Pathology Compensation Plan - Background
The faculty practice plan has requested that each Department prepare a written compensation policy. While pathology has followed a compensation plan tied to the annual AAMC compensation survey, it is appropriate to write down the actual policy. This will ensure transparency so that faculty understand how compensation is determined. As an academic department, the policy also must recognize the need to support the faculty in all three missions, teaching, service, and research.

Pathology Compensation Plan - Principles
- Compensation includes annual salary plus budgeted bonuses.
- All compensation payments are dependent on the Department’s financial status.
- The annual performance evaluation will be used to determine a faculty member’s contribution to the Department’s missions.

Compensation policy
1) Newly recruited or newly promoted faculty will be compensated at least at the 25th AAMC percentile of their faculty rank. Promotions will result in either compensation at the 25th percentile of the new rank, or at least a 10% increase.
2) If there is satisfactory progress towards promotion, compensation increases will be sufficient for faculty to be paid at the AAMC median within 7 years of their recruitment or promotion.
3) For faculty with compensation above the median for their rank, compensation increases will be sufficient to reach the 75th percentile within 7 years after achieving the median if there are appropriate contributions to the missions of the Department.

Bonus Policy - Source of funds.
There will be two sources of funds which will be separate both for accumulating the funds and distribution.
1) FPF: A year-end bonus will be incorporated in the annual budget equivalent to ~10% of the aggregate annual FPF salaries.
2) Non-faculty practice plan: Funds for these faculty will be derived from any year end surplus within the Department (from 2010 to 2014 there have been no year-end surpluses).
3) Faculty will only be eligible to receive funds from one of the bonus pools.
   Note: The Department Chair will not participate in either bonus pool.

Bonus Policy – Distribution
1) 85% of the available bonus funds from each of the two separate pools will be divided into shares of equal value. Shares will be distributed based on rank according to Table 1.
2) The remaining 15% of the bonus pool will be allocated to faculty members based on their contributions to the Department’s missions. The allocation will be determined by the Chair in consultation with the Division Chiefs.
3) Bonuses will be paid after the audit of the Department’s finances verifies our financial status in August for distribution in September.

<table>
<thead>
<tr>
<th>Rank</th>
<th># shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructor</td>
<td>1</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>2</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>3</td>
</tr>
<tr>
<td>Professor</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 1 Distribution of shares

Approved by the Pathology Faculty, March 19, 2015