

REPORT OF THE HOUSE OF DELEGATES COMMITTEE ON COMPENSATION OF THE OFFICERS

The following report was presented by Albert L. Blumberg, MD, Chair:

REPORT OF THE HOUSE OF DELEGATES COMMITTEE ON COMPENSATION OF THE OFFICERS

Informational report. No reference committee hearing.

HOUSE ACTION: FILED

This report is for informational purposes only to list the benefits, perquisites, services and in-kind payments the Officers are eligible to request and to review Board of Trustee (Board) Officer compensation approved at I-11 and effective July 1, 2012.

BACKGROUND

At the 1998 Interim Meeting, the House of Delegates (HOD) established a House Committee on Trustee Compensation, currently named the Committee on Compensation of the Officers, (the "Committee"). The Officers are defined in the American Medical Association's (AMA) Constitution and Bylaws. (Note: under changes to the Constitution previously approved by the HOD, Article V refers simply to "Officer," which includes all 21 members of the Board among whom are President, President-Elect, Immediate Past President, Secretary, Speaker of the HOD and Vice Speaker of the HOD, collectively referred to in this report as Officers). The composition, appointment, tenure, vacancy process and reporting requirements for the Committee are covered under the AMA Bylaws. Bylaw 2.645 provides:

The Committee shall present an annual report to the HOD recommending the level of total compensation for the Officers for the following year. The recommendations of the report may be adopted, not adopted or referred back to the Committee, and may be amended for clarification only with the concurrence of the Committee.

At A-00, the Committee and the Board jointly adopted the American Compensation Association's definition of total compensation which was added to the Glossary of the AMA Constitution and Bylaws. Total compensation is defined as the complete reward/recognition package awarded to an individual for work performance including: (a) all forms of money or cash compensation; (b) benefits; (c) perquisites; (d) services; and (e) in-kind payments.

BENEFITS, PERQUISITES, SERVICES AND IN-KIND PAYMENTS

Historically, this report has noted that current benefits, perquisites, services and in-kind payments are listed and the related policies defined in the "AMA Board of Trustees Standing Rules on Travel and Expenses." As clarified at I-11 during Reference Committee F, future reports from the Committee will annually list the standard benefits the Officers are eligible to receive as shown in the Standing Rules. Additionally, once a year, the Committee will provide the total amount of the taxable benefits for the previous calendar year as reported to the IRS.

Per the Standing Rules, effective April 2012, Board members are eligible to request any of the following non-taxable business expense items to assist them in performing their duties:

- AMA standard laptop computer
- BlackBerry or cellular telephone
- American Express card (for AMA business use)
- Combination fax/printer/scanner
- An annual membership to the airline club of choice each year of the Board member's tenure.
- Club International membership at the Drake Hotel, Chicago will be arranged for all Officers who request this membership. However, AMA reimbursement will be for the President, President-Elect, Immediate Past President, Board Chair, and Board Chair-Elect only.
- Personalized AMA stationery, business cards and biographical data for official use.

Additionally, all Board members are eligible for \$300,000 term life insurance and are covered under the AMA's \$500,000 travel accident policy and \$10,000 individual policy for medical costs arising out of any accident while traveling on official business for the AMA. Life insurance premiums are reported as taxable income. Outreach Awards and departing cash gifts are also reported as taxable income.

Secretarial support, other than that provided by AMA's Board office, is available up to defined annual limits as follows: President, during the Presidential year, \$15,000; \$5,000 each for the President-Elect, Chair, Chair-Elect and Immediate Past President per year. Secretarial expenses incurred by other officers in connection with their official duties are paid up to \$750 per year per Officer. This is reported as taxable income.

Travel expenses incurred by family members are not reimbursable, with the exception of the family of the incoming President at the Annual Meeting of the HOD.

COMPENSATION

Officer compensation and definitions approved at I-11 and effective July 1, 2012 as follows:

POSITION	HONORARIUM
President	\$279,000
Immediate Past President & President-Elect	\$274,000
Chair	\$269,500
Chair-Elect	\$199,500
Other Officers	\$ 61,500

Governance Honorarium

The purpose of this payment is to compensate Officers for all Chair-assigned internal AMA work and related travel. This payment is intended to cover all currently scheduled Board meetings, special Board or Board committee meetings, task forces, subcommittees, Board orientation, development and media training, Board calls, sections, councils or other internal representation meetings or calls, and any associated review or preparatory work, and all travel days related to all meetings as noted above.

Per Diem for Representation:

The purpose of this payment is to compensate for Board Chair-assigned representation day(s) and related travel. Representation is either external to the AMA, or for participation in a group or organization with which the AMA has a key role in creating/partnering/facilitating achievement of the respective organization goals such as the AMA Foundation, PCPI etc. The Board Chair may also approve a per diem for special circumstances that cannot be anticipated such as weather related travel delays. Per diem for Chair-assigned representation and related travel is \$1,200 per day.

Telephonic Per Diem for External Representation

For Officers (excluding the Board Chairs and the Presidents) who are assigned by the Board Chair as the AMA representative to outside groups as one of their specific Board assignments, a per diem rate is paid for teleconference meetings when the total of all teleconference meetings of 30 minutes or longer during a calendar day total 2 or more hours. Payment for these meetings would require approval of the Chair of the Board. The amount of the Telephonic Per diem will be ½ of the full per diem or \$600.