



## PERMANENT MEMORANDUM 3 ADDITIONAL COMPENSATION AND COMPENSATION LIMITS: FACULTY AND FULL-TIME, NON- CLASSIFIED EMPLOYEES

POLICY DIGEST

Monitoring Unit:  
Initially Issued: January 6, 2000  
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### I. PURPOSE

This policy sets forth the requirements and conditions for providing additional compensation and establishing compensation limits for faculty and full-time, non-classified staff. This memorandum is intended to define and to distinguish types of additional compensation, including appropriate use and criteria. In addition, the policy articulates the application of a 30 percent limit to supplemental pay (as defined below).

### II. ADDITIONAL COMPENSATION: DEFINITIONS AND TYPES

- A. **Additional compensation** is total compensation above the employee's base salary paid by LSU from any source. Types of additional compensation may include such payments as additional or concurrent job, one-time pay, or supplemental pay. This policy does not apply to any income earned outside of LSU employment, which must be reported in compliance with PM-I 1.
- B. **Additional or concurrent job** is a sub-category of additional compensation. Additional or concurrent job is a position held by an employee in addition to his or her primary job. This category includes those jobs that are on-going, not "acting" or "interim" roles.
- C. **One-time pay** is a sub-category of additional compensation. One-time pay is intended for use in processing those types of payments that are non-recurring.
- D. **Supplemental pay** is a subcategory of additional compensation. Supplemental pay is intended for use when faculty or full-time, non-classified staff are asked to perform duties that are substantially outside the scope of the individual's regular position as defined by the job description. Supplemental pay is intended for short-term, temporary arrangements typically with a duration of 6 months or less. Supplemental pay is not a means to pay a bonus or incentive for performance of the duties and responsibilities of an employee's current position. Supplemental pay cannot be earned in conjunction with extended leave (e.g., leave without pay, FMLA).

### III. SUPPLEMENTAL PAY: EXCLUSIONS

- A. Part-time staff and civil service staff are not eligible for supplemental pay.

- B. Royalty income and salary supplements paid from foundation funds for which the university is not obligated beyond the period specified and that are not made in consideration of services rendered.
- C. Faculty, research, and other compensation plan programs approved by the President.
- D. Athletic staff/coach contractual agreements.
- E. The use of "interim" or "acting" administrative roles shall be processed as new appointments and as such are not considered supplemental pay.
- F. Persons holding executive-level positions except in rare and very limited circumstances by determination of, and approval of, the President. Executive-level positions include those positions reporting directly to the President or Chancellor with university-wide or campus-wide responsibilities. [For definitions of President and Chancellor see the Bylaws of the Board of Supervisors.]

#### **IV. SUPPLEMENTAL PAY: CRITERIA**

- A. Faculty and full-time, non-classified staff are eligible to receive supplemental pay within very limited circumstances. Supplemental pay may be granted only for those assignments clearly beyond the scope of the specific duties of the employee's regular position as defined by the job description or appointment on a temporary, short-term basis.
- B. Increased responsibilities must be performed without impact on availability to perform regular responsibilities and expectations. An employee's direct supervisor may revoke approval of supplemental pay if there is a negative impact on performance of regular duties.
- C. All requests for the consideration of supplemental pay must be approved in advance of the additional duties commencing. Retroactive requests for supplemental pay will not be approved. Any request submitted for supplemental pay after commencement of increased responsibilities will be denied and the employee will not be compensated.
- D. All requests for the consideration of supplemental pay must be approved by the employee's direct supervisor, respective department head, and appropriate Vice President/Vice Chancellor. In those circumstances wherein the request is made by other than the employee's home department, approval is also required by the employee's proposed supervisor in the department requesting the employee's services, the respective department head, and the respective Vice President/Vice Chancellor.
- E. Approvals shall be made in accordance with the appropriate provisions of PM-69. Further delegation of authority must be in writing, specifically addressing the scope of this delegation, and be maintained at a level that will ensure adequate management oversight.
- F. In those rare instances in which supplemental pay is approved to exceed six months, a review process shall be conducted after six months to determine continued need and compliance with this policy. All considerations beyond six months must be approved by the Chancellor or equivalent.

## **V. SUPPLEMENTAL PAY: LIMITATIONS**

### A. Fiscal Year Appointees

Total supplemental pay from all LSU sources between July 1 and June 30, inclusive, shall not be allowed to exceed regular fiscal year compensation x 1.30.

### B. Academic Year Appointees

Total supplemental pay from all LSU sources during the period from July 1 to the following June 30 shall not be allowed to exceed 1.30 as follows: (academic year salary+ 2/9 academic year salary) x 1.30.