UCI – HSCP
INCENTIVE/BONUS (“Z”) COMPENSATION
PROCEDURES

Reference UCI COM Implementation Procedures, Section IV.D. Optional Additional Compensation

A. POLICIES

1) Incentive/bonus or “Z” compensation is a variable salary component that may be paid as frequently as monthly. This compensation is not covered compensation for the University of California Retirement Plan and is not included in the calculation of the total negotiated salary (TNS).

2) Each department must develop an incentive/bonus (Z) compensation plan as part of the department compensation plan procedures. Reference Guidelines and Procedures 3.25 and 3.80. The department “Z” compensation plan must be approved by the Dean prior to implementation.

3) All “Z” payments should be estimated (when possible) as part of the annual budget process. This is not to limit “Z” payments but to monitor this salary component.

4) The “Z” component may be used for the following:
   - Distribute patient care revenues received by the department (after applicable assessments and obligations are met).
   - Pay bonus/incentive payments from department unrestricted funds.
   - Distribute non-patient care consulting income.
   - Distribute expert witness or medical/legal income.
   - Payment for service to the University outside the department, i.e. stipend for serving as chair of an Institutional Review Board (IRB) or Conflict of Interest Oversight Committee.
   - Payment for CME activities or teaching not required or included as part of the total negotiated salary.
   - Payment for additional administrative or clinical responsibilities, e.g. service chief or medical director.
   - Payment for additional research responsibilities as allowed by funding source.
   - Payment of awards or prizes, e.g. Golden Apple teaching award.

5) Funding sources available:

   Funds in the sales and services fund block (60000-69999) may be used for “Z” payments, with the exception of 69750 (SPA).

   General funds (19900), contract and grant, gift or other restricted funds may not be used for “Z” payments.

B. PROCEDURES

1) Personnel records (on-line system) will be updated with a $.01 distribution line under appointment 90 with the appropriate DOS code [Attachment A]. Appointment 90 will be set up as a variable appointment, with a positive time reporting code.
2) Distribution of Revenue/Z Payment forms will be submitted, by the 15th of the month, to the Dean’s Office for review and verification of appropriateness of payment and funding source, to be included in the regular monthly payroll.

3) The Dean’s Office is responsible for the on-line time reporting of the “Z” payments.

4) Faculty will receive “Z” payments in their regular monthly paycheck (not on a separate check), and paid as W2 earnings. W2 payments are subject to appropriate withholding for federal and state taxes, Medicare and OASDI (FICA) if the faculty member has not reached the maximum.
# Guide for Bonus/Incentive Compensation

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<td>Distribution of Revenue/Z Payment</td>
<td>&gt;$1,000 &lt;$1,000</td>
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*PPC DOS code is used for part-time paid faculty appointments only. This is the ONLY code that can be used for part-time faculty.