

## **UCSD Employee Incentive Award Program 2008-2009 Academic Affairs Guidelines**

This notice provides explanations and instructions regarding the 2008-09 employee incentive award program. Please read them carefully before processing any awards this year.

### **Purpose of Incentive Awards**

**PPSM 34 (Incentive Awards):** The purpose of the program is to encourage excellence in University service; recognize and reward significant achievements and contributions; recognize and reward outstanding individual and team performance; and support professional development.

**Merit Increase versus Incentive Award:** Merit increases are intended to reward sustained performance of regular duties and responsibilities, incentive awards should have a strategic focus and should have a relationship to the accomplishment of organizational goals.

### **Types of Awards**

**Lump-Sum Cash Awards:** The Staff Recognition and Development Program, Incentive Award Program, and Department-Funded Awards described below provide for cash, lump-sum, non-base building incentive award payments. The payments are considered taxable income and are processed through Payroll.

**Professional Development:** Payments intended for professional development (e.g. seminar fees, conference registration) should be paid directly to the third party when possible. Employees may pay the third party and be reimbursed when necessary. Travel and other expenses related to the professional development may be included in the reimbursement.

**Non-cash Awards:** Employees may also be awarded non-cash awards (e.g. gifts and gift certificates); however, non-cash awards cannot be paid from the assessment funding and must be consistent with Business & Finance Guideline [G-41](#). Link to procedures for [Non-cash Awards](#)

**Paid Time Off:** Paid time off is not permitted as an award.

***Important note:*** All cash and non-cash awards to represented employees whose collective bargaining agreements have expired require union notification and agreement. Please contact Human Resources-Compensation for guidance.

## **Staff Award Programs & Description of Service (DOS) Codes**

**Staff Recognition and Development Program:** Policy-covered (unit 99) career and limited employees whose annual base salary is \$99,999 or less are eligible for awards under the Staff Recognition and Development Program, subject to the limitations listed below. Per diem, contract, floater, staff whose annual base salary is \$100,000 or more, and SMG employees are not eligible. Students are eligible to receive awards as long as the award is not paid from work-study funds. The awards are funded from the SRDP assessment. (See *Funding*.)

### **DOS Codes**

- **SRD** (Staff Recognition & Development)
- **TIA** (Team Incentive Award)
- **SAP** (Student Award Program)

**Department-Funded Awards:** All staff employee groups whose annual base salary is \$99,999 or less are eligible for department-funded awards. Staff whose annual base salary is \$100,000 or more and SMG employees are not eligible. The awards are paid from a department's own funds.

### **DOS Codes**

- **LEA** (Local Employee Award)
- **TIL** (Team Incentive Award-local)
- **SAL** (Student Award Program-local)
- Note: The **AWD** DOS code is no longer in use

**Incentive Award Program:** This program is not available to employees in Academic Affairs units. Only Patient Care Technical (EX) employees and Police Officers (PA) are eligible for awards under the Incentive Award Program.

## **Award Amounts**

- No employee may receive more than \$1,000 per fiscal year from all award types combined, and no award may be granted to SMG (Senior Management Group) staff nor to staff whose annual base salary exceeds \$99,999.
- A department may not exceed 5% of eligible payroll in total awards.
- LEA, TIL and SAL awards may not exceed \$300 per employee in a fiscal year for represented employees (in CX, RX, TX, SX and K6 bargaining units).

## **Funding**

**Payroll Assessment:** The funding for the SRDP is made available through a payroll assessment. Each month, when payroll is run, all pay coded with the Description of Service (DOS) code REG is assessed for eligible employees. Upon payment of an award, the department is reimbursed from the central assessment pool if the payment is coded with the DOS codes SRD, TIA or SAP.

**Assessment Percentage:** For policy-covered (unit 99) employees, the overall annual assessment for fiscal year 2008-2009 remains at 0.89%.

**Fringe Benefits:** The cost of fringe benefits is deducted from the assessment pool. The fringe benefit percentage is 9.35%, which leaves 90.65% of the assessment available for awards (100% - 9.35% = 90.65%). Be sure to subtract out 9.35% for the cost of fringe benefits when projecting available balances.\*

\*A significant exception to the benefits rate occurs when you process an award for an employee who is on leave without pay at the time of award. For these employees the benefits rate may be significantly higher than 9.35%. Please consult with the campus Payroll office for additional information if you intend on paying out an award to an employee on leave without pay.

### **General Fund and Work-Study Fund Limitations**

- General funds may not be used for department funded awards (LEA, TIL and SAL) paid to non-general funded staff.
- Work-study funding may not be used to fund awards for students. However, funding used to supplement work-study funds may be used to grant awards to students.

**Calculating Your SRDP Pool:** To assist departments in their planning, Academic Affairs will electronically distribute assessment and award reports monthly beginning March. In addition, the “[Incentive Award Program](#)” query, available through EmployeeLink, allows managers and other staff with EmployeeLink access to run reports for their units. This query is customizable, enabling you to gather data on assessments, awards and balances for all award programs. Reports can be run in a variety of ways, including by individual employee, IFIS org and home department. Both the Academic Affairs electronic reports and the “Incentive Awards Program” query take into account the cost of fringe benefits in projecting available balances.

If you would like to calculate your available pool directly, remember that the SRDP budget is based upon 0.89% of the estimated payroll base for policy-covered (unit 99) employees paid from your department’s funds. Distribution of Payroll Expense (DOPE) reports may be used as the basis for your projections. To calculate your available pool, take the estimated annual payroll base of all eligible employees and multiply by 0.8068 (.89% - .0832% deducted for benefits).

## **How to Process a Payment**

**Timing of Awards:** The 2008-2009 fiscal year deadline for all award types is **June 8, 2009**.

### **Generating Award Checks:**

The Award Payment Authorization Form allows departments to submit an award for one employee and can be found at <http://www-bfs.ucsd.edu/pay/forms/pdf/awards.pdf>.

For processing awards for more than one recipient, use the form found at <http://www-bfs.ucsd.edu/pay/pdf/awdlist.pdf>.

The forms can be downloaded via Acrobat Reader and can be filled out on-line but must then be printed and signed with the authorizing department signature for submission directly to Payroll.

An Excel version of the multiple recipients form can be found on the Academic Affairs HR web site at [http://academicaffairs.ucsd.edu/staffhr/compensation/award\\_template.xls](http://academicaffairs.ucsd.edu/staffhr/compensation/award_template.xls)

Questions about using the forms should be directed to [ggomez@ucsd.edu](mailto:ggomez@ucsd.edu) the Payroll Department. The subject line should say "AWARD" on the email.

Payments are subject to payroll withholding and FICA taxes. All awards are taxable regardless of the dollar amount. Payment will be made on the next regularly scheduled payday (monthly or bi-weekly, based on the employee's pay status) after Payroll processes the form.

## **Reporting**

By June 19, 2009 each department should send the following information to the Office of the SVCAA, attn. Bobb Barile ([rbarile@ucsd.edu](mailto:rbarile@ucsd.edu), MC:0001):

- Description of how the award programs were administered in your unit
- Methodology for determining awards
- Distribution of funds by award type (cash, development, cash-equivalent gift, etc.)
- Perceptions, comments and recommendations about the program

The actual program data (assessments and awards) is not required.

If you have any questions about the information in this communication or the program in general, please contact Bobb Barile (x41231) or [rbarile@ucsd.edu](mailto:rbarile@ucsd.edu).