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Navigating Revised Compensation Policies for Academic Personnel

UNIVERSITY *of* WASHINGTON

Why are we talking about this today?

Internal Audit revealed need to improve administration of additional compensation for faculty.

Key recommendations:

- Standardize terms and descriptions
- Clarify expectations, limits, exemptions
- Explore feasibility of simplifying related processes and mechanisms
- Bolster internal controls
- Ensure consistency across websites/other resources

Executive Order 59

[Executive Order \(EO\) 59](#) governs additional compensation for faculty.

It was revised in June 2024.

It will serve as a model for administering additional compensation for librarians and academic staff, except where mandated by a collective bargaining agreement or other UW policy.

Clarifying the policy

EO 59 was revised to:

- **Define additional compensation**
"A category of faculty compensation provided to reflect a significant expansion of duties necessary to maintain essential University operations and the University's standard of excellence."
- **Set expectations**
"Prior to awarding additional compensation, every effort will be made to schedule all University related faculty work as a part of normal duties."
- **Clarify limits**
Up to 25% of the monthly base salary in any given month.
- **Set approval authority**
Dean/chancellor may approve if cumulative additional compensation remains at/below 25% of monthly base salary; provost approves anything over 25%

Clarifying the policy

The revised policy also specifically **identifies exemptions**

- Administrative duty supplements
- Clinical coverage overload payments
- Practice plans
- Compensation associated with an academic honor (e.g., endowed professorship)
- Non-effort-based compensation (e.g., relocation incentive payments, mobile service agreements)
- Reimbursements as allowable by University policy
- Approved Outside Work per [Executive Order 57](#)

Fewer additional compensation mechanisms

Internal Audit was concerned about the number of additional compensation mechanisms:

- 13 flavors of academic personnel Period Activity Pay
- 16 flavors of academic personnel One Time Payment
- Administrative duty supplement (ADS)

Lack of clarity, distinguishing characteristics, and transparency.

Fewer additional compensation mechanisms

Moving away from Period Activity Pay to use more transparent and inclusive mechanisms:

- Non-Faculty Teaching Allowance (NTA) - **NEW!**
- Temporary Pay Supplement (TPS) - **NEW!**
- Clinical Coverage Overload (CCO) - **NEW!**
- Administrative Duty Supplement (ADS) - **REVISED!**

The above are **allowance compensation plans** that will show up on the worker's compensation tab and are now clearly defined on OAP's [Additional Compensation webpage](#).

Fewer additional compensation mechanisms

Where you used to use...	You should now use...
PA07 - Emergency Instructional Coverage	Temporary Pay Supplement (TPS)
PA10 - Executive Education	Temporary Pay Supplement (TPS)
PA13 - Other Activity (Academic)	Temporary Pay Supplement (TPS)
PA14 - Teaching Activities For Credit (Pro Staff Only)	Non-Faculty Teaching Allowance (NTA)
PA017 - Excess Compensation	Temporary Pay Supplement (TPS)
PA26 - Teaching Activities for Credit (Other Staff Exempt Civil Service Only)	Non-Faculty Teaching Allowance (NTA)
Clinical Coverage Overload (Academic Only) - One Time Payment	Clinical Coverage Overload (TPS)

Fewer additional compensation mechanisms

Key impacts of moving away from Period Activity Pay:

- New allowances (TPS, CCO, NTA) will show on worker's compensation tab
- New allowances must be initiated by employee's 'home' unit, which might not be the unit providing funding

Period Activity Pay, One Time Payment will still be available for CBA-mandated payments (e.g., stipends) and academic personnel activities that don't fit into NTA, CCO, TPS, or ADS...

...but they should be **used sparingly**.

Non-faculty Teaching Allowance (NTA)

Non-faculty Teaching Allowance (NTA) key features:

- Appropriate for UW personnel who have agreed and been approved to teach a credit-bearing course, but whose primary position at UW is something other than faculty.
- Subject to EO59 and 25% monthly compensation threshold
- Requires a compensation start and end date in Workday; start/end date aligned to single quarter
- Routes to supervisor, then to HCM Ops for review/approval; if over 25% threshold, routes to OAP

Non-faculty Teaching Allowance (NTA)

Non-faculty Teaching Allowance (NTA) has limitations:

- Only applies to credit-based courses
- One course per year; so NTA can only be used once per person per academic year
- Academic appointment must be in place before processing NTA
- If a non-faculty employee will take on more than one course per academic year, they must reduce their primary position's FTE to accommodate a second (faculty) position at an FTE commensurate with the assigned teaching effort.

Temporary Pay Supplement (TPS)

Temporary Pay Supplement (TPS) key features:

- Appropriate for temporary duties that cannot be accommodated through a workload adjustment, including overload teaching, overload service not eligible for an ADS, project-based work, and temporary supervisory or leadership duties that do not require Board of Regents approval
- Subject to EO59 and 25% monthly compensation threshold
- Functions like TPI on the staff side
- Requires a compensation start and end date in Workday; end date limited to two years out
- Can be renewed/extended
- Approved the dean/chancellor unless individual is over monthly threshold

Clinical Coverage Overload (CCO)

Clinical Coverage Overload (CCO) key features:

- Appropriate only for faculty with regular clinical duties who will temporarily take on additional clinical work, or clinical shifts that include a premium
- Exempt from EO59 and the 25% monthly compensation threshold
- Used when related clinical work spans multiple pay periods; otherwise, use One Time Payment
- Requires a compensation start/end date in Workday; in most cases, end date limited to current academic year
- Can be renewed/extended
- Approved/denied by the dean/chancellor in most cases

Administrative Duty Supplement (ADS)

Administrative Duty Supplement (ADS) key features:

- Appropriate only for specific types of administrative work
- Exempt from EO59 and 25% monthly compensation threshold
- Requires a compensation start and end date in Workday; end date limited to five years out
- Can be renewed/extended
- Approved/denied by the dean/chancellor in most cases
- Requires an administrative academic appointment in Workday
- Included in Institutional Base Salary calculation

Administrative Duty Supplement (ADS)

Administrative Duty Supplement (ADS)-eligible administrative appointments:

- Assignment of administrative duties that were not contemplated as a component of regular salary; typically role-based, associated with an ongoing need, and tend to transfer from person to person over time.
- A multi-year administrative role that includes oversight and accountability (e.g., strategic direction, decision-making authority, programmatic evaluation, budgetary authority, and/or personnel management) for a major unit or program within the university
- An administrative role—of any duration—that reports directly to the academic unit executive head and is designated as assistant, associate, or vice chair/director/dean/chancellor/provost
- Director or Executive Director of an [Organized Research Unit](#) (e.g., Center/Institute)
- Medical Directorship

Administrative Duty Supplement (ADS)

Administrative Duty Supplement (ADS)-eligible specific administrative titles/ranks:

Chair/Director/Campus Dean

Associate or Vice Chair/Director/Campus Dean

Assistant Chair/Director/Campus Dean

Acting/Interim Chair/Director/Campus Dean

Dean/Chancellor

Divisional Dean

Associate or Vice Dean/Chancellor

Assistant Dean

Assistant or Associate Vice Chancellor

Acting/Interim Dean/Chancellor

Acting/Interim Associate/Vice Dean/Chancellor

Dean of University Libraries

Associate Dean of University Libraries

Senior Associate Dean of University Libraries

Acting/Interim Associate Dean of University Libraries

Medical Director – **NEW!**

Center/Institute Director – **NEW!**

Major Unit or Program Administrator – **NEW!**

Acting/Interim Medical Director – **NEW!**

Acting/Interim Center/Institute Director – **NEW!**

Acting/Interim Major Unit or Program Administrator – **NEW!**

Additional compensation mechanisms that aren't changing

Other compensation mechanisms **are not changing:**

- Endowed supplement (ENS)
- Relocation Incentive Payment
- Moving Allowance
- Other reimbursements
- Practice plans (UWP, CUMG, Dentistry practice plan)
- CBA-mandated payments by stipend or one-time payment

All of the above are **exempt from E059.**

Internal controls for review and advanced approval

EO59 delegates approval authority to:

- **Deans/Chancellors** - when the monthly additional compensation is **equal to or less than** 25% of the monthly base pay
- **Provost** - when the monthly additional compensation is **greater** than 25% of the monthly base pay

Reminders:

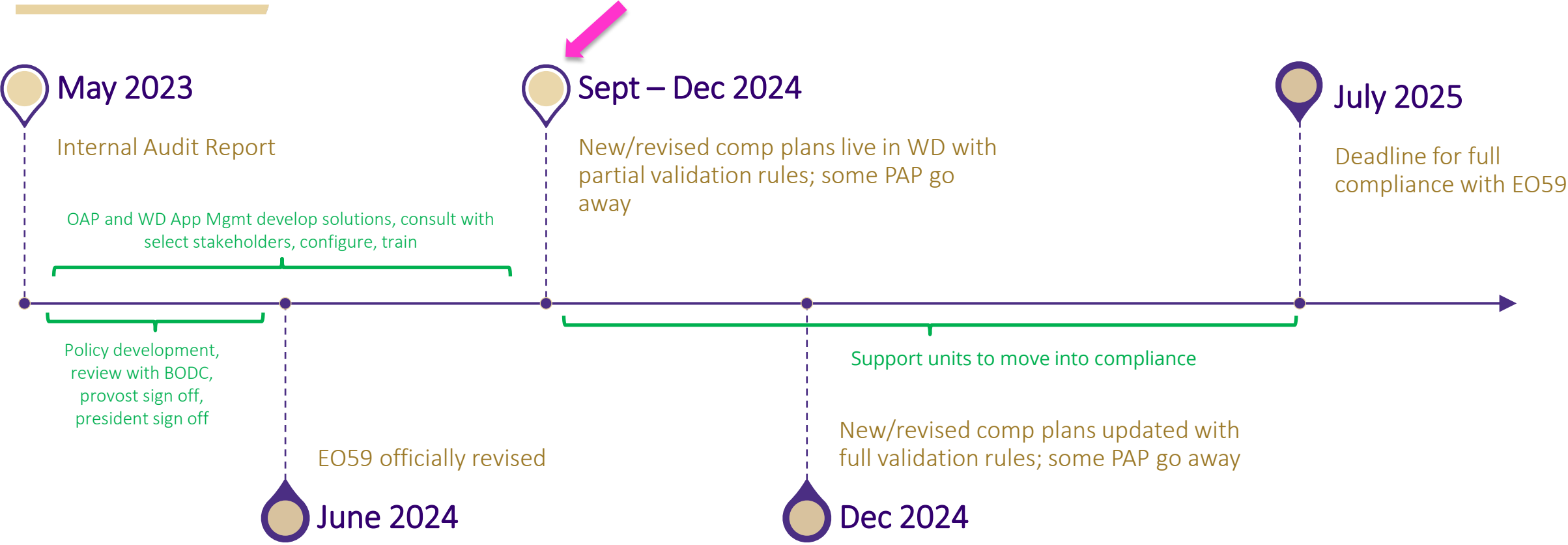
- 25% threshold is **per month**, not per request
- Requests need to be approved **before** work begins
- Recommend initiating Workday business process **at least a month in advance** where possible

Internal controls for review and advanced approval

Workday has been configured to:

- **Check** for basic eligibility for the compensation mechanism
- **Validate** whether the individual is over/within the 25% threshold
- **Direct** the initiator to provide additional context
- **Route** the request to the appropriate delegated authority

Implementation Timeline



Implementation Timeline

Sept 10-12

New/revised comp plans live in WD with partial validation rules; some PAP go away

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Specifics:

- NTA, CCO, TPS, and revised ADS available in Workday
- End dates on the above will be required
- Initiator alert if monthly additional comp exceeds 25%
- NTA won't process unless valid academic appointment is in place
- New administrative ranks available in Workday
- PAP 07, 09, 10, 14, 017 will go away
- PAP 08 and 18 restricted to Continuum College
- PAP 26 restricted to UAW-RSEs

Implementation Timeline

Dec 16

New/revised comp plans updated with full validation rules; some PAP go away

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Specifics:

- Validation rules for end dates will be in place:
 - ✓ ADS - 5 academic years from admin appt start
 - ✓ CCO - end of current academic year
 - ✓ TPS - 2 years
- NTA start/end date required to align with the single quarter
- ADS won't process unless there is valid admin appt
- PAP 13 will go away
- All changes to approval workflows in effect

Implementation Timeline

Dec 16

New/revised comp plans updated with full validation rules; some PAP go away



An important note about ADSs after Dec 16:

- Once ADS validation is launched that requires the administrative appointment to be in place prior first, any comp change on a worker with an ADS will require that the ADS is brought into compliance with policy (i.e., have an administrative appointment in place).
- Doesn't matter if you are touching the ADS at all, the unit will have to remediate the ADS before processing a separate comp change.

Compliance

July 15

Deadline for full compliance with EO59



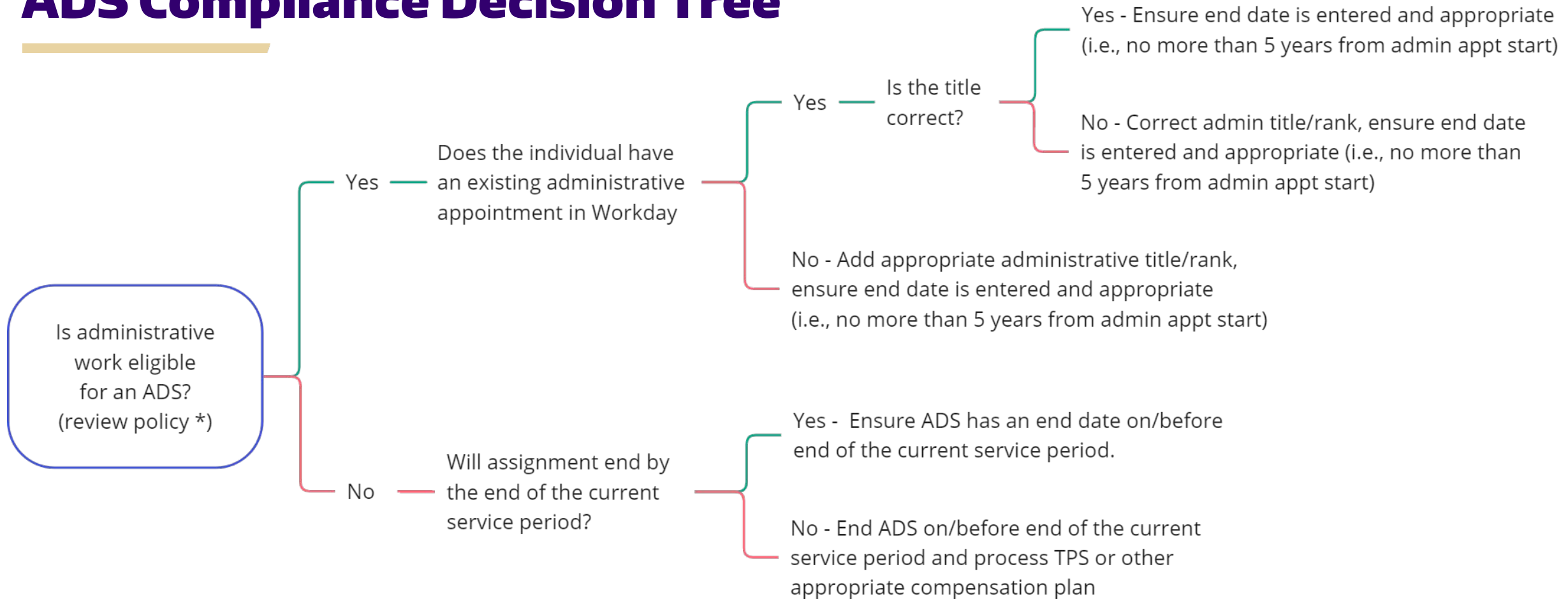
Compliance indicators:

- Administrative academic appointments will have an end date no more than five years in the future
- Anyone with an ADS will have an administrative academic appointment
- ADS end dates will align with the end date of the administrative academic appointment
- PAP with end dates after June 30, 2025 will have been converted to an appropriate allowance plan
- PAP types that have been emptied of personnel will be deprecated

Getting a head start on compliance

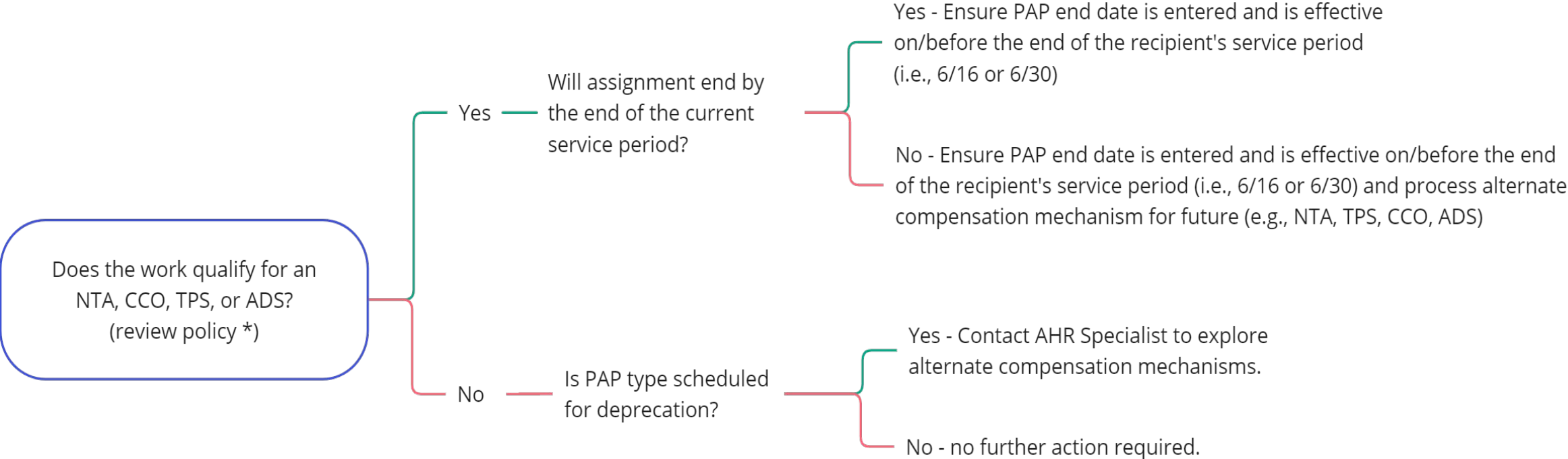
- **Review** <https://ap.washington.edu/ahr/policies/compensation/additional-compensation/>
- **Review** appended Decision Trees for ADS and PAP
- **Enter** new administrative academic appointments when appropriate
- **Add** end dates (≤ 5 yrs) for administrative academic appointments and corresponding ADS end dates
- **Move** those who currently have an ADS and shouldn't to a more appropriate allowance type (e.g., TPS)
- **Move** those currently on PAP to an appropriate allowance plan (e.g., TPS, NTA, ADS, CCO)
- **End** expired academic appointments

ADS Compliance Decision Tree



* [Click to link to policy](#)

PAP Compliance Decision Tree



* [Click to link to policy](#)



Q&A from 9/10/24 live presentation

Q: What about additional compensation over the summer for those on a 9-month service period?

A: If the employee is on a 9-month service period, the summer activities should be compensated first through FTE. You should not process additional compensation until the individual's FTE has been fully leveraged. If their summer effort will exceed their regular FTE (i.e., roster percent), then additional compensation may be appropriate. Just as during the regular academic year, additional compensation during the summer that exceeds the 25% threshold would route to OAP for review and approval.

Q: If our unit has a per-course/credit flat rate for staff who teach one course through a Lecturer Part-Time Temporary appointment, and that flat rate is more than 25% of the prostaff employee's base rate, will the Non-Faculty Teaching Allowance (NTA) request be denied?

A: Not necessarily. NTA requests that exceed the 25% threshold will route to OAP for review. The unit should provide context and a rationale in the process notes. This will help OAP quickly assess whether exceeding the threshold is appropriate.

Q&A from 9/10/24 live presentation

Q: What if an individual has multiple Temporary Pay Supplements (TPS)? How does that work in Workday?

A: Workday shows a single TPS amount on the Worker's compensation tab. If multiple TPS have been approved, that TPS amount reflects the cumulative total that is active at that point in time. If one TPS should end and another continue, the unit will have to update the TPS amount and end date accordingly. To get detail on individual TPS approvals, you can review the employee's compensation history and Comments on individual TPS transactions.

Q: What compensation plan should we use if we want to provide additional compensation to a faculty member who leads a center that is not on the Office of Research [Organized Research Unit](#) list?

A: It depends. If the individual meets *any* of the criteria for an ADS, you could provide an ADS. If they don't meet any of the ADS criteria, you could use TPS. Remember, though, the first course of action is to explore the feasibility of a workload adjustment.

Q&A from 9/10/24 live presentation

- Q:** When I processed Period Activity Pay, I could assign costing different from the individual's regular base costing. Will I still be able to do that when processing an NTA, ADS, TPS, or CCO?
- A:** Yes. You perform the Assign Costing Allocation business process after you have assigned the allowance.

Getting help

We're here to help you navigate additional compensation policies and processes.

If you have questions, your best bet is to first visit

<https://ap.washington.edu/ahr/policies/compensation/additional-compensation/>

If questions remain, don't hesitate to reach out to [Academic Human Resources](#).