



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

Monitoring Unit: Office of Human Resource Management
Initially Issued: January 6, 2000
Last Revised: April 13, 2022

I. PURPOSE

This policy sets forth the requirements and conditions for providing additional compensation and establishing compensation limits for faculty and non-classified staff. State Civil Service rules govern additional compensation for classified employees. This policy is intended to define and to distinguish types of additional compensation, including appropriate use, criteria, and required approvals.

II. GENERAL POLICY

Additional compensation is total compensation above the employee's base salary paid by LSU from any source for the performance of duties outside the scope of their primary job responsibilities and beyond 100% effort. Types of additional compensation include: one-time pay; period activity pay; additional jobs; or temporary additional duties allowances. This policy does not apply to any income earned outside of LSU employment, which must be reported in compliance with PM 11.

A. Exclusions and Other Provisions

1. Part-time staff and civil service staff are typically not eligible for additional compensation/allowances, however requests will be evaluated by the Office of Human Resource Management to assess need and determine appropriateness.
2. 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, are excluded from the provisions of this policy
3. Faculty, research, and other supplemental compensation plan programs approved by the President, are excluded from the provisions of this policy.
4. Athletic staff/coach contractual agreements are excluded from the provisions of this policy.
5. The use of "interim" or "acting" administrative roles shall be considered as new appointments and as such are not considered additional compensation. Pay associated with the interim/acting allowance shall be

commensurate with the market for the role and/or effort associated with the temporary role.

6. The use of *Faculty Administrator* administrative roles shall be processed as new appointments and as such are not considered additional compensation. Pay associated with the faculty administrator role shall be commensurate with the market for the role and/or effort associated with the administrative role.
 7. Persons holding executive-level positions, except in rare and very limited circumstances by determination and approval of the President, will not be eligible for additional compensation. For the purposes of this policy, executive-level positions include those positions reporting directly to the President or a Chancellor, or, in the case of LSU A&M, to the Provost, with university-wide or campus-wide responsibilities. [For definitions of *President* and *Chancellor* see the Bylaws of the Board of Supervisors.]
 8. Faculty/staff on nine- and 10- month appointments who perform work outside their regular appointment dates: compensation for work performed outside of the regular, paid appointment dates (e.g. work during summer for nine-month employees) shall not be subject to the additional compensation limits outlined in this policy.
 9. Faculty and non-classified staff are eligible to receive additional compensation in specific circumstances. Additional compensation 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 basis.
 10. Increased responsibilities must be performed without impact on availability to perform regular responsibilities and expectations. An employee's direct supervisor may revoke approval of additional compensation if there is a negative impact on performance of regular duties.
 11. Requests for the consideration of additional compensation must be documented and approved in advance of the additional duties commencing. Retroactive requests for supplemental pay may only be approved on exceptional bases. Retroactive requests for additional compensation will be reviewed on a case-by-case basis by the Office of Human Resource Management. *Retroactive* is defined as a request to backdate additional compensation more than 90 days from the initiation of work performed and shall require additional administrative approvals by the employee's division head and the Office of Human Resource Management.
 12. For those instances in which additional compensation is approved to exceed one year, HRM will conduct a review to determine continued need and compliance with this policy.
- B. Additional compensation, as defined herein from all LSU sources between July 1 and June 30, shall not be allowed to exceed 30% of an employee's regular fiscal

year compensation (*regular* fiscal year compensation is equivalent to the nine-month compensation for academic-year faculty; faculty summer salary is not included in this limit).

- C. Work performed for One Time Payments, Period Activity Pay not considered base pay and *Professional Instructional Allowances* compensation shall be performed outside the employee's normal work schedule/workweek; otherwise, the employee must be charged annual leave or leave without pay for the period of the activity. If the employee works a non-standard workweek, this must be documented with the Office of Human Resource Management in advance of any additional compensation work.

III. PROCEDURES

- A. All requests for the consideration of additional compensation must be approved by the employee's department head. In those circumstances wherein the request is made by an entity other than the employee's home department, approval is also required by the employee's proposed supervisor and respective department head prior to the work commencing. Further delegation of authority must be in writing, specifically addressing the scope of this delegation; or via an electronic Security Access Request identifying a delegate to perform action on behalf of the department head in order to maintain a level of approval that will ensure adequate management oversight. Additional compensation exceeding 30% of a worker's regular fiscal-year compensation will require Presidential approval in accordance with Permanent Memorandum 69.
- B. The formulas for calculating individual additional compensation limits are:
 - 1. Academic Year (AY) Employees: $[AY\ Salary \times 1.2222 \times 1.30] - AY\ Salary$
 - 2. Fiscal Year (FY) Employees: $[Regular\ FY\ Salary \times 1.30] - FY\ Salary$
- C. Additional compensation should be based on the appropriate rate of pay for the activity performed and is paid against the allowable compensation for the time period in which the service is performed.