

**UCLA Health Sciences  
Clinical Enterprise Management Recognition Plan 2 (CEMRP 2)  
For Plan Year July 1, 2016 through June 30, 2017**

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## **LOCAL GUIDELINES**

This is the CEMRP2 Local Plan Document for implementation for UCLA Hospital System and Faculty Practice Group. The University of California Clinical Enterprise Management Recognition Plan 2 ("Plan") is governed by Personnel Policies for Staff Members (PPSM) 34 (Incentive and Recognition Award Plans – Managers and Senior Professionals(MSP)/ Professional and Support Staff (PSS)).

### **Plan Oversight**

Development, governance, and interpretation of the Plan will be overseen by the UCOP Administrative Oversight Committee (AOC) under the purview of the Office of the President. Local administration will be overseen by the Chief Executives, including the President/CEO of the Hospital System and CHRO, UCLA Health in conjunction with the senior leadership. The CEO of the Faculty Practice Group will oversee the CEMRP 2 Plan participation for FPG in conjunction with the CHRO, UCLA Health. The Clinical Chairs of the David Geffen School of Medicine will oversee the CEMRP 2 Plan participation for the Clinical CAOs in conjunction with the CHRO, UCLA Health.

### **Plan Year**

The Plan year will correspond to the University's fiscal year, beginning July 1 and ending the following June 30.

### **Eligibility<sup>+</sup>**

Employees in the Hospital System and Faculty Practice Group and the Clinical CAOs in the David Geffen School of Medicine in the following classifications who make contributions that enable UCLA Health Sciences to attain or exceed key Clinical Enterprise objectives may be eligible to participate in the Plan:

- Managers and Senior Professionals (MSP)
- Professional and Support Staff (PSS)
- Exclusively represented employees in the Registered Nurse (UC/CNA NX), Patient Care Technical (UC/AFSCME EX) and Clerical (UC/Teamster CX) bargaining units.

Participants must have at least a "Meets Expectations" overall rating on their performance evaluation for the Plan year to be considered for an award under the Plan. (*PPSM 23* and prevailing contracts require that written performance evaluations be completed annually). However, an overall performance rating below "Meets Expectations" will eliminate the total award for that participant.

Participants must be active employees of the University on June 30 to be eligible to receive an award for that Plan year, unless they have retired or involuntarily separated from the University as set forth in the Separation from the University provision below.

A participant who has been found to have committed a serious violation of state or federal law or a serious violation of University policy at any time prior to the distribution of an incentive award will not be eligible to receive an incentive award for the Plan year. If such allegations against a participant are pending investigation at the time of the incentive award distribution, the participant's award for that Plan year may be withheld pending the outcome of the investigation.

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Plan participation in any one year does not provide any right or guarantee of eligibility or participation in any subsequent year of the Plan.

Participants in this Plan are not eligible for any other incentive plan during the Plan year, including the STAR Award or Health Sciences Compensation Plan ('Z' payment), except in the event of a transfer within the University on or before December 31 of the plan year. Specifically, if a Plan participant is eligible for only a partial year award under this Plan because a transfer of position, he or she is not eligible in a different University incentive plan.

#### Partial Year Awards

- Participants must have a minimum of six months of time worked during the Plan year to participate in the Plan and will receive a prorated award based on incentive outcomes, provided they were in an eligible position on or before December 31 of the plan year.
- Participants who transfer within the University to a position that would not be eligible for participation in the Plan are eligible to receive a prorated award for that Plan year provided they had six months of time worked in the eligible position.
- Employees on a leave of absence for six months or less of the plan year may receive a prorated award upon return, provided their return to the eligible position is within one year of the Plan closure (June 30).
- Employees on a leave of absence for more than six months during the plan year are not eligible to receive any award.
- Participants who retire or who separate involuntarily due to reorganization, restructuring, or total disability during the current Plan year are eligible to receive a prorated incentive award for the current Plan year based on the date of separation from the University. The employee would have to have been in an eligible position as of December 31 and have a minimum of six months of time worked during the Plan year to participate. Prorated payments will be calculated at the end of the Plan year and issued in accordance with the normal processing schedule.
- Participants whose employment terminates as a result of death during the current Plan year are eligible to receive a prorated incentive award for the current Plan year. The employee would have to have been in an eligible position by December 31 and have a minimum of six months of time worked during the Plan year to participate. Award payments will be made to the estate of the deceased participant.

#### Objective Setting Process

Approved participants must complete the **Performance Objectives Grid** to include three Institutional Goals, one *Service* Goal and up to three individual goals from the following pillars:

- *Service*
  - *People*
  - *Quality and Safety*
  - *Operations*
  - *Finance/Strategic Development*
- ❖ Objectives are aligned in support of the objectives set by the respective Senior Associate Director or Chief for each individual/department.
- ❖ Performance Objectives are due to Human Resources by September 1 of each year.

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- ❖ Performance Objectives are reviewed and approved by the Senior Associate Director/Chief in coordination with the Manager/Supervisor.

**Award Processing**

CEMRP 2 awards are processed for payout after fiscal year closing. Approval for payment is authorized by the UCOP Administrative Oversight Committee for each plan year. The date for payout is in accordance with the UCLA bi-weekly/monthly payroll calendar.

Local approval is completed with authorization by the senior leadership and signed by the Chief Human Resources Officer.

The assigned Description of Service (DOS) code of “XCI” specific to this Plan must be used when paying awards to employees.

**Treatment for Benefit Purposes**

Incentive awards under this Plan are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan or employee life insurance programs.

**Tax Treatment and Reporting**

Under Internal Revenue Service Regulations, payment of CEMRP 2 incentive awards must be included in the employee’s income as wages subject to withholding for federal and state income taxes and applicable FICA taxes. The payment is reportable on the employee’s Form W-2 in the year paid.

**Opportunity Levels**

Hospital System/Faculty Practice Group

	<b>Threshold Opportunity % of Salary</b>	<b>Target Opportunity % of Salary</b>	<b>Maximum Potential % of Salary</b>
Tier A*	5%	10%	15%
Tier B**	4%	7.5%	10%
Tier C***	2%	3.5%	5%
Staff		≤ \$1,000	

- \* Tier A – Director/Assistant or Associate Director in MSP Grades 6 – 9; Clinical CAOs in DGSOM
- \*\* Tier B – All other MSP titles
- \*\*\* Tier C – Supervisor/MSO in PSS Grade 4; titles in PSS Grades 5-7; ITP Grade 4
- Staff – NX, EX, CX, non-represented in PSS Grades A-D; PSS Grades 1-4; ITP Grades 1-3

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ISS ONLY

	<b>Threshold Opportunity % of Salary</b>	<b>Target Opportunity % of Salary</b>	<b>Maximum Potential % of Salary</b>
Tier A*	5%	10%	15%
Tier B**	4%	7.5%	10%
Tier C***	2%	3.5%	5%

\* Tier A – Chiefs (MSP 8)

\*\* Tier B

1. MSP classification; and
2. Directly reports to a Director or Chief; and
3. Supervisory responsibility for at least one direct report

\*\*\* Tier C

1. MSP classification; or
2. PSS Exempt classification and supervisory responsibility for at least one direct report; or
3. Principal Admin Analyst 1 (PSS Grade 5; TC 7241) and CRM 1 (ITP Grade 4; TC 7282)

Staff – NX, CX, PSS Grades 1-4; ITP Grades 1-3

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**\*Ineligible Employees**

- SMG members
- Legal Affairs
- Compliance Department
- Audit Department
- Limited appointments
- Floaters
- Per Diems
- Students
- Rehired retirees