



Applies to: Faculty

Responsible Office

Office of Academic Affairs

POLICY

Issued: 07/26/04

Revised: 01/03/2021 (minor revision)

The university strives to retain and recruit world-class faculty. To support such initiatives, 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. Units must offer benefits to tenure-track faculty and clinical and research faculty above 50% FTE.

Purpose of the Policy

To establish requirements for compensation decisions to support the recruitment, performance, and retention of high-quality faculty.

Policy Details

- I. Standard Principles
 - A. Salary Increases
 1. Unit heads are to determine the actual dollar figure of an individual's compensation on the basis of performance and market considerations. Annual salary increases are to be distributed in a way that allows the maximum number of faculty to receive appropriate compensation.
 2. Salary increase calculations based on actual dollars rather than on percentages of pre-existing base salaries permit flexibility in addressing market considerations and equity.
 3. 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.
 - B. Appropriate Instances of Zero Salary Increase
 1. Inadequate performance of an individual whose deficiencies are to be documented and communicated to the individual throughout the performance cycle, to the extent permitted by available information.
 2. Failure by an individual to provide required documentation of his/her performance.
 3. Current salary of individual substantially exceeds market or salaries of other individuals within the same unit with similar duties, levels of performance, and experience/qualifications.
 - C. Benefits for Full-Time Visiting Faculty
 1. Units may offer benefits to full-time, full academic year visiting faculty appointees who will be engaged in both teaching and research.
 2. 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.
 3. See [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.
- II. Compensation in Excess of Base Salary
 - A. Faculty compensation in excess of the base salary generally will take the form of:
 1. Additional compensation;
 2. Off-duty period compensation for 9-month faculty;

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3. One-time cash payment; or
 4. Administrative compensation.
- B. Approvals
1. All arrangements for compensation in excess of the base salary require approval before the extra work is carried out from the appropriate administrators identified in the Procedure section. Units must secure approvals before the extra work is carried out in order for the faculty member to be compensated for the work.
 2. When approving compensation in excess of the base salary, 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.
 3. In the interest of the university and the university's responsibility as a public institution, faculty who are underperforming in any aspect of their primary position are not to receive enhanced compensation.

PROCEDURE

Issued: 07/26/04

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- I. Additional Compensation
- A. Additional compensation may not exceed 20% of the base salary per fiscal year. Additional compensation in excess of 20% of the base salary is rare, must be justified by unusual circumstances, and requires OAA approval.
 - B. Additional 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.
 - C. The additional assignment is to be nonrecurring and clearly limited in time and scope.
 - D. Additional compensation is for use only during on-duty periods and is not be used in combination with off-duty period compensation (see section II below).
 - E. 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 additional compensation per Office of Human Resources (OHR) [Additional Compensation Involving Work Within the University, policy 3.35](#).
 - F. Additional compensation on the Columbus campus must be approved by the tenure-initiating unit (TIU) head and college dean. On regional campuses, additional compensation must be approved by the campus dean.
 - G. Income Generating Programs exception to 20% cap on additional compensation
 1. Colleges that offer income generating educational programs to off-campus offices may negotiate agreements with OAA that allow exceptions to the 20% cap on additional compensation, when paying market rates for such activity would necessitate exceeding the cap for some individuals.
 2. The time commitment for additional compensation must not exceed one business day per week even if the 20% compensation cap is exceeded.
 3. Colleges must forward requests for such an exception to OAA for approval. The proposal requesting the exception is to contain the following information:
 - a. description of the income-generating program;
 - b. supporting data to justify the need for the exception;
 - c. estimate of the number of faculty likely to have additional compensation exceeding the cap
 - d. extent to which the cap will be exceeded; and
 - e. formal plan for monitoring faculty time commitment and performance in regular duties.

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- II. Off-Duty Period Compensation for 9-Month Faculty
 - A. Off-duty period compensation for 9-month faculty may not exceed 2/9 of the base salary from university funds. Additional compensation may not be used to exceed this limit and must not be paid during off-duty periods.
 - B. Off-duty period compensation 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.
 - C. 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.)
 - D. Nine-month faculty earning 3/9 during the off-duty period are expected to be on duty during these three months and must account for their time and effort in accordance with Office of Sponsored Research (OSP) guidelines.
 - E. Off-duty period compensation on the Columbus campus must be approved by the TIU head and college dean. On regional campuses, off-duty compensation must be approved by the campus dean.

- III. One-Time Cash Payment
 - A. 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 [Reward and Recognition, 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/>.
 - B. 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.
 - C. With few exceptions (such as a bona-fide variable compensation program), a one-time cash payment is not to be used as a substitute for a permanent salary increase where the latter is justified.
 - D. One-time cash payments on the Columbus campus must be approved by the TIU head, college dean, and OAA. On regional campuses, one-time cash payments must be approved by the campus dean and OAA.
 - E. For budgetary reasons, the executive vice president and provost and senior vice president for human resources may in certain years prohibit such payments. A decision to not allow cash payments will be conveyed to the Council of Deans as soon as possible during the compensation planning process.

- IV. Administrative Compensation
 - A. Administrative assignments may entail extra compensation, appropriate to the magnitude of duties, in the form of a temporary administrative attachment and/or off-duty period appointment. Any off-duty period compensation must follow the requirements stated in Procedure II above.
 - B. Administrative attachments provide extra compensation in recognition of the increased responsibilities attached to the specific administrative role.
 - C. 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.
 - D. When a faculty member steps down from a 12-month administrative appointment to a 9-month faculty appointment, all accrued vacation is forfeited (see [Paid Leave Programs, policy 6.27](#)). See the [Faculty Appointments policy](#) for information on converting between 9- and 12-month appointments.
 - E. An administrative attachment may be included in an off-duty period appointment for 9-month faculty in an administrative position when justified by specific responsibilities associated with the appointment.
 - F. Faculty members receiving an additional off-duty appointment from external grants and contracts should not receive administrative attachments on that external compensation.
 - G. Exceptions to the administrative compensation procedures stated above will be considered on a case-by-case basis. Specific proposals are to be forwarded to OAA for review.

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- H. Administrative compensation on the Columbus campus requires approval from the college dean (unless the prospective appointment is for the college dean) and OAA. On regional campuses, administrative compensation must be approved by the campus dean (unless prospective appointment is for the campus dean) and OAA.
- V. Counter Offers
- A. 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 salary adjustment.
 - B. When a department seeks to retain a faculty member who receives an offer from another institution, a counter offer may be appropriate.
 - C. 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.
 - D. In formulating counter offers, units are to keep in mind other aspects of the appointment, such as research support and modification of duties.
 - E. Salary increases associated with counter offers will normally be effective at the beginning of the next appointment year.
 - F. As part of the university's commitment to retention, OAA, at its discretion, will fund up to 50% of the increase in salary to colleges that are making counter offers. OAA's contribution consists of cash for three years only, is contingent upon availability of central funds, and is not guaranteed.
 - G. When approval is given for an immediate salary increase, the unit must cover the cost from its own funds.
 - H. 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 (review at the TIU level followed by review by the dean). Consultation with the college promotion and tenure committee is at the discretion of the dean.
 - I. 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.
 - J. Units wishing to make a promotion effective at a different time will not be eligible for central promotion funding.
- VI. Salary Equity and Market Adjustments
- A. 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](#)).
 - B. Equity and market increases are normally provided at the beginning of the individual's next appointment year and are funded out of regular raise monies unless an exception has been granted by OAA.
 - C. 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.
 - D. It is inappropriate for a unit head to propose or to offer retroactive adjustments. OAA will not approve retroactive salary equity and market increases.
 - E. 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, if applicable.
 - F. Units are not to inform a faculty member that an equity or market adjustment will be made before all the required approvals have been obtained.
 - G. Approval of equity or market adjustments for the Columbus campus requires approval of the TIU head, college dean, and OAA. For regional campus, such adjustments require approval of the campus dean and OAA.

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- VII. Midyear Salary Increases
- A. Salaries are to be adjusted at the beginning of each faculty member's annual appointment year except in unusual circumstances.
 - B. Requests to give a midyear increase are 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 may inform a faculty member that a midyear increase will be given only after all the required approvals have been obtained.
 - C. It is inappropriate for a unit head to propose or to offer retroactive salary equity and market increases adjustments. OAA will not approve such increases.
 - D. Approval of midyear salary increases for the Columbus campus requires approval of the TIU head, college dean, and OAA. For regional campuses, midyear salary increases require approval of the campus dean and OAA.

Responsibilities

Position or Office	Responsibilities
Campus Dean	<ol style="list-style-type: none"> 1. Approve additional compensation on regional campuses. 2. Approve off-duty period compensation on regional campuses. 3. Approve one-time cash payments on the regional campuses in consultation with OAA. 4. Approve administrative compensation in consultation with OAA. 5. Approve equity or market adjustments on regional campuses. 6. Approve midyear salary increases for the regional campuses in consultation with OAA.
College Dean	<ol style="list-style-type: none"> 1. Approve additional compensation on the Columbus campus in consultation with the TIU head. 2. Approve off-duty period compensation on the Columbus campus in consultation with the TIU head. 3. Approve one-time cash payments on the Columbus campus in consultation with the TIU head and OAA. 4. Approve administrative compensation in consultation with OAA. 5. Approve equity or market adjustments for the Columbus campus in consultation with the TIU head and OAA. 6. Approve midyear salary increases for the Columbus campus in consultation with the TIU head and OAA.
Colleges that offer income generating educational programs to off-campus offices	<ol style="list-style-type: none"> 1. Negotiate agreements with OAA that allow exceptions to the 20% cap on additional compensation, when paying market rates for such activity would necessitate exceeding the cap for some individuals. 2. Send requests for such exceptions to the 20% cap on additional compensation to OAA for approval.
OAA	<ol style="list-style-type: none"> 1. Approve additional compensation in excess of 20% of the base salary, in rare circumstances. 2. Negotiate agreements that allow exceptions to the 20% cap on additional compensation with colleges that offer income generating educational programs to off-campus offices. 3. Approve one-time cash payments on the Columbus campus in consultation with the TIU head and college dean. 4. Approve one-time cash payments on the regional campuses in consultation with the campus dean. 5. Review and consider exceptions to the administrative compensation policies. 6. Approve administrative compensation in consultation with the dean. 7. Approve equity or market adjustments for the Columbus campus in consultation with the TIU head and college dean. 8. Approve equity or market adjustments for regional campuses in consultation with the campus dean. 9. Approve midyear salary increases for the Columbus campus in consultation with the TIU head and college dean. 10. Approve midyear salary increases for the regional campuses in consultation with the campus dean.
TIU Head	<ol style="list-style-type: none"> 1. Approve additional compensation on the Columbus campus in consultation with the college dean. 2. Approve off-duty period compensation on the Columbus campus in consultation with the college dean. 3. Approve one-time cash payments on the Columbus campus in consultation with the college dean and OAA. 4. Approve equity or market adjustments for the Columbus campus in consultation with the college dean and OAA. 5. Approve midyear salary increases for the Columbus campus in consultation with the college dean and OAA.

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Position or Office	Responsibilities
Unit	<ol style="list-style-type: none"> Secure approvals before the extra work is carried out in order for the faculty member to be compensated for the work. Cover costs from its own funds when approval is given for an immediate salary increase.
Unit Head	<ol style="list-style-type: none"> Determine the actual dollar figure of an individual's compensation on the basis of performance and market considerations. Initiate proposal to provide a salary equity or market increase. 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.

Resources

Forms

Counter Offer/Off-Cycle Salary Increase Form, oaa.osu.edu/forms.html

STRS Notification of Professional Leave of Absence Form, strsoh.org/employer/_pdfs/forms/50-135.pdf

Governance Documents

Additional Compensation Involving Work Within the University, policy 3.35, hr.osu.edu/wp-content/uploads/policy335.pdf

Bylaws of the Board of Trustees, trustees.osu.edu/bylaws-and-rules/bylaws

Faculty Conflict of Commitment policy, oaa.osu.edu/assets/files/documents/conflictofcommitment.pdf

Faculty Paid External Consulting policy, oaa.osu.edu/assets/files/documents/paidexternalconsulting.pdf

Faculty Professional Leave policy, oaa.osu.edu/assets/files/documents/facultyprofessionalleave.pdf

Paid Leave Programs, policy 6.27, hr.osu.edu/wp-content/uploads/policy627.pdf

Reward and Recognition, policy 3.15, hr.osu.edu/wp-content/uploads/policy315.pdf

Rules of the University Faculty,

trustees.osu.edu/sites/default/files/migrated/assets/files/RuleBook/UniversityFacultyRules.pdf

Additional Guidance

Annual Merit Compensation Process, hr.osu.edu/comp/

Employee Benefits Eligibility, <https://hr.osu.edu/benefits/eligibility>

OAA Policies and Procedures Handbook, oaa.osu.edu/handbook.html

Faculty Salary Appeals Process, oaa.osu.edu/handbook.html

Contacts

Subject	Office	Telephone	E-mail/URL
Administrative compensation	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Annual Merit Compensation Process	HR Connection	614-247-myHR (6947)	HRConnection@osu.edu
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	HR Connection	614-247-myHR (6947)	HRConnection@osu.edu
Income generating programs	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Midyear 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



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Retirement	HR Connection	614-247-myHR (6947)	HRCconnection@osu.edu
Salary equity and market adjustments	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu
Unpaid leave of absence	Office of Academic Affairs	614-292-5881	http://oaa.osu.edu

History

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