

SOM Faculty Compensation Plan

The following plan, developed with the input of the Ad-Hoc committee on faculty compensation and the faculty council, and approved by the Dean, outlines the principles of a faculty compensation plan designed to:

- 1) Honor the contributions of individual faculty to their discipline, department, the SOM and CWRU as a whole, enhancing the university and school strategic plan and increasing national and international recognition,
- 2) Be competitive with peer institutions,
- 3) Encourage the development and monitoring of faculty-driven criteria for merit and incentive components at the Departmental level,
- 4) Enhance SOM revenues over time by appropriately recognizing outstanding faculty efforts,
- 5) Provide flexibility to respond to the unique circumstances of individual faculty, and
- 6) Align with the CWRU faculty by-laws and the CWRU faculty senate guidelines on compensation.

Based on these principles, we propose that the faculty compensation plan consist of two principal components: **Fixed compensation (Base + Merit) and Incentive Compensation (Incentive)**. Fixed compensation (Salary) will consist of a **Base** component, which may be adjusted yearly based on annual **Merit** increases (when justified and when available, see below). Merit increases are based on departmental evaluation of performance through the process of annual faculty activity summary completion and evaluation by Chairs benchmarked to Departmental Metrics plans and allowing for specific faculty circumstances.

In addition, faculty may receive Incentive compensation. This will consist of **Incentive** pay, based on exceptional contributions in research, education, service, and leadership. Incentive pay provides a mechanism for rewarding outstanding performance. The incentive component will be determined on an annual basis, will not be included in fixed compensation and will not automatically renew from year to year.

Determination of total compensation. To continue to attract and retain the best faculty, salaries must be competitive within the market in which we compete. The School is committed to a goal in which the departmental median salaries are at or above the median salary by rank and discipline for all US medical schools as reported by the AAMC. For departments not listed by the AAMC, the department Chair and Dean agree on which discipline most closely represents his/her faculty.

Determination of merit increases: Faculty base salary may be adjusted when funds are provided for a merit pool as established annually by the University. These funds (merit increases) will be allotted in accordance with guidelines that are specific and pertinent to the missions of each department, and which define excellence in the areas of research, education, service, and leadership responsibility. Faculty members in each department, in consultation with their Chair, have developed written guidelines for faculty merit increases within the framework of the general guidelines provided by the SOM. These merit salary plans will be reviewed periodically by the Faculty Council Committee on Compensation and by the Dean's office.

Determination of incentive pay: Faculty members who display outstanding performance based on departmental "incentive pay" guidelines for research, service, and/or education (**e.g. high merit**) will be eligible for incentive pay in recognition of their achievements and/or responsibilities on an annual basis. Given the different missions of the various departments, criteria for high merit pay may be defined by the faculty and/or Chair of each department differently. The incentive component will be determined on an annual basis, will not be included in fixed compensation, and will not automatically renew from year

to year. The incentive pay recognizes and rewards outstanding faculty performance without committing the SOM to permanent salary increases. To accommodate different Departmental circumstances, Chairs will nominate candidates for high merit pay to the Dean on an annual basis and final decisions on incentive pay will be made at the school level.

Supplemental Pay: Supplemental pay for faculty leadership responsibility will be allocated for specific leadership roles on an annual basis at the discretion of the Chair for Departmental responsibilities (and reviewed as part of the Departmental annual budgeting process) or the Dean for SOM level responsibilities. Supplemental pay is job-related, continues while the faculty member continues those responsibilities, and terminates when those responsibilities terminate, possibly resulting in reduction of total compensation.

Implementation. To ensure transparency in the award of merit and incentive raises, each department is expected to develop a merit and incentive compensation plan with significant faculty input, have their plan evaluated upon initial establishment by the Faculty Council, and have their plan reviewed and ultimately approved by the Dean. Once a department has completed this process and review, it is expected that merit raises will be handled at the Departmental level as part of the annual faculty evaluation process. Departments that decide not to develop a plan will have their merit and incentive pay recommendations reviewed in detail at the School level. Recently, most Departments have completed this process. In addition, the Faculty Council has recently established a faculty Committee on Budget, Finance and Compensation. This committee will periodically provide advice on Departmental plans and/or changes in plans proposed by Departments or the Dean.

Notes: This plan covers only faculty members whose compensation is 100% paid by Case Western Reserve University. Supplemental and incentive pay are considered “regular pay” in the sense that they, along with Base and Merit pay, are included in the base on which benefits are calculated. Incentive pay will not be changed during the year it is awarded. Since incentive pay may continue in subsequent years as long as performance continues at the high merit level, it is distinct from a bonus, which is explicitly considered a one-time payment. However, incentive pay will be reviewed annually and may be reduced or rescinded as a result of the review. Supplemental pay will not be changed during the year, unless the faculty member resigns or is dismissed from the specific position associated with the supplement.