I. Compensation Plan Objectives

Compensation is one of several ways, albeit a very important one, whereby the School of Medicine recognizes the contributions of its large and diverse faculty. This document describes the program the School has developed to guide the recommendations and decisions regarding faculty compensation. This program has the following objectives:

- Comparability and structural equity of compensation systems across ranks, departments and specialties.
- Flexibility in recognizing individual achievement and responding to market forces, while ensuring that compensation is reasonable in light of the services performed and the University’s educational, research and clinical missions.
- Sound management of financial risks and resources of departments, the School, and the University.

II. Principles

The School of Medicine is committed to creating an environment where every faculty member is fully confident that their compensation level has been fairly and reasonably determined. The following principles guide the development of a compensation program which helps ensure we adhere to the School’s compensation philosophy.

- Each department will develop a plan detailing the implementation of the medical school’s compensation program. Departmental plans must be developed in consultation with that department’s faculty, and must be approved by the Dean prior to implementation. Where appropriate, assistance can be obtained from the Director, Office of Academic Analytics. While departmental plans must adhere to the principles contained herein, they may differ in specifics to meet the unique needs of individual specialties. Departments should assign highest priority to making adjustments required to maintain equity in the compensation of female or minority faculty members.
- When departments offer opportunities to faculty to increase compensation such as, for example, through assuming additional clinical shift work, taking on additional administrative and educational responsibilities, etc., such opportunities must be offered on an equal basis to all eligible faculty.
- Each ladder faculty member covered by the policy will have a base salary that YSM establishes annually for each academic rank. The base salary represents the minimum compensation that normally can be paid to the faculty member that year. (See IV.A. below).
- The base salary for ladder faculty can be supplemented based on criteria developed by each department and articulated in the departmental plan. These criteria should be in alignment with the strategic goals of the department and may include but are not limited to academic performance, research productivity, clinical productivity and performance, and additional or time limited responsibilities.
- The sum of the base and supplement is the ladder faculty member’s Institutional Salary. The Institutional Salary, in most instances, will be determined annually and will be set forth in the written, annual compensation letter to the faculty member from the department.
- For faculty with clinical responsibilities, an incentive component may be incorporated into each clinical department’s compensation plan. The incentive component of the compensation plan should encourage clinical productivity and improved quality and efficiency. Incentive formulas should be fairly and uniformly administered, and should be based on objective measures that are understandable and transparent to the faculty. Nominal fringe benefits are applied to the faculty member’s incentive compensation. Plans with incentive components must be clear and made available for review by all Department faculty members.
• Departments will strive to reduce the amount of compensation that is based on discretionary considerations and promote and increase, where appropriate, the utilization of formula driven compensation determinations.
• Departments must ensure that regular feedback on performance is provided to the faculty.

III. Compensation Guidelines

A. Departmental Faculty Compensation Plan

Each Department is required to develop its own departmental faculty compensation plan that is consistent with the School of Medicine’s Salary Program, including the objectives and principles set forth above and the guidelines provided in section III.B.

The departmental faculty compensation plan should be explicit about how compensation is derived. All plans must have the following components:

• Explanation of compensation structure for each faculty category—ladder, research, clinicians and other instructional ranks
• Expectations regarding faculty participation in teaching, research, clinical, and service and administrative activities and how these are used in determining compensation.
• Guidelines that outline the parameters used in setting compensation. These guidelines should also include the approach used to establish initial salaries.
• Description of departmental incentive plan for those departments whose compensation plan includes an incentive component.
• Provisions for additional compensation opportunities (e.g., on-call services), including a description(s) of how and when additional compensation can be earned, and an explanation of how the amount of additional compensation is determined.
• Protocol that describes faculty access to information about their own compensation.
• Process for inquiring about and resolving compensation issues—the review process should empower faculty members to first seek information from within the department (e.g., from the departmental administrator, section chief or comparable administrative leader), and if questions remain, from the chair. Should questions still remain after this inquiry process, then the faculty member should be directed to the Dean’s Office (Linda Bockenstedt, Associate Dean for Faculty Development and Diversity and Tracy Larmer, Director of Academic Analytics).

The departmental compensation program should be included with letters to new faculty.

B. FY2018 Compensation Guidelines

• In any given year, a raise is not guaranteed. The supplement portion of Institutional Salary (for ladder faculty ranks) or salaries (for research and other instructional ranks) may rise, fall, or remain constant as a function of applying each department’s compensation plan. For some faculty, a compensation adjustment may occur solely through the department’s incentive plan and/or additional compensation opportunities in a given year.
• For FY18, the University’s faculty salary guidance is a targeted spend rate in aggregate of 3% of Institutional Salaries. Increases may be made in addition for the following:
  o Supplement or salary increases above the 3% target may be made in recognition of advancement in rank and to promote equity in rank
  o Increases for research faculty to bring salary to the FY2018 minimum for their rank
  o Increases to a faculty member’s supplement or salary may be made to maintain salary equity
• Adjustments to shift incentive pay to Institutional Salary so as to maximize benefit eligibility (the IRS annual compensation limit for 2017 has been increased to $270,000)
• Salary for faculty who receive all of their pay from an affiliate institution (e.g., HHMI, Pierce, VA) will follow the salary guidelines established by the affiliate institution
• Individual explanations must be provided to the Dean’s Office for salary or supplements that are held flat or decrease or for salary or supplements that increase by 2.00% or less or by 4% or more.
• Compliance with regulations, policies and procedures relating to the conduct of patient care or research is a factor in evaluating performance and may affect the amount of any supplement or salary adjustment.
• Supplement or salary decreases may be made to adjust for individual performance; salary cannot decrease below the base or minimum for a given rank provided faculty are meeting the basic expectations of their departments and the School.
• Pursuant to federal grant reimbursement policy, a faculty member’s Institutional Salary may not be increased as a result of replacing institutional funds with federal grant funds.
• Department expectations for research and clinical productivity must recognize and allow for other institutional obligations.
• Midyear adjustment of faculty salaries is permissible under limited circumstances, including (1) a material change in responsibilities, such as a change in administrative or teaching responsibilities, (2) retention arrangements, (3) situations in which a faculty member decreases to part-time status or increases to full-time status, (4) adjustments to achieve market and/or internal equity, or (5) adjustments to more appropriately reflect qualifications and contributions. Raising or lowering salaries as a consequence of receiving or losing grants is not permissible. All midyear adjustments of faculty salaries will be subject to review and approval by both the Dean’s and Provost’s Offices.
• Requests for any compensation that is not already outlined in a department’s incentive plan and/or additional compensation program must be submitted to the Dean’s Office for approval. Written approval must be obtained before the work can begin.

IV. Compensation Structure

A. Ladder Faculty Tracks
(Traditional, Clinician-Scholar, Clinician-Educator, Investigator)
The compensation of faculty members in these tracks at the School of Medicine consists of three possible components: base, supplement and variable. The base and supplement, which together comprise the Institutional Salary, are determined on an annual basis and are not subject to mid-year adjustments except as described in Sections III and V.8.

Base:
The base portion of the Institutional Salary represents the School’s annual commitment to faculty who meet the basic expectations (teaching, clinical, research) of their departments and the School.

The base amounts are set annually by the Office of the Dean and are consistent for all faculty members who hold a given rank at the School of Medicine. A faculty member's

1 In a few departments base salary was previously defined at a level different from the level currently designated by the School. In those departments, the base will continue at its previously defined level for faculty who received such commitments in writing, until the School’s designated base exceeds that amount. The base for new faculty in those departments will be at the levels set forth in this document.
compensation can be reduced below the base for his or her rank, however such reduction requires the Dean’s approval.

The current base components for ladder track faculty members are:

- **Professor:** $85,000
- **Associate Professor without Term:** $76,500
- **Associate Professor with Term:** $67,500
- **Assistant Professor:** $61,000

**Supplement:**

a) **Supplement above Base for a Given Academic Rank**

The supplement portion of the Institutional Salary represents the portion of a faculty member’s compensation above the base that is set in advance of a new academic year. Teaching, administration, productivity, departmental/institutional citizenship and service obligations to the department and school should be considered when establishing expectations and determining adjustment to supplements. The supplement is intended to recognize:

- Discipline-specific market factors
- Individual performance
- Individual contributions to the missions of the Department, School and University

Levels of supplements are recommended annually by department chairs and must be approved by the Office of the Dean. The supplement may be guaranteed for a specific time period (normally one year). The overall financial condition of the department or unit will govern the aggregate amounts available from the department to support supplements.

**Clinical Activity.** The supplement portion of the Institutional Salary for ladder track faculty primarily performing clinical activities is based on individual clinical teaching, clinical service, and administrative contributions; departmental/institutional citizenship; or specialty-specific market changes; and/or the financial resources of the clinical unit, academic section or department and are not based, in whole or in part, on the volume or value of referrals. Departmental opportunities to increase the supplement related to clinical activity shall be made available, where appropriate, to all faculty members.

**Research Activity.** The supplement portion of the Institutional Salary for ladder track faculty members primarily conducting research is based on individual productivity as measured by factors such as grant awards, publications and honors.

b) **Administrative Supplement for Ongoing Additional Responsibilities.**

Faculty members may receive an administrative supplement as a part of their Institutional Salary for the performance of ongoing responsibilities in addition to basic teaching, research, and clinical service expectations. These additional responsibilities, for which an administrative supplement is paid, are planned and executed over a period of time and are distinctly beyond the scope of activities encompassed in a faculty member’s regular position. The amount of the supplement is generally a fixed payment that is appropriate for the nature of the additional responsibilities assumed, the period of time during which those duties are to be performed and consistent with administrative supplements paid to others in the department with similar administrative responsibilities. If a faculty member is reassigned or ceases to perform the additional responsibilities, the related extra amount of Institutional Salary paid to a faculty member will be discontinued. Departments shall
ensure that opportunities for administrative supplements are made available, where appropriate, to all faculty members regardless of race, ethnicity or gender.

**Variable:**
In addition to Institutional Salary, ladder faculty may have the opportunity to earn variable pay in the form of incentive payments, additional compensation opportunities, and performance bonuses. Limited fringe benefits accompany these types of payments. These variable payments cannot be based, in whole or in part, on the volume or value of referrals.

a) **Incentive Payments**
Faculty members who generate revenues (normally clinical revenues) in accordance with predetermined performance targets based on productivity measures set forth in a department’s incentive plan document may be eligible for a bonus in the form of an incentive payment. Incentive bonuses are not guaranteed since they are contingent upon achieving a prospectively determined outcome.

b) **Additional Compensation Opportunities**
Faculty employed full-time by the University normally may not receive additional income from the University for work performed during a period of fulltime employment. However, faculty members in the School of Medicine may be paid for additional work such as on call pay, pay for additional shifts, lectures delivered to affiliated organizations or for taking on additional duties on an interim basis. Attention should be made to ensure opportunities for such additional compensation are made available to all faculty members, where appropriate, regardless of race, ethnicity or gender.

Approval to pay faculty for additional compensation opportunities must be obtained before the work is performed. For additional compensation opportunities that are defined in a department’s compensation plan, approval of the compensation plan serves as the prior approval. In all other cases, prior approval must be obtained from the Dean’s Office.

c) **Performance Bonuses**
Fixed performance bonuses are not guaranteed compensation and are represented as “At Risk” compensation in Workday. Faculty members may receive a bonus for extraordinary performance rendered in connection with the completion of a special project or other nonrecurring activity.

For faculty whose Institutional Salary exceeds the maximum salary limit for retirement contributions (i.e., the IRS annual compensation limit of $270,000), an increase may be made in the form of an at-risk performance bonus rather than a salary increase. Such performance bonuses are fixed in amount and may be paid out in a single lump sum or over a period of time.

Any consideration for pay outside of the above are rare and must be made in advance in writing to the Dean’s Office with the full statement of the reason why an exception would be justified. Extra compensation from sponsored awards is appropriate only in unusual cases and is allowable only if specifically approved in writing by the sponsoring agency.
B. Research Ranks
(Senior Research Scientist, Research Scientist, Associate Research Scientist)
The nature of appointments and compensation in the research ranks differs from the ladder track faculty in that the base and supplement components do not apply.

The minimum salary payable to research faculty in 2017-2018 is as follows:

- Senior Research Scientist: $82,500
- Research Scientist: $67,000
- Associate Research Scientist: $53,000

In addition to salary, research faculty may receive additional compensation. The guidelines for additional compensation opportunities are the same as those set for ladder faculty and are as described above in section IV.

C. Other Instructional Ranks
(Instructors, Lecturers, Visiting Faculty, and Clinicians)
The nature of appointments and compensation in the other instructional ranks differs from the ladder track faculty in that the base and supplement components do not apply. The minimum salary payable to an Instructor or Lecturer in 2017-2018 is $40,300. Minimum salary for Visiting Faculty will be determined based on the arrangements with the faculty member’s home institution.

The compensation plan that is set forth in the official offer letter for a Clinician provides the compensation program for that individual.

D. Postdoctoral Appointees
Postdoctoral Appointees at the School of Medicine are not faculty members and fall into two general categories: Clinical or Research.

Clinical:
Postdoctoral appointees who are paid through YSM and who perform clinical work are categorized as Clinical Fellows if the individual participates in 1) an ACGME accredited program; 2) a board-certified program; or 3) a non-accredited department-based clinical fellowship. The recommended minimum amount payable to a Clinical Appointee in 2017-2018 is $69,700.

Research:
Postdoctoral appointees who participate in research-based programs may be categorized as either Postdoctoral Fellows or Postdoctoral Associates. The 2017-2018 salary plan for Postdoctoral Appointees is distributed through the University’s Office for Postdoctoral Affairs. A copy of the salary plan is attached for your reference.

E. Postgraduate Students
For 2017-2018, the minimum annual salary for postgraduate students has been increased to $30,000 ($2,500 per month).
V. Compensation Administration Procedures for Faculty

1. Submission of Compensation Recommendations
   Date Due: Initial Submission in Advance of Departmental Faculty Review Meeting; Final Submission Deadline of June 5

Again this year, the Dean’s Office, in partnership with department chairs, section chiefs, and lead administrators, will undertake a review of faculty progress and individual faculty salary recommendations for fiscal year 2018 for ladder faculty and research faculty at the rank of senior research scientist and research scientist. (Note that Molecular Biophysics and Biochemistry and the School of Public Health have their own administrative processes related to faculty salaries and are not included as part of this review.) Meetings with each department (or section, if applicable) have been scheduled for April and May. Initial compensation recommendations for relevant faculty must be entered in the Workday faculty salary setting application, which will open by Friday, March 17, at least 2 business days before the respective departmental meeting date. These recommendations are the basis for materials used during the review meeting.

The Workday faculty salary setting application has been designed to include “alerts” which require the user to enter an explanation depending on the nature of the increase (e.g., merit increase of 2% or less, merit increase of 4% or more, equity adjustment, promotion, etc.). Training materials, available on or before the date the application opens, provide additional guidance as to when explanations are required. A guiding principle is that the comments be meaningful and provide a clear rationale for the faculty member’s compensation recommendation.

Consistent with past practice, results of the statistical ladder faculty compensation analysis have been provided to department lead administrators. These results should be reviewed and considered as part of the compensation setting process. These results will likewise be incorporated in the review meeting materials.

2. Faculty Review Meetings
   Date Due: Friday, April 7 through Friday, May 26, 2017

Review meetings will be held with each department and/or section, where relevant. Meeting materials will be prepared and distributed in advance. Please direct any questions regarding the review meetings to Tracy Larmer, tracy.larmer@yale.edu.

3. Submission of Department Faculty Compensation Programs for 2017-2018 and Template Letters used to Communicate Annual Salary Changes
   Date Due: Monday, May 15, 2017

Department or section-specific compensation programs will be used in the determination of annual faculty compensation (base, supplement and variable). The criteria must be based upon merit and/or any other permissible factor. Departments should assign the highest priority to correct any structural disparities in the compensation of female or minority faculty members.
These compensation programs, together with documentation on established incentive plans and/or additional compensation programs, must be e-mailed to tracy.larmer@yale.edu. Departments are also asked to provide a copy of all template letters used to communicate annual salary amounts/changes to faculty as part of this submission.

4. **Dean’s Approval of Compensation Recommendations**  
**Date Due: Monday, June 12, 2017**

In addition to the individual departmental review meetings, all final compensation recommendations will be reviewed by the Dean’s office to ensure that compensation is aligned with the School’s mission and consistent with the Universities FY2017-2018 budget guidance. Department chairs and lead administrators will be notified when compensation recommendations have been approved.

5. **Compensation Letters for Faculty**  
**Date Due: Friday, June 30, 2017**

Once faculty compensation levels have been approved, the chair or section chief must send a letter to each faculty member reviewing his/her performance and compensation for 2017-2018. Letters to any faculty members who will receive a decrease, along with an explanation for the decrease, must be sent to Tracy Larmer for review and approval by the Dean’s Office before they are sent to the individuals. In all letters, the salary should be broken down into its components and the relationship between contribution and compensation should be made clear. The letter should contain an offer for the faculty member to meet with the Department Chair or when appropriate, the Section or Division Chief, if they have questions about their compensation. The departmental salary program should accompany each individual letter or the letter should reference how an individual can easily access a copy of the departmental program. A copy of each faculty member’s final letter signed by the Chair must be sent to the Office for Faculty Affairs for inclusion in the faculty record.

6. **Annual Review of Funding of Professors in the Investigator Track**  
**Date Due: Friday, September 29, 2017**

As outlined in Section XII.F.2 of the Faculty Handbook, departments are required to review annually a Professor’s funding. If for any three years in a five-year period, the Professor’s funding is not sufficient to cover appropriate salary and fringe benefits, as determined by the department and the Office of the Dean, then the individual’s appointment shall expire at the end of two additional years. Upon completing the annual review, departments should notify the Dean’s Office of any professors not meeting these criteria.

7. **Annual Review of Productivity and Funding of Professors in the Clinician-Educator Track**  
**Date Due: Friday, September 29, 2017**

As outlined in Section XII.F.4 of the Faculty Handbook, departments are required to review annually a Professor’s productivity and funding. If for any three years in a five-year period,
either is found unsatisfactory as determined by the department and the Office of the Dean, then the individual’s appointment shall expire at the end of two additional years. Upon completing the annual review, departments should notify the Dean’s Office of any professors not meeting these criteria.

8. Ongoing - Salary Changes Outside of the Annual Review Process

If a faculty member's total compensation needs adjustment after the annual salary review process, the request should be submitted via a Request Compensation Change submission in Workday. These requests will be reviewed by the Dean’s Office and may be referred to the Provost’s office or other institutional office for review, as appropriate. The on-line request must include the following information: 1) the reason for the change; 2) the effective date of the change; 3) the benchmarks used in determining the revised salary; and 4) the rationale for the off-cycle adjustment. If adjustments will have a significant impact on a department's budget, the impact should be noted in the request and the department's budget analyst should be informed. Such requests require approval by the Dean’s Office and will be considered on a case-by-case basis.


Requests for incentive payments, additional compensation payments and/or extra compensation payments, and performance bonuses will be submitted via a Request for One-Time Payment submission in Workday to the YSM Finance Office for review and processing. Departments with additional compensation programs (e.g., on-call schedules/rates) must submit the pay schedules/rates with their department faculty compensation plan. Incentive payments and payments for additional compensation opportunities will not be approved unless the department has an approved additional compensation and/or incentive plan on file in the Faculty Affairs Office and in the YSM Finance Office.

If incentive or performance bonus payments will have a substantive impact on a department’s budget, the department should inform the YSM Budget Office.

Requests for any compensation that is not already outlined in a department’s incentive plan and/or additional compensation program must be submitted to the Dean’s Office for approval. Written approval must be obtained before the compensatory work can begin. The attached YSM compensation above salary request form should be submitted in these situations.

10. Ongoing – Paychecks from Affiliates

For full-time faculty who receive a primary paycheck from other institutions (i.e., YNHH, HHMI, VA), salary information MUST be entered as non-Yale compensation in Workday. Department business offices should obtain the salary information for affected faculty from

---

2 In certain cases, an additional review of salary by appropriate University officials may be required under the University’s overall compensation policies to ensure compliance with legal standards.
the VA semi-annually. Faculty whose salaries are paid in part from other affiliates must report their monthly receipts to their department business office every quarter. Departments should determine whether or to what extent any mid-year salary increases from external sources will accrue to the faculty member. If permitted, the combined salary should be taken into account in setting the following year’s compensation.

Contact Information:

Julia Buchanan
Assistant Director, YSM Faculty Affairs
Office for Faculty Affairs
(203) 785-6567

Anna Maria Hummerstone
Director, YSM Faculty Support
YSM Finance and Administration
annamaría.hummerstone@yale.edu
(203) 785-5200

Lisa Danko
Director, YSM Budget & Planning
YSM Finance and Administration
lisa.danko@yale.edu
(203) 785-7459

Tracy Larmer
Director, Office of Academic Analytics
YSM Finance and Administration
tracy.larmer@yale.edu
(203) 785-7935

Submit Exceptions for Dean’s Office Review to:
Cynthia Walker
Deputy Dean, YSM Finance & Administration
cynthia.walker@yale.edu
(203) 785-2436

Related Policies on Faculty Compensation:

Faculty Handbook - http://provost.yale.edu/faculty-handbook
