

Faculty Incentive Pay Program

The University of Texas at El Paso
Effective Date: September 20, 2011

Overview

- Purpose of the FIPP is to recognize and reward recipients of external funds who enhance research, scholarship, service and creativity; promote best practices in teaching and learning; and implement other program improvements that advance the mission of the University.
 - It is a mechanism by which the University can provide incentive payments to faculty who demonstrate increased effectiveness in securing extramural funding and contributing to the research, teaching and service mission of the University.
 - The FIPP does not constitute a contract or grant any right beyond which an individual is already entitled and there will not be an entitlement to the continuation of the FIPP.
 - The FIPP year will be from September 1 through May 31.
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Eligibility

- The participant must
 - Be a UTEP tenured, tenure-track or Clinical faculty member
 - Be a PI or Co-PI on an externally-sponsored project
 - Be paid from State appropriated (14 account)
 - Have Teaching Load Credits (TLCs) exceeding the minimum TLC requirements during the academic year prorated to the portion of the salary supported by appropriated funds
 - Have an approved Written Workload Assignment agreement.

Stipulations

- Funded from financial resources other than State appropriations and Sponsored Projects (14 and 26)
 - Contingent upon the faculty member meeting the eligibility requirements and complying with the terms and conditions of the FIPP
 - Payments limited to an amount not to exceed 50% of the salary savings
 - Cumulative payments shall not exceed 25% of the faculty member's academic base salary per fiscal year (nine-month salary)
 - Incentive payment shall be estimated prior to the beginning of the associated academic semester and reconciled to actual activity before a payment is issued.
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Stipulations

- Incentive payments shall be initiated with the FIPP Agreement form and paid in a lump sum payment at the end of the academic year (May 31).
- Payments shall be subject to applicable salary deductions and withholding (e.g. FICA and federal taxes), reported to the IRS as salary and wages, and issued in adherence to all prevailing laws and policies.
- Incentive payments will not be used as a basis to calculate retirement contribution or to accumulate benefits such as leave.

Terms and Conditions

- The faculty member must fulfill all expectations for performance established through a written [workload assignment agreement](#) that is agreed upon in advance by the faculty member, the faculty member's Chairperson (or the faculty member's immediate supervisor), and the faculty member's Dean in consultation with the Provost.
 - The faculty member must exhibit satisfactory performance in all assigned duties as determined by his or her Chair and Dean, including good fiscal and administrative management of all extramural funds for which he or she is principal investigator or co-principal investigator and must complete necessary reports in a timely manner.
 - Only the portion of faculty member's Institutional Base Salary that is funded by external sources (26 account) during the nine-month academic year will be considered under the FIPP.
 - Incentive payment(s) shall not modify the faculty member's institutional base salary (nine-month academic salary rate) and shall not be paid from sponsored project funds.
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Terms and Conditions (continued)

- Incentive payments can be earned only during the fall and spring semesters (not available in the summer) .
 - Participation in the FIPP is voluntary and is not be mandated upon either the faculty member or UTEP.
 - UTEP reserves the right to modify, suspend or terminate the FIPP or the participation of any faculty member at any time.
 - No verbal commitment to participation or pay under the FIPP is binding upon UTEP, and participation is conditioned upon the approval of all required signatories.
 - All incentive payments under the FIPP are subject to the availability of financial resources for the FIPP and to any applicable State or Federal laws, regulations or policies.
 - Modifications to any aspect of the FIPP may be implemented at any time, as determined by the Vice President for Research (VPR) in consultation with the Provost.
 - Final approval for participation in the FIPP shall be granted by the Provost and VPR.
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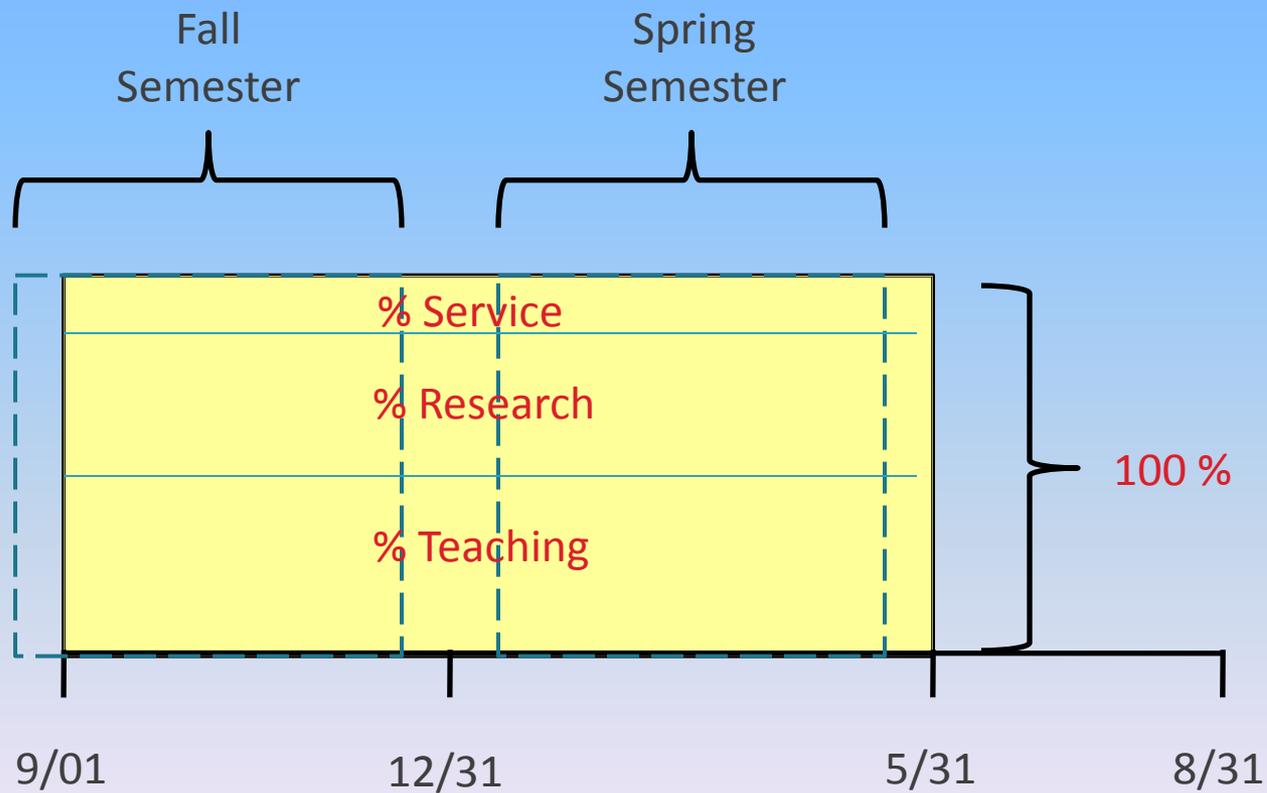
Calculations

- The maximum amount of the incentive payment is the amount not to exceed 50% of the net salary savings to the appropriated funding source.
 - The following costs may be factored into the incentive payment calculation
 - Compensation to the department for costs incurred to replace the faculty member's contributions to the department
 - Compensation to the departments for costs incurred for reduced teaching loads during the faculty member's start-up period
 - Other costs incurred by the department for support of the sponsored project that are not recovered elsewhere.
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Hold Harmless Clause

- This hold harmless clause will be applied during the first year of the FIPP and it is intended to avoid penalizing colleges for salary savings of faculty who bought-out academic year efforts during FY 2011.
- This clause applies to:
 - Individual faculty members who have previously-approved buy-outs from sponsored project accounts during the FY 2011 nine-month academic year
 - Individual faculty members who produced salary savings for State -Appropriated accounts.
- The clause applies only to the percent effort released by buy-outs during FY 2011. Salary releases in excess of those executed in FY 2011 will not be covered under this hold harmless clause. A master list of the eligible faculty members under the hold-harmless clause will be shared with the respective academic deans.
- If the hold-harmless clause applies, the source account for the incentive payment for FY2012 will be from the VPR's FIPP account.

The faculty contract



Teaching Workload Buy Out Example

- ▶ A faculty member with a 9 month appointment receives external funding to pay for 20% of her salary to work on a sponsored project during the fall semester and negotiates with her chair to reduce her teaching workload proportionally. The faculty member's base salary is \$75,000. The total amount of salary release savings is \$7,500. The cost of an instructor to teach the faculty member's class is \$2,700.
 - Salary released: \$7,500
 - Instructor costs: \$2,700
 - Net salary savings: \$4,800
 - The faculty member may receive up to \$2,400 in incentive pay (50% of the net salary savings)

Research Workload Buy Out Example

- ▶ Dr. Jones' institutional base salary is \$60,000. His annual workload assignment is estimated 30% of his time for research activities. He is a co-PI on a grant that pays for 20% of his time to conduct research on a sponsored project during the 9-month academic year.
 - Salary savings: \$12,000
 - 50% of net salary savings: \$6,000
 - The faculty member may receive up to \$6,000 in incentive pay.