

## University of California, San Francisco School of Pharmacy Health Sciences Compensation Plan

### **I. INTRODUCTION**

In adopting this Compensation Plan, the faculty and administration of the School of Pharmacy at UCSF affirm the philosophy outlined in the Regents' Plan. The Regents' Plan and the School of Pharmacy Implementing Procedures will be used to foster academic balance among the joint responsibilities of teaching, research, and other creative work, professional activity and University, and other public service. Individual levels of compensation shall be established so as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for the School to fulfill its missions at a level of excellence.

### **II. REVIEW AND APPROVAL RESPONSIBILITY**

This Compensation Plan is consistent with the policy framework of the Regents' Plan and the *School of Pharmacy Implementation Procedures*. Plan Participants shall be afforded the opportunity to review and comment on any proposed revisions to this document. The Compensation Plan shall be reviewed by the Advisory Committee and reviewed and approved by the Dean prior to implementation. Implementation shall be administered by the Dean or his/her designee. The School of Pharmacy Advisory Committee shall be provided the opportunity to review and comment on any proposed exception(s) to these Implementing Procedures that the Dean intends to submit to the Chancellor for approval.

#### **A. Advisory Committee**

The Advisory Committee's role is to assist the Dean in resolving issues that may arise from Plan implementation. The Advisory Committee assists by assuring compliance with and resolving issues on outside professional activities, conflict of interest, and conflict of commitment. The Committee also reviews the submissions of individual Department compensation plans.

The Advisory Committee shall consist of the Associate Dean for Academic Affairs and six voting members, all of whom must hold faculty appointments and must be Plan Participants in good standing. Three members shall be elected from the School's Plan membership and shall serve three year terms. After the election, three members shall be appointed by the Dean. The Associate Dean for Academic Affairs will vote only when there is a tie.

As is practical, at least one member from each title series shall serve on the Advisory Committee. The members shall be representative of the disciplines participating in the Plan. Elected committee Members' terms shall be staggered in order to promote the stability of Committee membership. Service on the Advisory Committee is limited to two consecutive terms. There is no limit on the number of non-consecutive terms.

The Advisory Committee's function shall include advising the Dean on:

- 1) Development of the School Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales. (*See APM - 670-18-b for more information on APUs.*)
- 2) School/Department/Unit Guidelines, including methods for obtaining faculty input and for determining consistency with these Implementing Procedures.
- 3) Review of potential conflicts between a Plan Participant's commitment to generating revenue within the Plan and his/her outside professional activities. (*See APM - 670-19-c.*)
- 4) Review of Plan Participants' appeals regarding implementing and administering the Plan that are not resolved at the department or school level or are submitted to the Advisory Committee as a result of a determination of being found Not in Good Standing. Plan Participants who are Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan Participants who are Non-Senate faculty are entitled to a Step III hearing under the Academic Personnel Manual ("APM") - 140.

The Advisory Committee shall provide an annual summary report on its activities to Plan Participants, the Dean, and the Chancellor.

### **III. GOOD STANDING CRITERIA**

#### **A. Definition of Good Standing**

Plan Participants shall be deemed in Good Standing until they are otherwise found to be not in Good Standing.

Plan Participants should meet School/Department/Unit guidelines regarding productivity in research, teaching, patient care, mentoring, and University service, as defined by their series, rank and step.

Plan Participants are responsible for actively participating in activities that support the Department's/Unit's objectives. Plan Participants are expected to demonstrate professional behaviors in all areas of work and share responsibility for the overall success and well-being, including financial well-being, of the School/Department/Unit.

Loss of Good Standing may occur in the following instances:

- Finding of faculty misconduct
- Finding of research misconduct
- Finding of unsatisfactory performance in a Five-Year review
- Refusal or failure to participate in assigned duties

- Loss of clinical privileges (as required)
- Loss of licensure and/or credentials (as required)
- Refusal or failure to complete required trainings
- Lack of compliance with University policy and/or reporting requirements
- Failure to meet expectations related to the generation of salary support and/or shared expenses

## **B. Administrative Review Process**

In cases of disagreement related to the determination of Good Standing of a Plan Participant or to specific consequences, the Chair/Director shall meet with the Plan Participant to discuss how to remedy the situation and review the specific consequences, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair/Director and the Plan Participant should strive for informal resolution as appropriate to the circumstances, but a specific timeline for resolving the conflict must be defined by the Chair/Director. The Chair/Director shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant.

If informal resolution is unsuccessful, the Chair/Director must provide the Plan Participant with a written statement that summarizes the reason(s) for requesting that a Plan Participant be deemed Not in Good Standing. The document should include specific recommendations on what action(s) the Plan Participant must take to return to Good Standing. Relevant back-up documentation should be included.

The Plan Participant shall be given a copy of the Chair's/Director's written statement and have the opportunity to provide a written response to the Chair/Director within 14 calendar days. If the Plan Participant and Chair/Director resolve the issue within the 14 day response period, the Chair/Director shall provide the Plan Participant with a written document that the issue has been resolved and the matter is closed.

If the issue is not resolved within the 14 day response period, the Chair's/Director's written statement, any supporting documentation, and the Plan Participant's response (if provided) shall be sent to the Dean.

If the Dean agrees with the Chair's/Director's assessment, the Dean shall issue a written determination that the Plan Participant is Not in Good Standing. This written document will describe any corrective action(s) that must be taken in order for the Plan Participant to return to Good Standing. A copy of the Dean's determination shall be provided to the Plan Participant, the Chair/Director, and the Vice/Associate Dean of Academic Affairs.

If the Dean does not agree with the Chair's/Director's assessment, the Dean will issue a written determination that the Plan Participant remains in Good Standing. A copy of the Dean's determination shall be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

Appeal process: If a determination is made that the Plan Participant is Not in Good Standing and the Plan Participant believes that the Good Standing Criteria were applied unfairly, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee shall review the documents, may interview the Plan Participant and/or the Chair/Director, and prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan Participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

### **C. Consequences**

The following consequences may be imposed on Plan Participants who are determined to be Not in Good Standing:

- Prohibition from participating in and/or retaining income from outside professional activities.
- Decrease in negotiated compensation (Y; see APM - 670-18-c (1)).
- Loss of or reduction in incentive compensation (Z; see APM - 670-18-c (2)).
- Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

Additional consequences may result, as set forth by other policies.

### **D. Return to Good Standing**

To return to Good Standing, the Plan Participant must submit a written request to his/her Chair/Director that outlines how the issues were resolved or rectified. The Chair/Director shall review the request, assess the Plan Participant's progress and submit his/her written recommendation to the Dean, along with the Plan Participant's request and other supporting documentation, if applicable. If the Chair's/Director's written assessment states that no progress or insufficient progress was made, the Chair/Director should specify in his/her written recommendation to the Dean what further actions must be taken.

If the Dean endorses the Chair's/Director's assessment that no progress or insufficient progress was made, the Dean will notify the Plan Participant in writing that he/she is not returned to Good Standing and outline what further actions must be taken. A copy of the Dean's determination shall be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

If the Dean determines that all issues were resolved, the Dean shall provide a written assessment to the Chair/Director. The Chair/Director shall notify the Plan Participant in writing that s/he has returned to Good Standing. A copy of the Dean's assessment shall be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

If the Plan Participant does not submit a written request to the Chair/Director, s/he shall remain Not in Good Standing.

If a Plan Participant remains Not in Good Standing for more than one calendar year, the Chair/Director may wish to pursue further action(s), as set forth by other academic policies.

Appeal process: If the Dean determines that the Plan Participant has not returned to Good Standing and the Plan Participant disagrees with this determination, based upon unfair assessment or application of criteria, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee shall review all written documents, may interview the Plan Participant and/or the Chair/Director, and will prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan Participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

#### **IV. MEMBERSHIP IN THE HEALTH SCIENCES COMPENSATION PLAN**

Membership in the Health Sciences Compensation Plan (“the Plan”) is a term and condition of employment. Links to the section of the Academic Personnel Manual governing the Health Sciences Compensation Plan (APM 670), Outside Professional Activities (APM 671), the *School of Pharmacy Implementation Procedures* and this document are available on the School of Pharmacy website under the Office of Academic Affairs: <http://pharmacy.ucsf.edu/deans-office/academic-affairs>. Membership in the Plan continues so long as the Plan continues to be in effect. Separation from an eligible appointment terminates membership in the Plan. School of Pharmacy faculty members employed by The Regents shall be Plan Participants if they hold University-funded appointments at greater than 50 percent of full time in a School of Pharmacy department or unit in any of the following professorial series: Professor, Professor in Residence, Professor of Clinical \_\_\_\_ (e.g., Pharmacy), Adjunct Professor, Acting Professor, and Health Sciences Clinical Professor. Faculty in the Visiting Professor series who receive income for clinical services and meet the above criteria are also Plan Participants.

Deans and other faculty administrators in Plan schools shall be Plan Participants if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies that govern administrative appointments. If the faculty position is funded by two or more School of Pharmacy departments/units, the Plan Participant shall be subject to the School/Department/Unit guidelines of the School/Department/Unit in which the preponderance of his/her academic activities occur. Exceptions to this policy must be requested by submission of a written explanation for the request by the relevant Chairs/Directors and must be approved by the Dean or his/her designee.

If a Plan Participant’s position is funded by two or more professional schools with health sciences faculty compensation plans, the Plan Participant shall belong to the compensation plan within the School in which his/her academic home department resides. Exceptions to this policy must be recommended by the relevant Chairs/Directors, endorsed by the Dean(s), and approved by the Chancellor.

A member of the faculty who was appointed in a health sciences school at the time of his/her retirement may be recalled as a Plan Participant in accordance with APM 205. All recalled faculty are limited to a maximum total monthly effort of 43 percent. In the School of Pharmacy, retired faculty members are recalled to base salary appointments (X') and are not Plan Participants.

Plan Participants remain members of the Plan while on vacation and other paid leaves, even if salary is reduced to covered compensation (X') or Base Salary, as well as while on unpaid leaves. Thus, while on any leave, Plan Participants are bound by the rules of the Plan, including but not limited to those rules relating to outside professional activities and income due to the Plan.

### **Salary Support During a Terminal Year Appointment for In Residence Faculty**

Establishment of a terminal year appointment occurs when the appointment of an In Residence faculty member at Associate or Professor rank is converted from an appointment without an end date ("indefinite appointment") to an appointment with a specific end date. This process includes a one-year notice period ("Terminal year appointment") that the faculty member's appointment in the In Residence series will end. Refer to the 2020 In Residence Task Force Report, September 2020 for a full description of the Governing Policies, General Provisions for Appointees, and the process for Establishment of a Terminal Year Appointment.

#### Salary Support:

If an In Residence faculty member at Associate or Professor rank does not have sufficient funds to support their salary at the level of X+X' for their rank and step, the department is required to provide salary support to ensure that the faculty member maintains an appointment at 100% effort during the terminal year appointment.

There are two methods of providing salary support for In Residence faculty, the Day 1/Dollar 1 approach or Bank. **Each department/school must select one approach that applies to all In Residence faculty members.**

The department/school has chosen the:

#### Day 1/Dollar 1 approach:

- During the terminal year, the department/school will only provide enough salary support to maintain the In Residence faculty member at 100% effort at the level of X+X'.
- In the event an In Residence faculty member loses all (100%) funding to support their X+X' salary, the department/school must provide 12 months of X+X' salary support at 100% effort.

## **V. COMPENSATION AND BENEFITS**

Individual salaries shall be negotiated annually between each Plan Participant and his/her Chair and approved by the Dean or his/her designee.

Additional compensation shall be paid in accordance with the applicable University and School

guidelines during sabbatical leave, vacation leave, extended illness leave, or other types of paid leave.

By July 1 of each fiscal year, each Plan Participant shall receive in writing from his/her Chair a statement of proposed compensation for the forthcoming period July 1 - June 30. Base Salary scale assignment, additional compensation, and the methodology for calculating Incentive Compensation must be detailed in this statement.

#### **A. Total Compensation**

As described below, Plan Participants shall receive Base Salary, be eligible for optional University additional compensation, and be permitted to retain other miscellaneous income as described in APM 670-19. Payment under the Plan shall be made directly to the Plan Participant in his/her individual capacity. Generally, off-scale salaries are not permitted. No state funds shall be used for compensation above the portion of Base Salary equivalent to the Fiscal Year salary scales or for any optional University additional compensation as described below.

#### **B. Base Salary (X and X') and Academic Programmatic Unit (APU)**

The base salary is associated with a Plan Participant's academic rank, step and assigned APU. Effective July 1, 2013, the School of Pharmacy moved to scale 3 of the Health Sciences Compensation Plan salary scale. Base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions and in accordance with UCRP policy and provisions. The differential between X (Scale 0) and a Plan Participant's rank and step on the HSCP Salary Scale assigned to the Plan Participant's APU is designated X-prime (X').

- 1) For the purpose of determining the Health Sciences Base Salary Rate, each School/Department/Unit shall establish at least one APU to which Plan Participants shall be assigned. An APU shall be comprised of faculty with similar clinical, teaching and/or research responsibilities. The Chair/Director shall recommend an appropriate APU assignment for each Plan Participant based on clinical, teaching and/or research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to these Implementing Procedures.
- 2) In keeping with the responsibility of the University to ensure consistency of compensation by creation of APUs or assignment of faculty to APUs:
  - a. The Dean or his/her designee is authorized to approve the faculty composition of each APU and assignment of a salary scale to that unit, subsequent to the Chair's/Director's recommendation.
  - b. The Dean must receive advance approval from the Chancellor or the Chancellor's designee for an APU that consists of fewer than four Plan Participants. The request for approval shall include the criteria for composition of the proposed APU, and the name, series, rank, and step of each Plan Participant in the proposed APU.
  - c. An APU must remain at its assigned HSCP Salary Scale for at least one year before being assigned to a higher or lower scale.
  - d. An APU may move to a higher HSCP Salary Scale by a maximum of one scale per year. An APU typically moves down no more than one scale at a time.

No individual Plan Participant may be moved from one APU to another without a significant change in duties or a change in School/Department/Unit. Chairs/Directors shall obtain written approval from the Dean or his/her designee prior to moving any Plan Participant from one APU to another.

### **C. Optional University Additional Compensation**

Chairs may provide for the payment of additional compensation, negotiated on an annual basis, to Plan Participants. This optional "Y" salary component is beyond the Fiscal Year base Salary (X) and Health Sciences Scale Differential (X prime) and is never covered compensation under the University of California Retirement Plan (UCRP). Additional compensation may be paid, in accordance with fund source restrictions, as follows:

#### **1. Negotiated additional compensation ("Y")**

Plan Participants may receive a negotiated amount of additional compensation. This component of pay is beyond the base salary and is not covered compensation for UCRP. Factors considered when determining negotiated additional compensation include, but are not limited to academic performance, quality of work, and productivity in the areas of teaching, scholarly activity, clinical activity, research, and service. Mid-year renegotiation of the Y is permitted only under unusual circumstances and only with the approval of the Dean or his/her designee and the Chancellor or his/her designee.



## **2. Administrative Stipends**

Plan Participants may receive administrative stipends related to University administration that exceed normal responsibilities.

## **3. Incentive compensation**

### **a) "Z" Payment**

Plan Participants may receive incentive compensation, referred to as a Z payment. This incentive compensation is not covered compensation for UCRP. A major factor considered when determining incentive compensation is revenue from consulting, professional witness activities, and other similar types of professional activity that generate revenue due to the Compensation Plan. Z payments are drawn from income accumulated in the Plan in excess of financial requirements. To meet financial requirements, a Plan Participant must:

- Be in good standing, as defined in Section III of these Implementing Procedures; and
- Maintain a positive compensation plan account balance; and
- Maintain solvent X and Y salary sources;

Upon termination, all incentive compensation, including payments for outstanding account receivables, shall be paid through the University of California payroll system.

### **b) Academic Enrichment Account**

Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant. Funds are allocated from a portion of a Plan Participant's outside professional activity income due to the Compensation Plan. Funds not due to the Compensation Plan may not be deposited into an Academic Enrichment Account.

Academic Enrichment Accounts may be used to support University-approved academic professional activities that are allowed as University-related business expenses under the University's accounting guidelines. The Department must maintain detailed records that are readily available for audit and other appropriate reviews that support the allowable nature of the reimbursable academic professional expenses. Income that is allocated to an academic enrichment account is never eligible to be taken as a "Z" payment or as salary by the Plan Participant. Disposition of the funds in an Academic Enrichment Account is under the auspices of the Department. UCSF, through the Chair, has final authority over the use and distribution of funds. The positive balance of an Academic Enrichment Account will be carried forward to the next academic year. Upon termination, unexpended balances in the Academic Enrichment Account remain the property of the University.

### **c) Annual Choice Between Options**

By May 31 of each fiscal year, each Plan Participant shall discuss with his/her Chair and with the Chair's written approval shall select in writing one of the following options for income accumulated in the plan in excess of financial requirements that will remain in effect for the forthcoming fiscal year (July 1 – June 30). Changes are not permitted under any circumstances until the following fiscal year. After the Plan Participant selects one of the following options, the Chair shall review his/her selection. If approved, the Chair shall issue written approval of the Plan Participant's selection. Chairs may submit a written request to the Dean's Office to allocate funds for the upcoming fiscal year to an Academic Enrichment Account. The request shall be reviewed by the Dean or his/her designee and, if approved, the Dean's office will issue a written approval. The annual options are:

- **Z Payment** Income is paid as a “Z” payment on a monthly basis. This is the default option and it will be implemented each year for Plan Participants who do not select an option in writing.
- **Academic Enrichment Account** All revenue due to the Compensation Plan is deposited into an academic enrichment account.
- **Designated Academic Enrichment Account and Z Payment**  
The Plan Participant designates either a percentage or a flat dollar amount to be directed into an academic enrichment account. Income above the designated amount is paid as a “Z” payment.

### **Financial Requirement**

Each department is responsible for communicating to its Plan Participants the department’s expectations regarding the generation of salary and benefit support. If the financial requirement is not met, the Chair must indicate this in writing to the Plan Participant as soon as possible, but no later than June 30. The Chair’s letter must indicate that income from outside professional activity that exceeds the maximum income retention amount of \$40K or 40% scale 0, is due to the Plan and will be used to cover any current or anticipated salary and benefit shortfall. Once the financial requirement is met, the funds will be made available in the method selected by the Plan Participant (Z or academic enrichment fund).

### **D. Requirements on Occasional Outside Professional Activities**

Outside Professional Activities, compensated or uncompensated, and regardless of financial interest, are activities that are within a faculty member’s area of professional, academic expertise and that advance or communicate that expertise through interaction with industry, the community, or the public. Outside additional teaching as described in APM 671-10-a-(2)-(a) is included in this definition. Outside professional activities must not interfere with a faculty member’s professional obligation to the University.

Patient care activities must be provided within the University setting, or as part of an approved affiliation or professional service agreement. All income derived from clinical or patient care activities is due to the Plan, including income earned while on paid or unpaid leaves of absence (e.g., vacation, holidays, or week-ends. Income due to the Plan must be deposited into the revenue account of the appropriate Department compensation plan fund. In no case are Plan Participants allowed to retain income from patient care activities. Professional income subject to these requirements as set forth in the Regents’ Plan includes both cash and noncash compensation (e.g., stock or stock options, see section V.E. below).

A Plan Participant who has satisfied the good standing criteria set forth in this Plan, who has not exceeded the limit on the number of days devoted to compensated outside professional activities, and whose annual earnings from all outside professional activities is estimated to be less than the earnings threshold is allowed to engage in outside professional activities (other than patient care) without having to request prior approval from his/her Chair to engage in the activities unless required by other Academic policies, e.g. APM 671 for Category 1 activities.

Faculty are responsible for:

- Maintaining Good Standing in accordance with these Implementing Procedures and their school/ department/ unit guidelines;
- Obtaining prior written approval for engagement in Category I activities;
- Maintaining a running total of annual earnings from, and time spent on, all outside professional activities;
- Depositing all income that exceeds the earnings approval threshold into the Plan with the exception of income earned from Category III activities and certain other activities listed in APM 671-10-b;
- Obtaining prior written approval to engage in outside professional activities that may result in exceeding the total annual time and/or earnings approval thresholds;
- Submitting annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Chair or Director;
- Attesting to adherence with the requirements of the policy in the annual report;
- Disclosing any current or prospective outside professional activity to the Chair if in doubt as to whether there is a conflict of commitment; and
- Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM 671-8-f).

### **1. Time Limit on Outside Professional Activities**

The **total** number of hours for **all** outside activities (service to governmental agencies, non-profits, for-profits, legal witness, etc.) for which income is retained must not exceed 384 hours (48 days).

### **2. Earnings Threshold**

Effective with the issuance of these Implementing Procedures, the School of Pharmacy maximum annual outside professional earnings approval threshold is \$40,000 or forty percent of the Plan Participant's fiscal year base salary (scale 0), whichever is greater. All income from activities that exceeds the earnings threshold is due to the Plan, even if the time threshold has not been reached. The types of professional income that are subject to these requirements, as set forth in the Regents' Plan, includes both cash and non-cash compensation such as stock or stock options. See Section V. E. below.

### **3. Retention/Non-Retention of Income**

Plan Participants may retain income from the following activities:

- Occasional service other than patient care;
- Additional University-compensated teaching, including teaching for University Extension courses and programs (See APM 662, Additional Compensation: Additional Teaching);
- Teaching in University-run continuing health education programs;
- Teaching in self-supporting UC degree programs;
- Consulting under the auspices of the University of California;
- Consulting or testifying as an expert or professional witness;
- Consulting to for-profit entities;
- Consulting to non-profit entities; including non-profit health or education-related organizations;
- Service to governmental agencies, including consulting to such agencies;

- Service on a board of directors outside of the University, whether compensated or uncompensated;
- Providing or presenting a workshop for industry;
- Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and **Lawrence Livermore National Laboratories**.

#### **4. Types of Outside Professional Activity**

A conflict of commitment occurs when a Plan Participant's outside activities interfere with his/her professional obligations to the University. Outside professional activities are categorized based on the extent to which a conflict of commitment is likely to arise. When an activity could fall under more than one category, it should be assigned to the category which requires more stringent reporting and prior approval.

##### **a) Category I**

Category I activities are most likely to create a conflict of commitment because 1) they are activities related to the training and expertise which is the individual's qualification for University appointment, but performed for a third party, and/or 2) they require significant professional commitment.

Category I activities require prior approval by the Department Chair, Dean or his/her designee and the Chancellor and require disclosure in annual reporting. Approvals are generally for one fiscal year but may be granted for a longer term, not to exceed five years. Category I activities count toward the faculty member's time threshold for outside professional activities and earned income counts toward the earnings approval threshold. Category I activities include, but are not limited to:

- Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University. (Grants submitted on behalf of a professional society are exempt from this restriction, i.e., are not considered Category I activities.);
- Employment outside of the University;
- Assuming a founding/ co-founding role of a company;
- Assuming an executive or managerial position outside of the University. (This does not include positions with professional societies.);

##### **b) Category II**

Category II activities are typically shorter term activities that are outside the course and scope of University employment. Category II activities have a lesser potential for a conflict of commitment than do Category I activities. Category II activities require disclosure in annual reporting under this policy, but do not require prior approval unless they will cause the Plan Participant to exceed the time and/ or earnings threshold. Time devoted to these activities counts toward the time threshold. Income earned from these activities counts toward the earnings threshold. Examples of Category II activities include, but are not limited to:

- Additional University-compensated teaching, including teaching for UNEX courses and programs (see APM - 662, Additional Compensation: Additional Teaching);
- Participation in continuing health education programs run by the University;

- Participation in self-supporting UC degree programs. (These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity.);
- Consulting under the auspices of the University of California;
- Consulting or testifying as an expert or professional witness;
- Consulting to for-profit entities;
- Consulting to non-profit entities;
- Consulting to non-profit health or education-related organizations;
- Consulting for government agencies;
- Serving on a board of directors outside of the University whether compensated or uncompensated;
- Providing or presenting a workshop for industry;
- Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories;

### **c) Category III**

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues. Category III activities, even if compensated, do not require disclosure in annual reporting or prior approval, do not count toward the Plan Participant's time threshold for outside professional activities, and the income does not count toward the earnings approval threshold. Nevertheless, these activities must not interfere with a Plan Participant's obligations to the University. Examples of Category III activities include, but are not limited to:

- Serving on government or professional panels or committees or as an officer or board member of a professional or scholarly society;
- Reviewing manuscripts; acting in an editorial capacity;
- Attending and presenting talks at university/ academic colloquia and conferences; and
- Developing scholarly or creative works.

### **5. Other Income That May be Retained by Plan Participants**

Income from the following activities may be retained by Plan Participants and does not count towards the earnings approval threshold. Time related to these activities does not count toward time limits.

- Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- Honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;
- University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy; and
- Administrative stipends; and

- Income from a profession or activity unrelated to the training and experience which is the Plan Participant's qualification for University appointment as determined by the Chair in consultation with the Dean.

#### E. Non-cash Compensation -- Stock and Stock Options

Professional income governed by the Plan includes cash and non-cash compensation. Plan Participants are required to disclose non-cash compensation received in exchange for professional services within 30 calendar days of receipt. The following paragraph provides specific guidance with respect to stock, stock options, and founders' stock.

A Plan Participant who receives **stock** in lieu of compensation for outside professional activities must disclose this fact to his/her Chair and to the Dean's Office within 30 calendar days of the date of receipt, at which time it will be valued. If the stock is given to the Plan Participant at no cost, payment in dollars equal to the stock's full value on the date of receipt is due to the Plan. If the purchase price is equal to the market price/value on the date of receipt, no money is owed the Plan. If the purchase price is below the valued price on the date of receipt, the difference between the purchase price and the value of the stock on the date of receipt is due the Plan. Following a determination of the value of the stock, the Plan Participant will be notified of the nature of any Plan obligations, based on the above methodology. Plan Participants who do not disclose the stock at the time of receipt will owe the Plan the difference between the purchase price or value of the stock at the time of receipt and the value of the stock at the time it is disclosed. Disclosure at the time of receipt is required regardless of the stock's potential valuation, and regardless of whether a Plan Participant believes that any payment is due to the Plan. Plan Participants may be able to retain the money due to the Plan if they have not yet met or exceeded their time and/or earnings threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock and any dollars due to the Plan under the formula above *must be counted toward their time/earnings thresholds*.

A Plan Participant who receives **stock options** in lieu of compensation for outside professional activities must disclose this fact to his/her Chair and the Dean's Office *within 30 calendar days of the date the stock option agreement is signed*. The Dean's Office shall obtain a valuation of the stock options as of the date of the agreement. If the option offer price is equal to or greater than the stock's valuation/market price on the date the agreement is signed, no money is owed the Plan. If the option price is below its valued price on the date the agreement is signed, the difference between the option price and the value of the stock is due to the Plan. Following determination of the value of the stock, the Plan Participant shall be notified of the nature of any Plan obligations, based on the above methodology.

Plan Participants who neglect to disclose this information within 30 calendar days of signing such stock option agreements shall owe the Plan the difference between the offered option price at the time the agreement was signed and the value of the stock at the time it is disclosed. Disclosure of stock options is required regardless of 1) the stock's potential valuation, 2) whether the Plan Participant intends to exercise the options, and 3) whether the Plan Participant believes that any dollars are due to the Plan. Plan Participants may be able to retain the dollars due to the Plan if

they have not yet met or exceeded their time and/or earnings threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock options and any dollars that would be due to the Plan under the formula above *must be counted toward their time/earnings thresholds*.

A Plan Participant who receives **founder's stock** in lieu of compensation for outside professional activities must disclose this fact to his/her Chair and to the Dean's Office within calendar 30 days of the time of receipt. The founder's stock will be valued at the time of receipt and any value shall be due to the Plan. Since the value of founder's stock is generally insignificant, in most cases a negligible amount will be due to the Plan. However, if the founder's stock is not disclosed upon receipt, the value of the stock at the time that the disclosure is ultimately made shall be due to the Plan.

#### F. Exception Requests

Advance, written approval is required as follows:

Activity or Exception	Approval Authority
Category 1 activity	Chair → Dean or his/her designee → Chancellor
Exceeding either the time or the earnings threshold	Chair → Dean or his/her designee
Retaining earnings above the earnings threshold	Chair → Dean or his/her designee → Chancellor or his/her designee
Outside professional activities involving students or using University resources	Chair (requests by the Chair are approved by the Dean)

To request approval, the Plan Participant is required to provide his/her Chair an advance written request. This request must include relevant details about the proposed activity including the:

- Nature of the services to be provided
- Person or entity who will pay for the services<sup>1</sup>
- Anticipated hours to be devoted to the activity;
- Total expected income from the activity;
- The amount of time or earnings that are expected to exceed the threshold.

The Chair shall approve the request, or if a request is not approved, the Chair shall advise the Plan Participant whether: 1) the activity may be undertaken, but with all related income accruing to the School/Department/Unit in accordance with their implementation guidelines and established accounting practices; or 2) the activity may not be undertaken. If a Plan Participant has received approval to engage in an activity that is reasonably expected to cause his/her total annual earnings from outside professional activities to exceed the established approved threshold, s/he must request the Chair's approval for any subsequent engagement(s). If subsequent engagements

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• <sup>1</sup> When required to ensure patient confidentiality, the person or entity to be reported as recipient/payer for professional witness activities is the attorney or the law firm requesting the services.

are allowed, they shall be undertaken with all related income accruing to the Plan unless an exception is approved in writing in accordance with School Guidelines.

Plan Participants shall notify their Chair immediately if they inadvertently exceed the dollar threshold or if any of the information they provided in an approval request changes or is found to be inaccurate; for example, a Plan Participant should immediately notify his/her Chair/Director if the initial estimate of earnings from an outside professional activity turns out to be understated.

Plan Participants are subject to corrective action and disciplinary measures, as outlined below and in APM 671-26 b. for violation, neglect or manipulation of Compensation Plan requirements. Plan Participants may also be Not in Good Standing in accordance with Section III. A. of these Procedures. Chairs must notify the Associate Dean for Academic Affairs if they believe a Plan Participant has violated, neglected, or manipulated Compensation Plan requirements. Plan Participants may be subject to corrective action and disciplinary measures for such violations.

#### **G. Limitations on the use of University resources in connection with outside professional activities**

The use of University staff, laboratories, facilities, or other University resources in connection with outside professional activities is subject to limitations. When Plan Participants retain income from professional consulting for for-profit entities or expert witness activities, the costs associated with the consulting or witness activities are to be borne by the third party or the Plan Participant, not by the University (*Faculty Code of Conduct, Part II. C., and APM- 015, Section II*).

The University's liability and workers compensation coverage does not extend to activity that is outside of the course and scope of the participant's University employment. Some outside professional activities, particularly certain consulting and expert witness testimony, would generally be considered outside the course and scope of University employment, depending on the facts and circumstances of any given case. Questions about University liability coverage in connection with a specified activity or exposure should be discussed with the Office of Risk Services at the Office of the President.

A reasonable amount of University resources may be used in support of activities to governmental agencies, non-profit health-or education-related organizations, continuing health education programs administered by the University, and/or University Extension, even if the income from these activities is retained by the individual Plan Participant.

#### **H. Involvement of Students in Outside Professional Activities**

Involvement of students in the outside professional activities of a faculty member may, under certain conditions, offer the student potential educational benefits. However, the relationship between the faculty member and the student must be protected from influences or activities that could interfere with the student's learning and must be consistent with the goals and ideals of the University (*The Faculty Code of Conduct, APM - 015*). A faculty member involving a student in



outside activities has the responsibility to ensure that the student's participation does not interfere with the student's academic obligations.

If the faculty member has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the faculty member must obtain prior written approval from the Department Chair before involving a student in an outside professional activity regardless of whether the faculty member is compensated for or has a financial interest in the activity. Involvement of students means any substantive activity in which the student participates, whether the student is compensated or uncompensated. The involvement of a student in the outside professional activity of a faculty member must not affect, positively or negatively, the faculty member's evaluation of the student's performance in any other context.

### **I. Reporting of Outside Professional Activities**

Plan Participants are responsible for maintaining updated records and a cumulative total of their annual earnings and the time devoted to all outside professional activities, whether or not they plan to exceed the time or earnings thresholds and whether or not the funds are due to the Plan.

All Plan Participant are required to submit to his/her Chair an annual report that describes the previous year's outside professional activities and attests adherence to the School of Pharmacy guidelines. All earnings derived from outside professional activities must be reported as well. The report should itemize outside activities in temporal order and should be consistent with the reporting requirements specified in APM 671 and any successive sections of the APM. It is the responsibility of the Chair to review and retain these reports. Chair reports shall be submitted annually to the Associate Dean of Academic Affairs. It is the responsibility of the Plan Participant to bring to the attention of his/her Chair any activity(ies) that require(s) advance approval as detailed above. Service performed during paid or unpaid leaves of absence, including but not limited to vacation days and holidays, is reportable and counts toward the limit.

### **J. Non Compliance**

#### **1. Monitoring and Enforcement**

Chairs have primary responsibility for monitoring and enforcing the requirements of the School guidelines and Implementing Procedures. The primary means of monitoring compliance shall be the Chair's annual review of the information the Plan Participants provide in their annual reports on outside professional activities. If a Chair has concerns about whether a Plan Participant is meeting the established standards, the matter should be referred to the Dean's Office. The responsibility for oversight of the outside professional activities of Chairs and Directors resides with the Dean and may be delegated to the Associate Dean of Academic Affairs.

#### **2. Corrective Action and Disciplinary Measures**

The University reserves the right to impose administrative remedies and/or to take corrective action and disciplinary measures against any Plan Participant who fails to comply with the School of Pharmacy Implementation Procedures, and or the School Compensation Plan guidelines on

outside professional activities. Situations where Plan Participants will be considered out of compliance include, but are not limited to:

- Failure to disclose and deposit income due to the Plan as required by these guidelines.
- Failure to obtain prior written approval for Category I activities, or for activities involving a student(s).
- Failure to comply with time and earnings threshold limits as required by these guidelines.
- Failure to accurately disclose and describe the nature and scope of Category I and II outside professional activities as required by the School of Pharmacy Compensation Plan.

Corrective action may include the discontinuation of certain privileges available only to Plan Participants, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Plan because of noncompliance. For example, corrective actions may include:

- Discontinuation of Incentive Compensation or other bonus compensation (the “Z”) until the Plan Participant complies with the Regents’ Plan provisions and the provisions of these Implementing Procedures; and/or
- Additional Compensation (the “Y”) may be set with consideration of the Plan Participant’s prior performance, including compliance with guidelines on outside professional activities.

Whenever reductions in compensation are the result of corrective action or discipline, the Chair shall notify the Plan Participant in writing. Corrective action does not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws, nor does it preclude the possibility that a Plan Participant may be determined to be Not In Good Standing for lack of compliance with University policy and/or reporting requirements. Violations by Plan Participants of either the time or earnings thresholds on outside professional activities represent an unauthorized use of University resources and/or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct and/or APM 150.

Reductions in compensation are not always the result of corrective action and may occur for other reasons, such as insufficiency of current year income or contingency reserves. Whenever there are reductions in compensation, the Chair shall provide the Plan Participant with written notice.

### **3. Complaints and Appeals**

If a Plan Participant has a complaint about an issue related to outside professional activities, s/he should make every effort to resolve the complaint at the Department level. If the complaint cannot be resolved through discussion and negotiation at this level, then the Plan Participant’s complaint and the Chair’s response shall be documented in writing. If the Plan Participant disagrees with the Chair’s response, s/he should file a formal complaint with the Dean. The Dean will charge the School Advisory Committee with fact-finding. Both the Chair or his/her designee and the Plan Participant have the right to be heard by the Committee. The Committee shall issue a formal written recommendation for resolution to the Dean. The Dean shall review this recommendation and make a final decision.

#### **4. Grievances**

Plan Participants who are Academic Senate members may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate Plan Participants may request a hearing under the terms of APM - 140.

#### **K. Conflict of Interest**

In addition to this policy on conflict of commitment and outside activities, Plan Participants are reminded that they must comply with all University policies involving University intellectual property, conflict of interest and restrictions on compensation (see APM 671 Appendix A for a list of other relevant University policies).

A Plan Participant's compensated outside activities may create an obligation for him/her to disclose a financial interest before making or participating in certain activities. School/Department/Unit guidelines must reference the University's Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest. Additional information about these requirements is available through the campus Office of Legal Affairs.

#### **L. Requirement to Submit Proposals Through the University**

The Policy on the *Requirement to Submit Proposals and to Receive Awards for Grants and Contracts Through the University* was issued by the President on December 15, 1994 and applies to all faculty. This policy states that employees who receive any part of their salary through the University, or whose activities use any University resources or facilities, must submit their proposals for extramural support through the appropriate University contracts and grants office. This requirement ensures that all research and other extramurally funded projects comply with relevant University policies and guidelines. An exception to this policy has been granted to UCSF VA faculty who are physically located at the VA and who use VA resources to perform the funded project.

#### **M. Benefits**

All benefits as described below and in related policies shall be provided uniformly within the School of Pharmacy.

##### **1. Base Salary-Related Benefits**

Base salary-related benefits are associated with a Plan Participant's salary from one of the Health Sciences Salary Scales. These benefits include participation in the UCRP, health care benefits, disability benefits, regular term life coverage, and other benefits as may be approved by The Regents. Base salary-related benefits shall be made available to Plan Participants on the same basis as to all other members of the University faculty.

## **2. Benefits on Additional Compensation**

The School of Pharmacy purchases a supplementary disability insurance benefit to cover negotiated additional compensation (Y). New Plan Participants are automatically enrolled in this insurance which provides a benefit of 66.67% of the "Y" salary in effect as of the date of disability to a maximum monthly benefit of \$15,000. The waiting period for this benefit is 180 calendar days. To apply, contact the Dean's Office.

## **3. Leave**

Plan Participants who are eligible for sabbatical leave, leave with salary, or extended illness leave shall be granted such leave, if approved, paid at least the Health Sciences Scales Base Salary rate (X, X') as set forth in these Implementing Procedures. A Plan Participant who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the Plan Participant's total negotiated salary rate at the time of separation or transfer to a non-accruing title.

Plan Participants remain members of the Compensation Plan while on paid leave, even if their rate of pay is dropped to base salary. While on paid leave, they are bound by rules of the Plan, the School of Pharmacy Implementation Procedures and these Guidelines, including but not limited to policies related to income due to the Plan.

With the exception of the provisions below, or where explicitly stated in policy, Plan Participants are eligible for leaves as defined in APM - 710 - 760.

## **4. Extended Illness Leave**

Extended illness is defined as a health condition resulting in absence for more than two weeks. Plan Participants who are appointed to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability shall be granted paid medical leave of 180 calendar days consecutive or intermittent leave at the full rate of pay (X, X' +Y). If the intermittent benefit is chosen, the leave shall be taken and recorded in full day increments. Extended illness must be documented as a leave with pay on a *Leave of Absence* form. Plan Participants who have used any extended illness leave will regain 30 calendar days per subsequent year or part thereof until the full leave benefit is re-accumulated. A part-time Plan Participant would also receive an extended illness benefit of 180 calendar days at full rate of pay (X, X'+Y). The benefit would be paid at the percent time in effect immediately prior to the Plan Participant's illness or disability.

Plan Participants are strongly encouraged to review their individual insurance needs and to consult current extended illness/disability policy documents for complete information about the University plans and the coverage they provide.

## **5. Childbearing Leave**

Twelve (12) weeks (84 calendar days) leave at full rate of pay (X, X' +Y) is granted on request to a Plan Participant who bears a child or children regardless of academic series or months of service. The benefit would be paid at the percent time in effect immediately prior to the Plan Participant's leave.

Childbearing leave shall consist of time the Plan Participant is temporarily disabled because of pregnancy, childbirth, or related medical conditions. If the period of pregnancy disability is less than 12 weeks, the remaining Childbearing leave may be used for the bonding period for a leave in

progress. If additional leave is required for medical reasons, the extended illness leave policy may apply. A Plan Participant who bears a child is also eligible for childrearing/parental leave without pay and a period of Active Service-Modified Duties (*See* APM 760-28).

#### **6. Childrearing/Parental Leave With Pay**

Twelve (12) weeks (84 calendar days) of childrearing/parental leave at full rate of pay (X, X'+Y) to any non-birth parent who is a Plan Participant regardless of academic series or months of service. This leave must be used within 365 calendar days of the birth or adoption. The benefit would be paid at the percent time in effect immediately prior to the Plan Participant's leave.

#### **7. Childrearing/Parental Leave Without Pay**

Plan Participants are eligible for full-time or part-time parental leave without pay for up to 365 calendar days to care for a child. At the Plan Participant's request, accrued vacation shall be substituted for unpaid parental leave. Childrearing/Parental leave without pay must be used within 365 calendar days of birth or adoption.

#### **8. Other Paid Leave**

Paid leave at full rate of pay (X, X'+Y) will be granted when a Plan Participant is unable to work because s/he must care for a spouse, domestic partner, child or parent who is ill. Paid leave under such circumstances shall be for a maximum of five work days per Plan Participant per year (365 consecutive days) at full rate of pay (X, X'+Y). The benefit would be paid at the percent time in effect immediately prior to the Plan Participant's leave. If eligible for family and medical leave in accordance with APM 715, the five-day paid leave will run concurrently with the family and medical leave. The Plan Participant must inform the Chair of the need for the leave as soon as the need is known.

#### **9. Bereavement Leave**

Plan Participants are eligible to take up to 2 weeks (10 work days) for the death of a family member or person residing in the household. Plan Participants are eligible to take up to one week (5 work days) of leave for the death of an individual who is not a family member or a person residing in the household. Compensation during this leave is at the full rate of pay (X, X'+Y). The benefit would be paid at the percent time in effect immediately prior to the Plan Participant's leave. A Plan Participant must inform the Chair of the need for the leave as soon as the need for the leave is known.

#### **10. Sabbatical and Professional Development Leave**

Plan Participants eligible for an approved sabbatical or professional development leave with pay will, at a minimum, be paid at a rate equal to their Base Salary (scale 3) while on leave. If a Plan Participant has sources of support to meet the difference between his/her full time salary and 1.3x, it is expected that such funds will be used to cover this difference. To receive any salary above the amount of their Base Salary Scale, faculty must have sufficient funds to cover the difference between what the Department receives for their FTE and the salary they are paid, which can be as high as their full, negotiated salary. Sources of funds may include extramural funds. Plan Participants are not able to accept salary directly from another institution during paid sabbatical or professional development leave. Plan Participants eligible for professional development leave with pay must provide funds to meet their Base Salary Scale amount while on leave and can receive up to their full salary if their sources of funds are adequate.

### **11. Active Service Modified Duties (ASMD)**

Active service-modified duties (ASMD) is a period during which normal duties are reduced to prepare for or to care for a newborn child or a child under age eighteen newly placed for adoption or foster care. To be eligible for ASMD, the Plan Participant must be responsible for 50 percent or more of the care of a child. Eligibility of ASMD normally is from 3 months (90 calendar days) prior to 12 months (365 calendar days) following the birth or placement. An academic appointee who is a birth mother and who has a full-time appointment for at least one full academic year (three quarters) is eligible for a total period of childbearing leave plus active service-modified duties of three quarters (39 weeks total; e.g., 12 weeks paid childbearing leave + 27 weeks ASMD = 39 weeks). Non birth parents are eligible for one quarter of combined Childrearing Leave with Pay and ASMD of one quarter (13 weeks total; e.g., 12 weeks paid childrearing leave + 1 week ASMD = 13 weeks).

The Plan Participant who requests a period of ASMD must confer with her/his department chair prior to the begin date, in order to reach agreement on the nature and scope of duties during this period. For more information, see Academic Personnel Manual 760-28.

### **12. Unpaid Leave**

In addition to the types of leave described above, leaves of absence without pay for other good cause (e.g., for family care or other personal reasons) may be granted, subject to approval by the Department Chair, Associate Dean for Academic Affairs, and Vice Provost for Academic Affairs. In general, such leaves may not exceed one year. However, during such periods of leave, Plan Participants may not engage in compensated outside professional activities, and they shall remain members of the Compensation Plan and subject to all its requirements.

## **VI. ACCOUNTING AND BUDGETING METHODS**

### **A. Management and Reporting of Income and Expenses**

All professional services income generated by Plan Participants shall be accounted for and reported as revenue of the University; the only exception to this requirement shall be income which the Plan Participant is allowed to retain in accordance with these guidelines.

All income owed the University must be deposited in accordance with University cash/check handling policies and procedures and recorded in the appropriate revenue account and a fund within the function code 43. For payments made directly to the individual Plan Participant and owed to the Plan, the check should be endorsed payable to the University and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

All compensation paid by the University to Plan Participants is subject to Federal and State tax withholding and reported on a W-2 form as wages. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University, campus and School of Pharmacy policies, procedures, and delegations of authority.

In accordance with the Plan, all professional fee billing and collection activities shall be conducted by a University billing group or by an external vendor which has been approved by the Medical Group and the Dean.

#### **B. Assessment of Professional Fee Income**

Income due to the Compensation Plan that is designated for Z payments will be assessed at 10%. The assessment will be deposited into each department's Compensation Plan and will be used to fund the benefit cost associated with any Z payments. The remaining amount will be retained by the Department. Income due to the Compensation Plan that is deposited into an Academic Enrichment fund will not be assessed.

#### **C. Budgeting and Accounting**

All the funds and transactions associated with the Plan will be accounted for in accordance with the applicable sections of the University accounting manuals. Each department shall develop and submit to the Dean an all funds consolidated budget/forecast at regular intervals as determined by the Dean's Office. Except where accumulated surpluses are being used to support an extensive growth phase, it is expected that revenue will always be adequate to support anticipated expenses. Departments should clearly indicate the funding mechanism for all benefits provided under the provisions of the Plan. Current Year expenditures shall be budgeted for and funded in the following order of priority:

1. To the extent that funds remain after expenditures, compensation may be paid to eligible participants in the Plan. Base salary and related benefits, including any required contribution on behalf of UCRP-covered compensation shall be funded before additional compensation.
2. To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with the Regents' Plan may be paid. Each department shall maintain a reserve for contingencies. These reserves will be used for such academic purposes as funding necessary renovation projects, recruitment expenses, or unfunded research expenses, and as a security for emergencies. In the event a department has accumulated a surplus beyond that required to cover contingencies, it is expected that these funds will be used to enhance the department's academic program or to develop new programs as recommended by the Chair and approved by the Dean. Fund balances will be monitored quarterly by the Dean or his/her designee.

### **VII. IMPLEMENTATION AND TRANSITION ARRANGEMENTS**

These School of Pharmacy procedures are developed in accordance with the Regents' Plan approved for implementation July 1, 2020 and supersede any previous implementation.

APPENDIX

**A. Table of Professional Outside Activities**

Type of Activity	Category	Retained by Plan Participant	Due to the Compensation Plan	Included in Annual Reporting. Counts towards 384 hour (48 day) limit
Administrative Stipends	Other	Yes	No	No
Consulting to for-profit entities	2	Yes, if earnings and time thresholds have not been met	If earnings threshold has been met, prior approval needed & income is due	Yes
Continuing health education programs administered by the University or University extension	2	Yes, if earnings and time thresholds have not been met	If earnings threshold has been met, prior approval needed & income is due	Yes
Expert or professional witness fees	2	Yes, if earnings and time thresholds have not been met	If earnings threshold has been met, prior approval needed & income is due	Yes
Honoraria for occasional lecturers and public appearances outside the University	Other	Yes	No	No
Income unrelated to qualifications for University appointment	Other	Yes	No	No
Prizes	Other	Yes	No	No
Royalties	Other	Yes	No	No
Service or consulting to non-profit health- or education-related organizations or other non-profit entities	2	Yes, if earnings and time thresholds have not been met	If earnings threshold has been met, prior approval needed & income is due	Yes
Service to government agencies	2	Yes, if earnings and time thresholds have not been met	If earnings threshold has been met, prior approval needed & income is due	Yes
University honoraria for occasional lecturers	Other	Yes	No	No

**B. Supplementary Information on Disability Insurance and Extended Illness Leave**

After the extended illness leave has been exhausted, the Plan Participant will need to rely on UC's Basic and Voluntary Disability Insurance and/or personally funded private disability insurance.



The terms of UC’s Basic and Voluntary Disability Insurance benefits are controlled by UC system-wide administrators and are subject to change. A brief description of the benefits are below.

**1. Basic Disability**

The Basic plan provides up to 55% of your eligible monthly earnings (X, X'), to a maximum benefit of \$800 per month, for up to six months (180 calendar days). The six-month benefit period includes a 14 calendar day waiting period before you begin receiving benefits. UC pays the full cost of coverage, and you’re automatically enrolled. Since UC pays for this coverage, your Basic Disability income is generally taxable.

**2. Voluntary Short-Term and Long-Term Disability**

UC’s Short-term Disability plan provides up to 60% of your eligible monthly earnings (X, X'), to a maximum benefit of \$15,000 per month, up to 6 months, after a 14 calendar day waiting period. The Long-term Disability plan provides the same coverage after 6 months, until your Social Security retirement age for most conditions. Additional Information on the disability insurances may be found at: <https://ucnet.universityofcalifornia.edu/compensation-and-benefits/disability-life-accident/disability/index.html>

**3. Example of Extended Illness Leave Pay and Disability Benefits**

Faculty X informs his Chair that he requires a medical leave effective July 1 and completes a leave of absence form to indicate a paid medical leave of absence. He expects to return to work on May 31. The table below shows how the extended illness leave would coordinate with the School of Pharmacy “Y” disability insurance and UC’s voluntary disability insurance. In this example, the Plan Participant is at the rank of Professor, step 2, scale 3 with a total annual salary of \$168,000. His total monthly salary is \$14,000, which is comprised of covered compensation of \$13,083.33\* per month and “Y” salary of \$916.67 per month. Fortunately, he has enrolled in UC’s voluntary long-term disability insurance.

Extended Illness:								Monthly X: \$	13,083.33
Plan Participant: Full Professor, Step 2, Scale 3								Monthly Y: \$	916.67
Requires leave effective July 1st through May 31st								Total Monthly Salary: \$	14,000.00
Comments	Start	End	UCSF Monthly Pay	"Y" Disability Benefit @66% of Y	Basic Disability Insurance	Voluntary Short-Term Disability (not taxable)	Voluntary Long-Term Disability (not taxable)	Total Monthly Income During Disability Leave (amount pro-rated to actual dates)	
The first 2 weeks of leave do not count against the extended illness leave. (Decision made by VPAA & Dean's Offices)	7/1/2020	7/14/2020	\$ 14,000.00	\$ -	\$ -	\$ -	\$ -	\$ 14,000.00	
180 days of Extended Illness at full salary (X+Y)	7/15/2020	1/11/2021	\$ 14,000.00	\$ -	\$ -	\$ -	\$ -	\$ 14,000.00	
Y Disability Insurance at 66% (Y only) with 180 day waiting period Plus UC Disability Insurances	1/12/2021	5/31/2021	\$ -	\$ 611.11	\$ 800.00	\$ -	\$ 7,050.00	\$ 8,461.11	

\* Covered compensation based on October 1, 2019 HSCP Salary Scales

When the Plan Participant returns to work full-time, the extended leave benefit re-accrues at the rate of 30 days per year until the full benefit has re-accrued. If the Plan Participant returns to work part-time, the leave is replenished based on the percent time worked. In the example above, the full balance of extended leave would be available 01/31/2025.