

Mount Sinai School of Medicine
Investigator Incentive Plan
Effective January 2012

The Mount Sinai School of Medicine Investigator Incentive Plan is designed to reward faculty investigators in the Academic Track for outstanding research and teaching performance. The plan is subject to the guidelines set forth in the MSSM Faculty Compensation Policy.¹

Incentive payments will be made in the form of bonuses.

Eligibility

In order to be eligible for incentive payments, faculty must meet **all** of the following criteria:

1. The faculty member's total compensation, including incentive payments, must reflect Fair Market Value.
2. For faculty members beyond the three year start-up phase, current research effort must be consistent with School guidelines, generally no less than 65%.
3. In a given calendar year, Total School Research ("R dollar") and Teaching ("T dollar") payments generated by a faculty member must exceed the total departmental support for the faculty member's compensation.
4. The faculty member must remain in good financial standing in the year in which the bonus is to be paid, i.e., in the pay-out year the individual must generate sufficient R and T dollars to fund the portion of salary supported by the department budget through:
 - a) A research spending run rate that generates R dollars and/or:
 - b) Ongoing teaching efforts that generate T dollars.
5. Chairs and Directors have a separate incentive compensation plan.

Incentive Bonus Calculation and Payment:

1. Bonus payments require that R and T dollars generated by a faculty member in a given year exceed the total compensation charges to the department budget for the individual that year:

$$\begin{array}{r} \text{Total R and T dollars generated by an individual in a given calendar year} \\ \textit{minus} \quad \underline{\text{Total compensation charges to the department for that individual}} \\ \text{Excess of R and T dollars} \end{array}$$

2. Bonuses are capped at the lesser of:

¹ Faculty Handbook Chapter IV, <http://www.mssm.edu/about-us/services-and-resources/faculty-resources/handbooks-and-policies/faculty-handbook/faculty/faculty-compensation-policy>

- a) 10% of the amount by which R and T dollars exceed the total compensation charged to the Department; or
 - b) 10% of base salary
3. The School will fund 50% of each qualifying bonus. The department is responsible for identifying appropriate funding sources for the remaining 50% of each incentive bonus, subject to the following restrictions:
- a) The bonus cannot be charged to federal grants (compliance with Federal anti-augmentation regulations).
 - b) Payment of the departmental share of incentive bonuses cannot result in a departmental deficit.
4. In extraordinary cases a bonus in excess of the caps described in #2 may be permitted with the Dean's approval. In such cases, the School contribution towards the bonus payment will be limited to 50% of the standard qualifying bonus amount, and the department will be responsible for identifying appropriate funding sources for the balance.
5. Bonuses will be paid between January 1 and March 15 of the year following the year in which the R & T dollars are earned.
6. Faculty may elect to forgo a personal bonus in favor of depositing the incentive payment directly into their research program.

SEE EXAMPLES NEXT PAGE

EXAMPLES

A. Faculty member in good standing generates excess R & T dollars to earn bonus

	2010 R & T dollars	\$65,000
Minus	<u>2010 salary charges to budget</u>	<u>\$55,000</u>
	Excess R & T dollars.....	\$10,000
	10% of excess R & T \$	\$ 1,000

Dr. X can receive a bonus of up to \$1,000 (10% of excess R & T dollars) if sources are available to pay the bonus.

B. Faculty member in good standing earns base salary of \$100K/year and generates excess R & T dollars:

	2010 R & T dollars	\$120,000
Minus	<u>2010 salary charges to budget</u>	<u>\$ 15,000</u>
	Excess R & T dollars	\$105,000
	10% of excess R & T dollars.....	\$ 10,500
	10% of base salary.....	\$ 10,000

Bonuses are capped at the lesser of 10% of excess R & T dollars or 10% of base salary, so Dr. X's bonus cannot exceed \$10,000.

C. Faculty member does not generate sufficient R & T dollars to earn bonus

	2010 R & T dollars	\$50,000
Minus	<u>2010 salary charges to budget</u>	<u>\$55,000</u>
	Basis for incentive bonus calculation.....	(\$ 5,000)

Because salary charges to department funds exceed R & T dollars, no bonus will be awarded.

D. Department in deficit

	2010 R & T dollars	\$65,000
Minus	<u>2010 salary charges to budget</u>	<u>\$55,000</u>
	Excess R & T dollars.....	\$10,000
	10% of excess R & T dollars	\$ 1,000

No bonus can be paid because department is in deficit.

E. Faculty member in good standing generates excess of R & T dollars but is already at upper limit of fair market value

	2010 R & T dollars	\$65,000
Minus	<u>2010 salary charges to budget</u>	<u>\$55,000</u>
	Excess R & T dollars.....	\$10,000
	10% of excess R & T \$	\$ 1,000

No bonus can be paid because any additional compensation would place Dr. X's total compensation above the fair market value.