

# Faculty Career Progress/Merit (CP/M) Plan at December 2007



## Derivation of the values of the Merit Plan Parameters

The calculation of the values of par increments is based on the following assumptions:

1. The floor of the Assistant Professor salary scale (i.e., \$55,015) is used as the basis for the model. The target final salary for a faculty member receiving 1.2 par increments annually is \$147,155 which is 2.675 times the Assistant Professor salary floor. The CP/M profile is a discontinuous function over 35 years of a faculty member's service.

2. In the CP/M plan, there are three ranges:

Range 1	15 years
Range 2	10 years
Range 3	10 years

3. The CP/M function rises rapidly in Range 1 and less rapidly in Ranges 2 to 3.
4. The par increments within Ranges 2 to 3 are decreasing fractions of the Range 1 par increment, namely:

Range 2 increment	=	0.75	of Range 1
Range 3 increment	=	0.50	of Range 1

5. The breakpoints (inflection points) between ranges are set as follows:

between Ranges 1 and 2	approximately 1.81 times Assistant salary floor
between Ranges 2 and 3	approximately 2.21 times Assistant salary floor

6. Over the 35 years assumed in the model, an individual at par performance would receive

15 years	x	1.00	=	15.0	par increments
10 years	x	0.75	=	7.5	par increments
10 years	x	0.50	=	<u>5.0</u>	par increments
For 35 years				27.5	par increments.

7. The projected final salary for a faculty member receiving annual par increments over 35 years service is 2.482 times the Assistant Professor salary floor. The value for the par increment for the first salary range is calculated as follows:

$$2007 \text{ Assistant Professor salary floor} \times 2.482 = \$136,572.90$$

This is the projected final salary of a par performer at 35 years service.

8. The difference between this 35 year final salary and the floor of the Assistant Professor salary scale is the total increase due to annual par increments over the 35 years:  $\$136,572.90 - \$55,015 = \$81,557.90$ .

This amount will be awarded in 27.5 par increments over the 35 years.

The par increment for Range 1 is  $\$2,965.74$  (i.e.,  $\$81,557.90/27.5$ ).

9. The values of the par increments and breakpoints are:

	<u>Par Increments</u>	<u>Breakpoints</u>
Range 1	\$2,965.74	Between Ranges 1 and 2 \$99,501.21
Range 2	\$2,224.31	Between Ranges 2 and 3 \$121,744.20
Range 3	\$1,482.87	

Each of these values will be increased annually by the amount of the across-the-board (ATB) increase, which means that in real terms the values will be constant.

### CP/M Calculation - November 2007

Year	Par Increments	1.2 Par Increments	
Salary Floor	\$55,015.00	\$55,015.00	
1	57,980.74	58,573.89	
2	60,946.48	62,132.78	
3	63,912.22	65,691.66	
4	66,877.96	69,250.55	
5	69,843.70	72,809.44	
6	72,809.44	76,368.33	
7	75,775.18	79,927.22	
8	78,740.92	83,486.10	
9	81,706.66	87,044.99	
10	84,672.40	90,603.88	
11	87,638.14	94,162.77	
12	90,603.88	97,721.66	
13	93,569.62	100,924.66	feathering
14	96,535.36	103,593.83	
<b>15</b>	<b>99,501.10</b>	<b>106,263.00</b>	<b>1.809</b>
16	101,725.41	108,932.17	
17	103,949.72	111,601.35	
18	106,174.03	114,270.52	
19	108,398.34	116,939.69	
20	110,622.65	119,608.86	
21	112,846.96	122,242.44	feathering
22	115,071.27	124,021.89	
23	117,295.58	125,801.33	
24	119,519.89	127,580.78	
<b>25</b>	<b>121,744.20</b>	<b>129,360.22</b>	<b>2.213</b>
26	123,227.07	131,139.66	
27	124,709.94	132,919.11	
28	126,192.81	134,698.55	
29	127,675.68	136,478.00	
30	129,158.55	138,257.44	
31	130,641.42	140,036.88	
32	132,124.29	141,816.33	
33	133,607.16	143,595.77	
34	135,090.03	145,375.22	
35	136,572.90	147,154.66	
<b>Year 35/Floor</b>	<b>2.482</b>	<b>2.675</b>	
Salary Increase over 35 years		\$81,557.90	
	Par-Range 1	\$2,965.74	[27.5 par increments]
	Par-Range 2	\$2,224.31	
	Par-Range 3	\$1,482.87	