



**Association of
American Medical Colleges**
2450 N Street, N.W., Washington, D.C. 20037-1127
T 202 828 0400 **F** 202 828 1125
www.aamc.org

QUESTIONS: Department Administrator Incentive Compensation

We will be reviewing our Department Administrator Compensation structure with the University in the near future. For those of you who have incentive-based pay structures in place, would it be possible to share your compensation program description with us?

Anna Maria Hummerstone
Yale University School of Medicine
annamaria.hummerstone@yale.edu



Temple University's performance pay program recognizes both an employee's performance and the employee's position on the salary scale in order to reward an employee for performance and behavior that is valued by the University.

With the Performance Development System, Temple University utilizes consistent resources, methods, and tools to evaluate individual contributions and results against stated goals and objectives. Performance-based pay establishes the primary linkage between pay and recognition for contributions for non-bargaining employees and rewards for the prior year's performance through differentiation of pay.

Performance pay parameters are determined annually.

Guidelines are presented to all managers to provide guidance on appropriate increases based on performance. Performance rewards for employees may vary depending on job performance and position in salary range. Employees who do not perform at a "satisfactory" level or above may be ineligible for a performance-based pay increase for the year. Employees who are at the maximum of their range are not eligible for a performance-based increase in base salary, but may receive their performance-based pay supplement in a one-time lump sum payment.

Employees covered by collective bargaining agreements are subject to the provisions of the appropriate agreement and should refer to their contract.

PERFORMANCE BONUSES

Performance bonuses are one time payments (the dollar range varies year-to-year) which may be awarded by management in accordance with established University criteria. Last FY a one time cash bonus payment that could range from \$200 to \$4,000 could be awarded to administrative level employees At the T21-T28 grade levels. Upper management T29 and above were eligible for 1% to 10% of base salary for exceptional performance and/or have made a significant impact on the University by increasing revenues or cost savings.



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Performance bonuses are awarded annually based on the following criteria:

- Overall performance is at the "proficient" level or better, and
- The employee performs substantially above and beyond expectations on a specific goal or project, or
- The employee makes a contribution that has significant impact on university or department objectives, or
- The employee goes above and beyond the normal responsibilities required for his/her position, or
- The employee assumes added responsibilities in the short-term to rectify a situation in which there is a "gap" in the organization.

This program allows senior management to recognize documented efforts that result in identified cost savings and/or significant cost/benefit/quality improvement and/or revenue enhancement.

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Hopefully you find this helpful. I would be interested in knowing your outcome.

Gregory P. Zimmaro
Temple University
GZimmaro@temple.edu



At the University of Michigan Medical School, our Department Administrators have the opportunity to earn a lump sum bonus of up to 10% of their base salary each fiscal year. They are given specific goal(s) by the Principle Business Officer for the School to be achieved during the year. The goals vary each year depending on the priorities of the School. The bonuses are processed in November following the close of the fiscal year (which runs from July 1 - June 30).

Please let me know if you have any questions about our program.

Judy Hallberg
University of Michigan
jhallbrg@med.umich.edu



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