ATTACHMENT 3.

REPORT FROM THE FACULTY WELFARE COMMITTEE

Annualization of Salaries

Since time immemorial, or at least as long as those teaching at the university can remember, faculty members (with few exceptions) have received their annual salaries over a nine-months period, with no income during the summer. Whatever the reasons for this method in the past -- whether in the olden days all professors were gentleman farmers who needed to bring in the harvest or whether they had private incomes which allowed them to go off to conduct research -- no reasons come to mind which can be cited in defense of this arrangement in the present.

It has been a fact of life for some years that even professors can not live on air during the summer and that in all too many cases, either because their salaries are too low or because they are impecunious, professors are in dire need of income between May and September. Past efforts to remedy the situation by arranging for the annual salary to be paid over a period of twelve months were always rejected with a number of arguments. Among them were that the number of professors actually interested in receiving their pay in smaller but more extended checks during the year was either small or uncertain; that to arrange for paychecks throughout the year was technically difficult to manage and prohibitively costly; that it would not be in the best interest of the faculty members for the university to introduce such a method; that State regulations forbid people to be paid for work not yet performed, which would make it impossible for professors who start their annual work on August 15 to receive pay prior to that date; that on the other hand the fiscal year ends on June 30 which makes it either infeasible or illegal to carry funds over into the new fiscal year. Finally, that every professor feeling aggrieved by the arrangement had the option of having the requisite amount deducted by the USC Credit Union.

It would be easy but tedious to refute all of the arguments cited, as the only two valid ones are those connected with the beginning and end of the fiscal year. Even these are not impervious to solution, however. The local school districts provide the model. Teachers have the option of receiving pay either over nine months or over nine months and one large check at the beginning of the summer. It is our assumption that whatever a local school district can accomplish, we can do also.

The committee also believes that a more flexible summer pay arrangement will aid in the recruitment of those prospective faculty members who currently are horrified of a summer without pay.

The Faculty Welfare Committee thus recommends and asks the approval of the Faculty Senate for the following:

1. That all faculty members current and future be given one of three options of receiving their annual salary.

   Option A will provide pay in 18 semi-monthly payments (September-May).

   Option B will provide pay in 24 semi-monthly payments (September-August).

   Option C will provide pay in 18 semi-monthly payments (September-May) and one additional check at the beginning of the summer (covering June-August).

2. That the administration make this option available effective the coming fiscal year.

EXAMPLES

Option A	Option B	Option C
$36,000 (annual)	$36,000 (annual)	$36,000 (annual)
% 18 pay periods	% 24 pay periods	% 18 pay periods
@ $2,000 =	@ $1,500 =	@ 1,500 =
$36,000 per year.	$36,000 per year.	$27,000
		+ 1 check @ $9,000=
		$36,000 per year.

It should be noted that the tax liability is not affected by the different options; under each of them taxes are deducted as in Option A. Thus the lump sum of $9,000 at the beginning of the summer under Option C is "Tax-free."

November 22, 1988

Faculty Welfare Committee:
Peter Becker (History), Chair
Donald Curlovic (USC-Sumter)
James Fraser (Criminal Justice)
Scott Goode (Chemistry)
Trevor Howard-Hill (English)
Caroline Strobel (Business Administration)
Charles Tucker (Sociology)