

**Year One of the Equity Program:
Determining the Amount of Equity Awards for Eligible Faculty**

- Step 1** Determine the eligible faculty member's Hire Date, Appointment Type, and Salary as of July 1, 2007 ("Current Salary")
- Step 2** Using Table 3 in Appendix C of the MOU (reproduced below), find the row that corresponds to the faculty member's Hire Date. Then compare the Current Salary with the value in Column 1 under the appropriate Appointment Type (Academic Year or 12 Month)
- Step 2a** Determine if the Current Salary greater than or equal to the value in Column 1.
- Step 2b** If the Current Salary is greater than or equal to the value in Column 1:
→ the Equity Award is the amount in the "Hire Date" column
- If the Current Salary is less than the value in Column 1:
→ Calculate a Benchmark Award as follows:
- Benchmark Award = Column 2 – Current Salary**
- (If the calculation is negative, then the equity increase is \$0.)
- Step 3** For BENCHMARK AWARDS ONLY:
→ If the Hire Date Award (for this faculty member's Hire Date) is greater than the Benchmark Award calculated for them: they are eligible for the Stipend.

Table 3, Appendix C of MOU
**Decision and Calculation Table for Equity Awards
(Hire Year Awards and Benchmark Awards)**

ANNUAL SALARIES

Appointment Type →	Academic Year Appointments*			12 Month Appointments*		
		Column 1 "Hire Date Award"	Column 2 "Benchmark Award"		Column 1 "Hire Date Award"	Column 2 Benchmark Award"
SSI MAX RATE →	\$61,416			\$70,680		
	<u>Hire Date Award Amt</u>	<u>Floor</u>	<u>Target</u>	<u>Hire Date Award Amt</u>	<u>Floor</u>	<u>Target</u>
7/1/06 to 6/30/07	\$0	\$61,417	\$52,496	\$0	\$70,681	\$60,415
7/1/05 to 6/30/06	\$0	\$61,417	\$53,887	\$0	\$70,681	\$62,016
7/1/04 to 6/30/05	\$2,004	\$59,413	\$55,315	\$2,304	\$68,377	\$63,659
7/1/03 to 6/30/04	\$3,000	\$58,417	\$56,781	\$3,456	\$67,225	\$65,346
7/1/02 to 6/30/03	\$3,504	\$57,913	\$58,286	\$4,032	\$66,649	\$67,078
7/1/01 to 6/30/02	\$4,008	\$57,409	\$59,830	\$4,608	\$66,073	\$68,855
7/1/00 to 6/30/01	\$4,008	\$57,409	\$61,416	\$4,608	\$66,073	\$70,680
before 7/1/00	\$2,004	\$59,413	\$61,416	\$2,304	\$68,377	\$70,680

*does not apply to Maritime appointments; separate set of tables will be available for Maritime Academy

~ SEE EXAMPLES ON FOLLOWING PAGES ~

EXAMPLE 1

Step 1

Hire Date: **8/31/03**

Appointment Type:
Academic Year

Salary as of July 1, 2007:
\$60,012

Step 2

The **highlighted row** corresponds to hire date and appointment type.

Step 2a

Current Salary of \$60,012 is greater than the value in Column 1

ANNUAL SALARIES

Appointment Type →	Academic Year Appointments*			12 Month Appointments*		
	Column 1 "Hire Date Award"	Column 2 "Benchmark Award"		Column 1 "Hire Date Award"	Column 2 Benchmark Award"	
SSI MAX RATE →	\$61,416			\$70,680		
	Hire Date Award Amt	Floor	Target	Hire Date Award Amt	Floor	Target
7/1/06 to 6/30/07	\$0	\$61,417	\$52,496	\$0	\$70,681	\$60,415
7/1/05 to 6/30/06	\$0	\$61,417	\$53,887	\$0	\$70,681	\$62,016
7/1/04 to 6/30/05	\$2,004	\$59,413	\$55,315	\$2,304	\$68,377	\$63,659
7/1/03 to 6/30/04	\$3,000	\$58,417	\$56,781	\$3,456	\$67,225	\$65,346
7/1/02 to 6/30/03	\$3,504	\$57,913	\$58,286	\$4,032	\$66,649	\$67,078
7/1/01 to 6/30/02	\$4,008	\$57,409	\$59,830	\$4,608	\$66,073	\$68,855
7/1/00 to 6/30/01	\$4,008	\$57,409	\$61,416	\$4,608	\$66,073	\$70,680
before 7/1/00	\$2,004	\$59,413	\$61,416	\$2,304	\$68,377	\$70,680

Step 2b

The faculty member gets the Hire Date Award of \$3,000.

► **EXAMPLE 1 RESULT: EQUITY AWARD IS THE HIRE DATE AWARD OF \$3,000**

EXAMPLE 2

Step 1

Hire Date: **8/31/03**

Appointment Type:
Academic Year

Salary as of July 1, 2007:
\$52,932

Step 2

The highlighted row corresponds to hire date and appointment type.

Step 2a

Current Salary of \$52,932 is less than the value in Column 1

ANNUAL SALARIES

Appointment Type →	Academic Year Appointments*			12 Month Appointments*		
	Column 1 "Hire Date Award"	Column 2 "Benchmark Award"		Column 1 "Hire Date Award"	Column 2 Benchmark Award"	
SSI MAX RATE →	\$61,416			\$70,680		
	Hire Date Award Amt	Floor	Target	Hire Date Award Amt	Floor	Target
7/1/06 to 6/30/07	\$0	\$61,417	\$52,496	\$0	\$70,681	\$60,415
7/1/05 to 6/30/06	\$0	\$61,417	\$53,887	\$0	\$70,681	\$62,016
7/1/04 to 6/30/05	\$2,004	\$59,413	\$55,315	\$2,304	\$68,377	\$63,659
7/1/03 to 6/30/04	\$3,000	\$58,417	\$56,781	\$3,456	\$67,225	\$65,346
7/1/02 to 6/30/03	\$3,504	\$57,913	\$58,286	\$4,032	\$66,649	\$67,078
7/1/01 to 6/30/02	\$4,008	\$57,409	\$59,830	\$4,608	\$66,073	\$68,855
7/1/00 to 6/30/01	\$4,008	\$57,409	\$61,416	\$4,608	\$66,073	\$70,680
before 7/1/00	\$2,004	\$59,413	\$61,416	\$2,304	\$68,377	\$70,680

Step 2b

Calculate the **Benchmark Award**: \$56,781 – \$52,932 = **\$3,849**

Step 3

Hire Date Award is NOT greater than the Benchmark Award, so they would NOT get the stipend.

► **EXAMPLE 2 RESULT: EQUITY AWARD IS BENCHMARK AWARD OF \$3,849**

EXAMPLE 3

Step 1

Hire Date: **8/31/03**

Appointment Type:

Academic Year

Salary as of July 1, 2007:
\$54,000

Step 2

The highlighted row corresponds to hire date and appointment type.

Step 2a

Current Salary of \$54,000 is less than the value in Column 1

ANNUAL SALARIES

Appointment Type →	Academic Year Appointments*			12 Month Appointments*		
	Column 1 "Hire Date Award"	Column 2 "Benchmark Award"		Column 1 "Hire Date Award"	Column 2 "Benchmark Award"	
SSi MAX RATE →	\$61,416			\$70,680		
Hire Date	Hire Date	Floor	Target	Hire Date	Floor	Target
7/1/06 to 6/30/07	\$0	\$61,417	\$52,496	\$0	\$70,681	\$60,415
7/1/05 to 6/30/06	\$0	\$61,417	\$53,887	\$0	\$70,681	\$62,016
7/1/04 to 6/30/05	\$2,004	\$59,413	\$55,315	\$2,304	\$68,377	\$63,659
7/1/03 to 6/30/04	\$3,000	\$58,417	\$56,781	\$3,456	\$67,225	\$65,346
7/1/02 to 6/30/03	\$3,504	\$57,913	\$58,286	\$4,032	\$66,649	\$67,078
7/1/01 to 6/30/02	\$4,008	\$57,409	\$59,830	\$4,608	\$66,073	\$68,855
7/1/00 to 6/30/01	\$4,008	\$57,409	\$61,416	\$4,608	\$66,073	\$70,680
before 7/1/00	\$2,004	\$59,413	\$61,416	\$2,304	\$68,377	\$70,680

Step 2b

Calculate the **Benchmark Award**: **\$56,781** - \$54,000 = **\$2,781**

Step 3

Hire Date Award (\$3,000) IS greater than the Benchmark Award, so they would get the Stipend.

► EXAMPLE 3 RESULT: EQUITY AWARD IS BENCHMARK AWARD OF \$2,781 AND ONE-TIME STIPEND OF \$1,000

EXAMPLE 4

Step 1

Hire Date: **8/31/03**

Appointment Type:

Academic Year

Salary as of July 1, 2007:
\$80,268

Step 2

The **highlighted row** corresponds to hire date and appointment type.

Step 2a

Current Salary of \$80,268 is greater than the value in Column 1

ANNUAL SALARIES

Appointment Type →	Academic Year Appointments*			12 Month Appointments*		
	Column 1 "Hire Date Award"	Column 2 "Benchmark Award"		Column 1 "Hire Date Award"	Column 2 "Benchmark Award"	
SSi MAX RATE →	\$61,416			\$70,680		
Hire Date	Hire Date	Floor	Target	Hire Date	Floor	Target
7/1/06 to 6/30/07	\$0	\$61,417	\$52,496	\$0	\$70,681	\$60,415
7/1/05 to 6/30/06	\$0	\$61,417	\$53,887	\$0	\$70,681	\$62,016
7/1/04 to 6/30/05	\$2,004	\$59,413	\$55,315	\$2,304	\$68,377	\$63,659
7/1/03 to 6/30/04	\$3,000	\$58,417	\$56,781	\$3,456	\$67,225	\$65,346
7/1/02 to 6/30/03	\$3,504	\$57,913	\$58,286	\$4,032	\$66,649	\$67,078
7/1/01 to 6/30/02	\$4,008	\$57,409	\$59,830	\$4,608	\$66,073	\$68,855
7/1/00 to 6/30/01	\$4,008	\$57,409	\$61,416	\$4,608	\$66,073	\$70,680
before 7/1/00	\$2,004	\$59,413	\$61,416	\$2,304	\$68,377	\$70,680

Step 2b

The faculty member gets the Hire Date Award of **\$3,000**.

► EXAMPLE 4 RESULT: EQUITY AWARD IS THE HIRE DATE AWARD OF \$3,000

ADDITIONAL COMMENTS ABOUT AWARD CALCULATION EXAMPLES

A FEW TECHNICAL NOTES!

- “Current Salary” refers to a person’s salary as of 7/1/07 (including the 1% and 3.7% GSIs)
- The calculations assume normal progression through RTP to promotion to Associate.
- Faculty who do not follow the normal progression will have different outcomes than anticipated by the program.
- Faculty who were promoted to Associate in Fall 2007 and were Assistants on 7/1/07 will be considered eligible for Equity Awards and their subsequent promotion raises will be recalculated on the new, adjusted salary.

Example 1

- This is a person whose salary of about \$60K is slightly below the SSI MAX.
- Without the equity program, this person would soon hit and remain at the MAX until the time of promotion to associate. (Unless they got a market salary increase)
- By giving this person a Hire Date Award of \$3,000 (the amount that corresponds to the 2003 cohort), their current salary will be increased to \$63,012, an amount above the SSI MAX.
- They will lose any SSI eligibility they still had as an Assistant but they will continue to get the GSIs.
- At promotion to Associate, they will again be eligible for SSIs.
- RESULT = Hire Date Award of \$3,000 brings this person’s salary above the SSI MAX as of July 1, 2007

Example 2

- This is a person whose salary of almost \$53,000 is well below the SSI MAX.
- Without the equity program, this person would not even reach the SSI MAX at the time of their promotion to associate. Their salary would still be over \$4,000 below than the SSI MAX. (Unless they got a market salary increase)
- The \$3,000 Hire Date Award (the amount that corresponds to the 2003 cohort) is not enough to get this person’s salary to the SSI MAX by promotion.
- The Benchmark Equity Award provides this person an increase of \$3,849 and brings their current salary up to \$56,781.
- With this new salary and the SSIs they should receive, their salary will be at the SSI MAX at the time they are promoted to associate.
- RESULT = Benchmark Award of \$3,849 *and* 3 SSIs will bring this person’s salary to the SSI MAX at the time of promotion.

Example 3

- This is a person whose salary of \$54K is below the SSI MAX, but not as much as in Example 2.
- Without the equity program, this person would not even reach the SSI MAX at the time of their promotion to associate. Their salary would still be around \$3,000 below than the SSI MAX. (Unless they got a market salary increase)
- The Benchmark Equity Award provides this person an increase of \$2,781 and brings their current salary up to \$56,781.
- With this new salary, and the SSIs they should receive, their salary will be at the SSI MAX at the time they are promoted to associate.
- This person would be eligible to receive the \$1,000, one-time stipend as well.
- Why don’t they get the \$3,000 Hire Date Award (the amount that corresponds to the 2003 cohort) instead? Because awarding a person in this situation the slightly higher \$3,000 increase now *would not* get this person’s salary above the SSI MAX by the time they go up for promotion. It would only bring them to the SSI MAX a little faster. This is in contrast to the case shown in example 1.
- The Equity Committee designed the Program in a way that maximizes both the limited pool of funds dedicated to Equity and the use of SSIs negotiated in the contract.
- RESULT = Benchmark Award of \$2,781 *and* 3 SSIs will bring this person’s salary to the SSI MAX at the time of promotion *and* this person will get the \$1,000 one-time stipend.

Example 4

- This is a person whose salary of about \$80K is well above the SSI MAX.
- This person was most likely hired above the SSI MAX and has never had any SSI eligibility
- This person will receive a Hire Date Award of \$3,000 (the amount that corresponds to the 2003 cohort), and their current salary will be increased \$83,268.
- RESULT = Hire Date Award of \$3,000 will be granted effective July 1, 2007.