



# **UNIVERSITY OF MARYLAND**

## **SCHOOL OF PHARMACY**

SOP Faculty Incentive Plan Effective July 2006  
UC revision 6-25-2007

### **FACULTY INCENTIVE PLAN**

#### **UNIVERSITY OF MARYLAND SCHOOL OF PHARMACY**

The purpose of this Faculty Salary Incentive Plan ("Plan") is to encourage faculty to obtain grant and contract funding in support of their academic efforts.

#### **A. Definitions.**

- 1** "Institutional Base Salary (IBS) is the base annual compensation set by the School of Pharmacy for each of its faculty. IBS is defined in the UMB Policy on Institutional Base Salary (issued by the President effective July 1, 2006).
- 2.** "Fiscal Year" means the period of July 1 to the next June 30. The first Fiscal Year in which Incentive may be paid as provided in this amended Plan begins July 1, 2006.
- 3.** "Full Fringe Benefits Cost" means the total fringe benefits cost, calculated as a percentage of salary, determined by UMB for School faculty. Full Fringe Benefits Cost is subject to change.
- 4.** "Full Indirect Costs" means the indirect costs of grant or contract work calculated at a rate set by UMB for the type of work involved. Indirect costs at a lower rate are considered Full Indirect Costs if the lower rate is set by federal policy, state policy, or local government policy, or the policy of a tax-exempt non-government entity. Compensation for clinical practice activities under contracts approved by the School is considered to include reimbursement of "full indirect costs" for purposes of this section.
- 5.** "Incentive" means the incentive compensation component of Total Salary, earned and paid as provided in this Plan.
- 6.** "Participant" means a faculty member participating in the Plan.
- 7** "Salary Support" means grant and contract funding (a) budgeted, consistent with the grant or contract, for payment of all or part of the IBS of a specific faculty member, and (b) generated under a grant or contract providing Full Fringe Benefits Cost related to Salary Support and Full Indirect Costs.
- 8.** "Total Salary" means IBS plus any Incentive payable through the biweekly UMB payroll.

**B. Participation.**

To participate in this Plan, a faculty member must be a full-time appointee who holds a tenure track or tenured appointment. Visiting faculty cannot participate. Full-time non-tenure track faculty may participate only if the Dean, in his discretion, grants permission. Requests of non-tenure track faculty to participate in this Plan will be considered on an annual basis.

**C. Calculation and Payment of Incentive.**

- 1 During the time that a Participant generates Salary Support at the rate of at least 5% of IBS, the Participant may earn Incentive.
- 2 Payments of Incentive will be determined under the following formula:

<u>Salary Support Generated as % of IBS</u>	<u>Incentive Payment</u>
Less than 5%	None
5% and above	35% of Salary Support for up to 55% of IBS

*NOTE: Salary Support can exceed 55% of IBS, but incentive cannot exceed 35% of 55% of IBS*

3. A faculty member who begins employment during a Fiscal Year is eligible to participate upon attaining sufficient Salary Support (5% or greater). If the Salary Support of a faculty member who is receiving Incentive falls below 5% of IBS, the faculty member will be ineligible for Incentive until Salary Support again is at least 5% of IBS.
4. The Incentive component of Total Salary will be paid biweekly as part of taxable earnings, or upon any other schedule required by UMB administration. Incentive may increase or decrease from one Fiscal Year to the next, and during a Fiscal Year, depending upon the Salary Support generated by the Participant. Consequently, the biweekly earnings of a Participant may be increased or decreased as a result of an increase or decrease in Salary Support. The payment of the Incentive component of Total Salary may be made during the quarter Incentive is earned, or made in arrears in the following quarter, as determined by the School or UMB.

**D. Other Matters.**

- 1 Incentive does not increase IBS or Salary Support. Incentive will not be considered when calculating cost of living or merit increases to IBS. Incentive is not subject to cost of living or merit increases.
- 2 Funds paid as Incentive and related fringe benefit costs may not be charged to contracts and grants.

3. This Plan does not create an obligation on the part of the School of Pharmacy to approve grants and contracts proposed by faculty. If performance of grant and contract responsibilities interferes with a faculty member's performance of other academic assignments, the Dean may suspend or terminate the faculty member's participation in the Plan.
4. The Incentive component of Total Salary is payable as provided in this Plan subject to (a) reduction due to lack of anticipated funds for the faculty member's Incentive, and (b) requirements of State and Federal law, and (c) requirements of applicable policies of the University System of Maryland and UMB affecting faculty salaries.
5. Incentive will not be included in calculations used for grant and contract applications requesting for Salary Support or in calculations of faculty effort charged to sponsored and non-sponsored accounts for certifying level of effort expended.

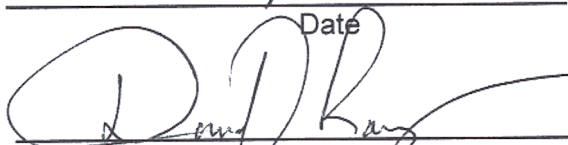
This Plan supersedes the School of Pharmacy Faculty Salary Enhancement Plan revised January 1, 1989, as of July 1, 2006.

Recommended:

  
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Dean, School of Pharmacy

6-27-07  
\_\_\_\_\_  
Date

Approved:

  
\_\_\_\_\_  
President, UMB

6-27-07  
\_\_\_\_\_  
Date