

**FACULTY SENATE
FACULTY COMPENSATION COMMITTEE (Norman)
2010-2011 ANNUAL REPORT
SUBMITTED BY K.K. "MURALEE" MURALEETHARAN, CHAIR**

Membership:

Jie (Lily) Huang (Univ. Libraries) (2008-11)
K.K. "Muralee" Muraleetharan (Civil Engineering & Environmental Science) (2010-12), Chair
Allison Palmer (Art) (2008-11)
Jos Raadschelders (Political Science) (2010-13, to resign from OU effective 8/16/11)
Cindy Rogers (Economics) (2009-12)

Meetings:

- The FCC held two formal meetings on November 11, 2010 and April 4, 2011 and communicated via email in relation to activities described below.
- The FCC chair met with the OU Human Resources (OUHR) staff (Nick Kelly and Renda Passek) together with Jon Forman (Law), the resource person assigned to FCC by the Faculty Senate Chair, to discuss the benefits payable during sabbatical leave on November 5, 2010.
- The FCC chair met with Kelvin Droegemeier (Vice President for Research) on December 16, 2010 and with Morris Foster (Associate Vice President for Research) on April 6, 2011 to discuss OU's extra compensation policy.

Activities:

The Faculty Senate Executive Committee (FSEC) requested that the FCC look into two issues during this academic year: (i) modifications to the Faculty Handbook to better clarify benefits payable to faculty during sabbatical leave and (ii) ways to improve the faculty compensation through extra compensation. The activities related to these two tasks are described below.

Task 1 – Benefits Payable During Sabbatical Leave:

The Faculty Senate Chair provided Jon Forman (Law), whose expertise is in pension and health benefits, as a resource person to FCC. Together with OUHR staff and Jon Forman, the FCC drafted proposed modifications (see Attachment A) to the faculty handbook and submitted it to the Provost through the FSEC. The Provost accepted the proposed modifications, except the examples shown in Attachment A, and changed the Faculty Handbook accordingly.

Task 2 – Extra Compensation:

The FCC reviewed OU's current Outside Employment and Extra Compensation Policy and concluded that the current policy can be improved to make it easy for faculty to earn extra compensation for work within OU or when bringing outside funds through OU. The FCC found out that the VPR is also looking into this policy in a broader context of providing incentives for research and creative activities. At the request of FCC, the FCC chair met with the VPR and the Associate VPR and conveyed the FCC's observations on this policy. The VPR's office ensured that they will coordinate their activities related to any policy changes with the FCC.

Attachment A

FACULTY HANDBOOK SABBATICAL LEAVE POLICY (C) BENEFITS PAYABLE

Employment benefits for faculty members on sabbatical with full salary will continue at full benefits levels.

Employment benefits for faculty members on sabbatical leave at less than full salary will be as follows:

Health, Accidental Death and Dismemberment, and Dental insurance will continue at full benefit level. Please refer to the Medical Plan Rates Chart for full-time, salaried active-employees listed on the Human Resources website. Although faculty members receive half of their regular salary, the full-time rate for their full-time salary tier will be deducted from their paychecks. Please refer to the Medical Plans Rates Chart to determine the amount that will be deducted. You will be responsible for any benefit premium amounts in excess of Sooner Credits while you are on a half pay sabbatical.

Social Security contributions will be based on the actual salary paid and Defined Contribution benefit will be computed by reducing the salary that is exempt (normally the first \$9,000) in the same proportion to the sabbatical FTE. For example, for a faculty member on sabbatical leave at half-pay for a year, the exempt salary will be reduced to \$4,500.

OTRS rules provide that employees on official sabbatical leave may fully credit the sabbatical period toward years of service *if* the employee receives at least one-half pay during the sabbatical *and* the retirement contributions during the sabbatical are made at the full-time rate (i.e., the rate commensurate with the salary earned as a regular full-time employee in the last preceding school year).

University contributions will be concomitant with the employee's contributions to OTRS, at either the half-time or full-time rate. The member must elect to participate and make contributions to OTRS at the time of the sabbatical. Credit for sabbatical leave cannot be purchased by the member at a later date. See OTRS rules, OAC sec. 715:10-1-4. This agreement authorizes the university to make OTRS contributions at the full-time rate during a half-pay sabbatical.

Example of Health and OTRS deductions for an unmarried professor who normally makes \$100,000 a year and who has elected to have her nine-month salary paid out over 12 months:

1. Taking a semester at full pay (100K Salary for the year, Full Year OTRS Credit)

\$65.42 Monthly Health Deduction for Employee Only - PPO Plan = \$785.04 Annual Deduction
Total Compensation \$118,501 (includes 15% DCP and OU's share of Health, Dental, Accidental Death and Dismemberment, and life insurances)
15% DCP = \$13,650.00
\$691 Monthly OTRS Deduction (7% of the total compensation) = \$8,292 Annual Deduction

2. Taking a year at half-pay, no election (50K Salary for the year, Half Year OTRS Credit)

\$65.42 Monthly Health Deduction for Employee Only - PPO Plan = \$785.04 Annual Deduction

Total Compensation \$61,676 (includes 15% DCP and OU's share of Health, Dental, Accidental Death and Dismemberment, and life insurances)

15% DCP = \$6,825.00

\$360 Monthly OTRS Deduction (7% of the total sabbatical compensation) = \$4,320 Annual Deduction

3. Taking a year at half pay and electing a full year OTRS Credit (50K Salary for the year, Full Year OTRS Credit)

\$65.42 Monthly Health Deduction for Employee Only - PPO Plan = \$785.04 Annual Deduction

Total Compensation \$61,676 (includes 15% DCP and OU's share of Health, Dental, Accidental Death and Dismemberment, and life insurances)

15% DCP = \$6,825.00

\$691 Monthly OTRS Deduction = \$8,292 Annual Deduction (*based on the full salary of prior fiscal year*)