. Specific proposals should be forwarded to OAA for review.

4.0 Paid external consulting

See the Faculty Paid External Consulting Policy.

4.1 Required approvals

Deans: Provost.
Central administrators: President or provost (per reporting line).
Columbus campus faculty: TIU head and college dean.
Regional campus faculty: Regional campus dean/director.

4.2 External consulting fee

Although the university does not monitor the dollar amount of external consulting income, all consulting activity requires administrative approval. In considering whether to approve a consulting arrangement, the relevant administrator(s) should assure that:

- The faculty member's total involvement in extra work, both within and beyond the university, does not exceed one business day per week. This principle should be in effect for all on-duty periods and also for any off-duty period during which a faculty member is receiving extra compensation.
- The faculty member is performing all regular duties fully and satisfactorily.
- All potential conflict of interest issues are resolved.

See the Faculty Conflict of Commitment Policy for additional information.

5.0 Faculty Professional Leave

The base salary is reduced during a Faculty Professional Leave (FPL) by 1/3 over a 2-semester leave. Individuals on a 2-semester leave must complete the STRS Notification of Professional Leave of Absence Form. The reduced salary may be augmented by the types of extra compensation noted below subject to the following essential conditions:



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- The level of the regular base salary is not exceeded.
- No general funds are involved in any amount.
- The activity to be compensated supports and does not interfere with the purposes of the FPL.

The faculty member, at his/her discretion, may augment his or her reduced salary by funds from external research grants or contracts or other non-general funds sources.

The unit, at the unit head's discretion, may augment the faculty member's reduced salary with development funds or other non-general funds sources. (See Faculty Professional Leave Policy.)

Supplemental compensation from general funds is not allowed during an FPL.

5.1 Paid external consulting during an FPL

Paid external consulting during an FPL is usually inappropriate as the extra work detracts from the purposes of the leave. In addition to the regular approvals for paid external consulting, approval by OAA is required for paid external consulting during an FPL.

6.0 Unpaid Leave of Absence

A faculty member on a BOT-approved Unpaid Leave of Absence is by definition not in active pay status. Consequently, pay for work is inappropriate as it returns the faculty member to active pay status in violation of the BOT action. The faculty member should give full consideration to this constraint before seeking approval for an unpaid leave. An option to consider in place of an unpaid leave is a temporary reduction in appointment, but a reduction below 50% will entail loss of tenure (Faculty Rule 3335-5-03).

7.0 Income generating programs

Colleges that offer income generating educational programs to off-campus offices may negotiate agreements with OAA that allow exceptions to the 20% cap on supplemental compensation, when paying market rates for such activity would necessitate exceeding the cap for some individuals.

The time commitment for this and all other extra compensation must not exceed one business day per week even if the 20% compensation cap is exceeded.

Colleges must forward requests for such an exception to OAA for approval. The proposal requesting the exception should contain the following information:

- description of the income-generating program
- supporting data to justify the need for the exception
- estimate of the number of faculty likely to have supplemental compensation exceeding the cap
- extent to which the cap will be exceeded
- formal plan for monitoring faculty time commitment and performance in regular duties

8.0 Counter offers

The university is committed to retaining its faculty through appropriate salary support as well as other resources. Ongoing assessment of salaries through the annual merit compensation process (AMCP), including analysis of equity and market issues, is critical to faculty retention and helping to forestall faculty seeking offers from other institutions in order to gain a



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salary adjustment. At the same time, productive faculty members can be attractive to colleagues to other institutions. When a department wants to retain a faculty member who receives an offer from another institution, a counter offer may be appropriate. In general, such retention efforts should be reserved for faculty members who have a documented offer from a peer institution. The department is not obligated to provide a counter offer if circumstances do not warrant it. In formulating counter offers, units should keep in mind other aspects of the appointment, such as research support and modification of duties.

8.1 Funding

As part of the university's commitment to retention, OAA will provide matching funds to colleges that are making counter offers with a documentable offer from a peer institution. Use the Counter Offer/Off-Cycle Salary Increase Form (Form 205) to request OAA support.

OAA will fund 50% of the increase in salary. OAA's contribution consists of cash for three years only. This matching is contingent upon availability of central funds and is not guaranteed.

8.2 Effective date

Salary increases associated with counter offers will normally be effective at the beginning of the next appointment year (July 1 for 12-month faculty and September 1 for 9-month faculty). OAA will not provide its portion of the funding until that time.

When approval is given for an immediate salary increase, the unit must cover the cost from its own funds.

8.3 Promotion

Requests for an off-cycle promotion review as part of a counter offer must include documentation comparable to that prepared during a regular review before it is submitted to OAA, that is, review at the TIU level followed by review by the dean. Consultation with the college P&T committee is at the discretion of the dean. In general, promotions granted after an off-cycle review will be effective at the beginning of the next appointment year. Faculty receiving such promotions will be eligible for central funding in accordance with current AMCP guidelines. Units wishing to make a promotion effective at a different time will not be eligible for central promotion funding.

9.0 Salary equity and market adjustments

The unit head initiates a proposal to provide a salary equity or market increase. A proposal to provide a salary equity increase may also be the result of review under the Faculty Salary Equity Appeals Process (See OAA [Policies and Procedures Handbook](#)).

Equity and market increases are normally provided at the beginning of the individual's next appointment year (September 1) and are funded out of regular raise monies unless an exception has been granted by OAA.

A unit head may request permission to make an immediate mid-year adjustment when the need for such an adjustment is established well in advance of the beginning of the next appointment year.

It is inappropriate for a unit head to propose or to offer retroactive adjustments. OAA will not approve retroactive salary equity and market increases.

9.1 Required approvals



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Regional Campus: Regional campus dean and OAA

The request for such an adjustment must include both an adequately detailed explanation to establish that an inequity or substantial deviation from market salary exists and why it was not possible to make the adjustment at the normal time. Units should not inform a faculty member that an equity or market adjustment will be made before all the required approvals have been obtained.

9.2 Pay rate changes in HR system

Any pay adjustment that will carry the Equity/Market/Performance (EQU) Reason Code should not be entered into the HR system until the above approvals have been obtained.

10.0 Mid-year salary increases

Salaries should be adjusted at the beginning of each faculty member's annual appointment year (July 1 for 12-month employees and September 1 for 9-month faculty) except in unusual circumstances. Requests to give a midyear increase should be rare and must include an explanation both for the increase and for why it was not possible to make the adjustment at the normal time. Units should not inform a faculty member that a midyear increase will be given before all the required approvals have been obtained.

It is inappropriate for a unit head to propose or to offer retroactive adjustments. OAA will not approve retroactive salary equity and market increases.

10.1 Required approvals

Columbus Campus: TIU head, college dean, and OAA
Regional Campus: Regional campus dean and OAA

10.2 Pay rate changes in HR system

Units should not enter any midyear salary increase that will carry the Equity/Market/Performance (EQU) Reason Code into the HR system until approvals have been obtained.

Resources

- Annual Merit Compensation Process, <http://hr.osu.edu/comp/>
- Bylaws of the Board of Trustees, <http://trustees.osu.edu/bylaws/index.php>
- Counter Offer/Off-Cycle Salary Increase Form, <http://oaa.osu.edu/forms.html>
- Employee Benefit Program Eligibility Booklet, <http://hr.osu.edu/policy/empben/empbenhome.htm>
- OAA Policies and Procedures Handbook, <http://oaa.osu.edu/handbook.html>
- OHR Policy 3.15, <http://hr.osu.edu/policy/>
- OHR Policy 3.35, <http://hr.osu.edu/policy/>
- OHR Policy 6.27, <http://hr.osu.edu/policy/>
- Faculty Conflict of Commitment Policy, <http://oaa.osu.edu/assets/files/documents/conflictofcommitment.pdf>
- Faculty Paid External Consulting, <http://oaa.osu.edu/assets/files/documents/paidexternalconsulting.pdf>
- Faculty Professional Leave Policy, <http://oaa.osu.edu/assets/files/documents/facultyprofessionalleave.pdf>
- Faculty Salary Appeals Process, <http://oaa.osu.edu/handbook.html>
- Rules of the University Faculty, <http://trustees.osu.edu/ChapIndex/index.php>
- STRS Notification of Professional Leave of Absence Form, <https://www.strsoh.org/Employer/pdfs/50-135.pdf>



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Contacts

Subject	Office	Telephone	E-mail/URL
Administrative compensation	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Annual Merit Compensation Process	Organization and Human Resource Consulting	614-292-2800	http://hr.osu.edu/ohrc/index.aspx
Counter offers	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Faculty extra compensation	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
HR system codes	Payroll Services, Office of Business and Finance	614-292-2311	http://www.ctlr.ohio-state.edu/pay/pay-home.shtml
Income generating programs	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Mid-year salary increases	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Paid external consulting	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Salary equity and market adjustments	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
STRS	Organization and Human Resource Consulting	614-292-2800	http://hr.osu.edu/ohrc/index.aspx
Unpaid leave of absence	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu

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