

# THE FACULTY HANDBOOK

## CHAPTER 5

### **POLICIES AND PROCEDURES APPLICABLE TO THE ACADEMIC COUNCIL AND MEDICAL CENTER PROFESSORIATES**

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(Check currency on-line at <http://facultyhandbook.stanford.edu/ch5.html>)

#### **SALARY, BENEFITS AND RETIREMENT**

Stanford University provides compensation to faculty members in the form of salary and other benefits. The following descriptions are intended to provide some basic information about the compensation program and benefit plans. All benefits plans are subject to change. More complete information on benefits is available from the Benefits Office.

#### **I. COMPENSATION**

##### **A. Salary Payment**

Stanford paydays are the seventh and twenty-second of each month or the nearest preceding working day if payday falls on a weekend or holiday. Most faculty members choose to have their pay checks deposited directly into their local bank or Stanford Federal Credit Union account. Arrangements for direct-deposit may be made with the Payroll Office; on paydays a statement of earnings and deductions is sent rather than a check. For those who do not elect direct-deposit, checks will be delivered to their primary department.

Each pay check includes a statement which shows the legally-mandated amounts taken from pay such as Federal withholding tax, California withholding tax, State Disability Insurance (SDI) or Voluntary Disability (VDI) tax, and Social Security tax (FICA), plus any reductions or deductions that have been authorized in writing, such as retirement and other benefit plans, credit union deposits and loan payments, and contributions to United Way and Stanford University. A payroll deduction continues until it expires or until a change or termination is authorized.

A faculty member on a nine-month calendar during the University's fiscal year (September 1 through August 31) will normally elect to have his or her salary paid over a twelve-month period. Faculty members who elect to have their nine-month salary paid over a nine-, ten-, or eleven-month period must make special arrangements with the Benefits Office for continuation of benefits during periods in which salary is not paid.

##### **B. Supplementary Compensation Policy**

Members of the Academic Council and the Medical Center Line faculty may be eligible for additional compensation from the University beyond their annual base salaries. This section describes the supplementary compensation policy for (1) nonstandard teaching activities at any time of year, (2) fourth quarter payments for standard teaching and research activities, (3) administrative supplements, and (4) honoraria.

##### **1. Nonstandard Teaching Activities**

###### **a. Definitions**

As members of the University's academic community, faculty are expected to participate in a variety of Stanford activities and services without supplementary compensation. Occasionally, supplementary compensation may be approved for contributions to special programs which serve school or University needs.

Standard teaching activities include teaching a course that is part of a regular Stanford degree program and any other teaching specifically recognized, either at the time of hiring or subsequently agreed upon by a faculty member and his or her department chair or dean, as constituting regular teaching responsibilities. Courses for which teaching is considered standard are usually listed in the *Stanford University Bulletin*, the *Time Schedule*, and/or the *Summer Session Bulletin*. All departmental and interdisciplinary curricula courses are in this category.

Nonstandard teaching activities go beyond the normal requirements of teaching, research, patient care, and/or other University duties. Frequently innovative, they can benefit both the University and participating faculty members. Nonstandard teaching activities that may warrant supplementary compensation include, but are not limited to, participation in executive programs in the Graduate School of Business and the School of Engineering, in Continuing Studies and Stanford Alumni Association courses, in Postgraduate Medical Education Seminars, and in the Health Improvement Program.

Where the distinction between standard and nonstandard teaching activities is not clear, the faculty member has the responsibility of consulting with his or her department chair or dean prospectively about the character of and amount of time to be spent on the proposed activity.

b. Approval of Nonstandard Programs

The Provost approves nonstandard teaching programs for eligibility to offer supplementary compensation to faculty. Approval must be obtained before arrangements are made with faculty. Requests for approval must include a description of the program, when courses are offered, and the formula used to determine the amount of time per course for which participating faculty are compensated. Approval is required by the Dean of the School in which the program is offered and by the Provost.

c. Limits on Nonstandard Teaching

The limits placed on nonstandard teaching activities are the same as for outside consulting activities, i.e. the limits on the amount of time spent on such activities to ensure that the primary academic objectives of the University are being met. The maximum number of nonstandard teaching days permissible for Academic Council members on full-time appointments is 13 days per academic quarter. As teaching is normally viewed in hourly terms, this translates to 130 hours per academic quarter, including preparation time. Faculty members who engage in outside consulting and/or nonstandard teaching may not exceed the 13-day limit for the two activities combined, in quarters of full-time employment.

The following policies conform to Guidelines for Implementation of the Policy on Outside Consulting (See *Research Policy Handbook*, available from the Dean of Research or on-line at <http://www.stanford.edu/dept/DoR/rph/4-3.html>):

**Averaging**—A reasonable amount of “averaging” over the three quarters of the academic year (or full year for faculty on four-quarter appointments) is ordinarily acceptable, if discussed prospectively with the faculty member’s department chair or dean. Averaging from quarters of less than full-time service to quarters of full-time service is not permitted.

**Periods of Part-time University employment**—The 13-day limit should be prorated for part-time appointments using the following formula:  $(13 \times F) + ((1-F) \times 6 \times 13)$ , where F is the fraction of full-time duty, 13 represents the average number of weeks per quarter, and 6 represents the maximum number of days per week likely to be devoted to professional activities. For example, a faculty member holding a 75% appointment is permitted up to 29 1/4 days of consulting/nonstandard teaching per quarter.

**Fourth Quarter**—Faculty on nine-month appointments with no salary supplement for the fourth quarter (usually summer) are not subject to the 13-day limit during the off-duty quarter. The 13-day limit applies to faculty receiving a 3/9 salary supplement for the fourth quarter. If the appointment is for less than 3/9 time, one of the following applies: 1) the appointment specifies a particular “on duty” calendar period during which the regular

supplementary compensation policy applies and there is no limit during the remaining time; or 2) the appointment is part-time for all or part of the quarter and the prorating for part-time employment applies.

***Leave without Salary***—The 13-day limit does not apply to faculty on leave without salary. For leaves without salary for a portion of a quarter, the 13-day limit should be prorated on the basis of one day per calendar week of duty time.

***Sabbatical Leave***—Faculty on sabbatical leave who are receiving full-time University salary are subject to the 13-day limit. Faculty on sabbatical leave receiving less than full-time University salary may supplement income up to the full-time base salary, and in addition, may devote a maximum of 13 days to consulting/nonstandard teaching.

#### d. Responsibilities of Faculty

Faculty are responsible for adhering to limitations on nonstandard teaching activities as well to as other aspects of the supplementary compensation policy. Moreover, faculty are expected to live up to the spirit of this policy as well as to its specifications. Questions or ambiguities should be resolved with department chairs and deans prospectively to avoid negative effects on the primary functions of the University. Faculty are obliged to maintain accurate records of nonstandard teaching activities and to report fully on them when asked to do so by the University. As with consulting, the University has the right and the obligation to protect itself from losses if a faculty member violates limitations set by this policy. This obligation goes beyond financial considerations; the University may seek administrative remedy and/or reimbursement from a faculty member for salary and benefits covering time spent on nonstandard teaching in excess of the limits provided by this policy, especially in cases where amounts of time are significant and/or the faculty member did not seek prior consultation or follow advice given by his or her department chair or dean.

### 2. Fourth-Quarter Payments for Standard Teaching and Research Activities

Faculty on a nine-month calendar may be paid up to 20% of their annual base salary for full-time teaching of standard courses during the fourth quarter. For teaching during the fourth quarter of specially-designed courses that require extra preparation but are part of the regular curriculum, a faculty member may be paid up to 3/9 of his or her annual base salary. Faculty appointed on a nine-month calendar may be paid 3/9 of their annual base salary for full-time research or a full-time combination of standard teaching and research during the fourth quarter. Prorated amounts may be paid for less than twelve weeks and for part-time service. Faculty on a twelve-month calendar are not eligible for special fourth-quarter compensation.

### 3. Administrative Supplements

Administrative supplements are paid to faculty who take on duties which are outside of their usual faculty responsibilities or normal committee work. An administrative supplement would be given when the faculty member is expected to contribute considerably more time to the University, to set aside his or her research to take on administrative tasks, and/or assume greater liability on behalf of Stanford. Examples of the types of administrative roles for which administrative supplements are paid are departmental chairs, associate deans, program directors and chairs of long-standing committees. The administrative supplement is calibrated to the complexity of the administrative role and to the amount of liability assumed on behalf of Stanford. The administrative supplement may take the form of salary, increased sabbatical or research funding. The form is negotiated with the faculty member and approved by the relevant Dean.

### 4. Honoraria

Occasionally, faculty may contribute to special events such as symposia, professional conventions organized and held at Stanford, or lecture series organized by Stanford colleagues outside

one's own department. Faculty may also take on other nonstandard University activities at the request of the Dean or Provost. Such exceptional service may warrant supplementary pay in the form of one-time honoraria, which must be approved by the relevant Dean's Office and the Provost's Office in advance of the service being performed.

## II. BENEFITS

### A. Campus Housing

***Privately Owned Residences***—Single family houses and condominiums are available on the campus, and the University provides a variety of financing mechanisms to assist faculty with their purchase. Current information on listings and financing is available from the Faculty/Staff Housing Office.

***Escondido Village***—A limited number of Escondido Village apartments may be rented by qualified junior faculty, depending on availability. Persons holding appointments at the rank of Assistant Professor, Assistant Professor (Subject to Ph.D.), Research Assistant Professor and non-tenured Associate Professor are eligible to apply. Information on availability and confirmation of eligibility is available from the Provost's Faculty Affairs Office. The program is subject to modification or discontinuance at any time.

***Off-campus Housing***—Information on University financing assistance for the purchase of an off-campus residence is available from the Faculty/Staff Housing Office. For off-campus rental listings, please check the Community Housing Services at <http://www.stanford.edu/dept/hds/chs>.

### B. Moving Allowance

In some cases, reimbursement for all or part of the actual and reasonable expenses of moving a household may be authorized for new faculty members by the appropriate dean, department chair, director, or other University officer. Reimbursable expenses include packing and moving of household and restricted personal effects and limited storage costs, travel, and temporary accommodations after arrival at the University. When an offer is made to pay for moving expenses, a letter of authorization must be sent to the faculty member at the time employment is offered which specifies allowable expenses and the maximum actual expenses that will be paid by the University. Lump sum payments in excess of actual expenses will not be authorized. A copy of the letter of authorization must be attached to the expense report when the faculty member requests payment of moving expenses. Additional conditions and restrictions apply, and the policy is subject to change. For current information, consult *Administrative Guide 36.8*.

### C. Auto and Homeowner/Rental Insurance

Stanford provides the opportunity to purchase personal automobile insurance and homeowner/rental insurance through the convenience of payroll deductions. Premium quotations are made by mail, individually and upon request. Additional information is available from the Benefits Office.

***Information concerning health plans, the pre-tax payment program, the tuition grant program, income continuation during disability periods (short-term disability, long-term disability and Social Security disability benefits), retirement benefits, death benefits (group life insurance, retirement annuity plan survivor benefits, and Social Security survivor and death benefits), accidental death and dismemberment insurance and retirement income plans are available from the Benefits Office.***

### D. Identification Cards

The Registrar's Office issues photo identification cards to faculty and other employees. The card is necessary for use of University facilities and services such as libraries, athletic events, and other activities. Courtesy photo identification cards are available to spouses and same-sex domestic partners of faculty. For current information, consult *Administrative Guide 28.4*.

## E. Travel Expenses

It is University policy to reimburse employees and non-employees for necessary and reasonable travel expenses incurred for authorized University business. The University travel policy is described in *Administrative Guide 36.7*.

## F. Retirement Eligibility

Faculty members who were hired before January 1, 1992 are eligible to become official University retirees when they are at least age 55 and have completed at least 10 years of service. Faculty members hired on or after January 1, 1992 are eligible to become official University retirees when they are at least age 55, have at least 10 years of service, and when age and service total at least 75 years.

## G. Emeritus Status

Faculty members who become official University retirees receive the emeritus or emerita title authorized by the Board of Trustees and become Senior Members of the Academic Council with privileges of the floor and of service on committees, but without the right to vote or hold office. Emeriti may retain a campus home, retain Faculty Club membership, and receive free campus parking privileges. Eligible emeriti may also use the Tuition Grant Plan for any eligible children. Other benefits include participation in a University health plan with University contributions toward premium costs, use of the libraries, and access to other facilities and services of the University. Allocation of office or laboratory space and/or secretarial services varies by department and school; questions should be addressed to the department chair or dean.

Although not constrained to retire at age 70 or any other age, Stanford faculty nevertheless consider retirement arrangements as part of their personal and professional planning. Many Stanford faculty, individually and through the Academic Senate, have expressed interest in the development of new options to increase the financial feasibility of retirement. In response, Stanford University has made available the Faculty Retirement Incentive Program, effective May 1, 1994. The terms of any available retirement incentive program may vary over time. Specific information about any current faculty retirement incentive program may be obtained from Faculty Affairs and is available on-line at <http://www.stanford.edu/dept/provost/faculty/policies/FRIP/>.