

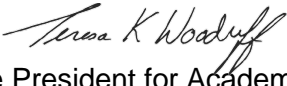
MICHIGAN STATE
UNIVERSITY

September 1, 2022

APPROVED
SEPTEMBER 9, 2022
BOARD OF TRUSTEES
MICHIGAN STATE UNIVERSITY

MEMORANDUM

TO: Committee on Academic Affairs

FROM: Teresa K. Woodruff, Ph.D. 
Provost and Executive Vice President for Academic Affairs

SUBJECT: Revisions to Policy 03-17-03 (Overload Pay)

RECOMMENDATION

The Trustee Committee on Academic Affairs recommends that the Board of Trustees approve the revisions to Policy 03-17-03 (Overload Pay) shown in Attachment A hereto.

RESOLUTION

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby approves the revisions to Policy 03-17-03 (Overload Pay) shown in Attachment A hereto.

BACKGROUND

Policy 03-17-03 regarding Overload Pay was approved on October 16, 1970 and revised on May 5, 2006.

Pursuant to Policy 03-17-03, faculty, academic staff, executive managers, and academic administrators may request approval for overload pay for overload assignments. To align with Internal Revenue Service (IRS) rules and regulations related to wages, as well as to account for any potential under-withholding of employment taxes, Policy 03-17-03 needs to be revised. Policy 03-17-03, Section V (4) provides:

4. Assignments which might normally justify the payment of overload pay may, by mutual agreement, be compensated for by subsequent release time for research, the assignment of additional graduate assistants/other support staff, or other forms of programmatic/professional support instead of by overload pay.

Because overload pay represents remuneration for services rendered, such compensation is subject to employment taxes. To ensure that employment tax processing is not bypassed and IRS rules and regulations are followed, current Section V (4) must be removed. The University Committee on Faculty Affairs and Faculty Senate have endorsed the changes.



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Attachment

Cc: Board of Trustees
Samuel L. Stanley Jr., M.D., President
Eric Scorsone, Ph.D., Chief of Staff and Secretary to the Board of Trustees
Norman J. Beauchamp Jr., M.D., MHS Executive Vice President for Health Sciences
Kathleen Wilbur, Ph.D., Senior Vice President for Government Relations
Brian Quinn, J.D., Vice President and General Counsel
Michael Zeig, Ph.D., Chief of Staff and Special Assistant to the President
Ann E. Austin, Ph.D., Interim Associate Provost and Associate Vice President for Faculty and Academic Staff Affairs
Tyler Silvestri, J.D., Secretary for Academic Governance

Attachment A

Overload Pay 03-17-03

The following policy was approved by the Board of Trustees on October 16, 1970 and revised on May 5, 2006 and _____ . (A college may establish a more restrictive policy.)

I. Applicability

This Policy applies to full-time faculty members (tenure system and fixed term) at the rank of instructor through professor, full-time academic staff (including specialists, librarians, and extension field service staff), full-time executive managers, and full-time academic administrators (e.g., deans, department chairs, and school directors).

II. Overload Pay

Faculty and academic staff may request approval for overload pay for overload assignments related to teaching, research, outreach activities, and academic and student support activities. Executive managers and academic administrators may request approval for overload pay for overload assignments related to their administrative duties and/or expertise.¹

III. Required Approval

1. Overload pay assignments require prior written approval (a) by the immediate supervisor of the individual who will undertake the proposed overload pay assignment; (b) by the administrator of the major administrative unit ("MAU") in which that individual is appointed; and (c) if the unit in which the overload pay assignment is to be performed is different from the unit in which the individual is appointed, by the administrator of, and the MAU administrator for, the unit in which the overload pay assignment is to be performed.
2. In order to be approved, an overload pay assignment must meet the following minimum criteria:
 - The individual requesting overload pay must have a full-time assignment in her/his department, school, or other administrative unit and be satisfactorily performing her/his assigned duties; and
 - The individual's immediate supervisor, after consultation with the administrator of the MAU in which the individual is appointed, must determine that:
 - the proposed assignment represents a substantial increase over the individual's regularly assigned duties; and
 - after considering the other commitments of the individual, including her/his regularly assigned duties, approved outside work for pay, and other professional obligations, the proposed assignment will not adversely affect the individual's performance of her/his regularly assigned duties.
3. The approval of each overload pay assignment must be recorded on the Overload Pay form.

IV. Summer Appointments

Faculty and academic staff members appointed on an academic year basis may have part-time or full-time summer appointments in teaching, research, and/or outreach. The salary for such a

summer appointment may not exceed 3/9 of the faculty or academic staff member's salary during the previous academic year. These summer appointments are not considered overload pay assignments and are not subject to this Policy. However, faculty and academic staff members who hold full-time summer appointments are also eligible for overload pay assignments during the summer if such assignments are made pursuant to this Policy.

V. Other Provisions

1. The Office of the Provost shall provide an annual summary of overload pay disbursements made during the prior fiscal year to appropriate MAU administrators.
2. In recognition of collegial expectations usual in a community of scholars, University units may not pay honoraria to faculty members, academic staff, executive managers, or academic administrators for talks, seminars, etc., provided in usual classroom/seminar settings.
3. Individuals performing overload pay assignments pursuant to this Policy remain subject to the same University policies and procedures as are in effect during the performance of their regularly assigned duties.
- ~~4. Assignments which might normally justify the payment of overload pay may, by mutual agreement, be compensated for by subsequent release time for research, the assignment of additional graduate assistants/other support staff, or other forms of programmatic/professional support instead of by overload pay.~~
- ~~5.4.~~ Major administrative units may establish lower maximum time limits for overload pay than those stipulated in this Policy.

Footnote:

¹ In accordance with the policy on Outside Work for Pay, faculty, executive managers, and academic administrators may request approval to engage in overload pay and/or outside work for pay for up to a total average of four (4) days per month during duty periods. Academic staff (who are not eligible to engage in outside work for pay) may request approval to engage in overload pay for up to an average of four (4) days per month.