

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

The following reports were presented by Claudette Dalton, MD, Chair:

**1. REPORT OF THE HOUSE OF DELEGATES COMMITTEE ON THE COMPENSATION OF THE
OFFICERS**

Reference committee hearing: see report of Reference Committee F.

**HOUSE ACTION: RECOMMENDATIONS ADOPTED
REMAINDER OF REPORT FILED**
See Policy D-605.990

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, defined in the American Medical Association's (AMA) Constitution and Bylaws, consist of all 21 members of the Board of Trustees, including the President, President-Elect, Immediate Past President, Secretary, and Speaker and Vice Speaker of the HOD, and are 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 2.13.4.5 provides:

The committee shall present an annual report to the House of Delegates 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.

Since the inception of this Committee, its reports have documented the process the Committee follows to ensure that current or recommended Officer compensation is based on sound, fair, cost-effective compensation practices as derived from research and use of independent external consultants, expert in Board compensation. Reports beginning in December 2002 documented the principles the Committee followed in creating its recommendations for Officer compensation.

METHODOLOGY

The Committee recently commissioned Willis Towers Watson (WTW), a major compensation consulting firm with expertise in board compensation to review secretarial expense reimbursement for not-for-profit board members. This review was requested so that we can ensure our AMA board members have access to necessary secretarial services to assist them in representing the AMA. The current \$750 secretarial allowance, in effect for at least the past 10 years, is a calendar year annual maximum reimbursement, and it is included in the respective board member's taxable income per IRS regulations.

FINDINGS

WTW reviewed external data on practices related to secretarial expense reimbursement of not-for-profit boards. While the data showed that secretarial expense reimbursement was a minority practice, it was noted that our board members have a significantly larger time commitment than what is required by other not-for-profit boards. Given the work of the board members and the time commitment, the secretarial needs of the board are different than a traditional not-for-profit that supports providing board members with this benefit. The data also showed that when

the reimbursement was provided, practices are split between the reimbursement being capped or uncapped with uncapped being slightly more common. Considering that trend, combined with the fact that it has been 10 years since the reimbursement maximum was reviewed, this Committee recommends increasing the maximum reimbursement to \$1,125 effective January 1, 2025.

RECOMMENDATIONS

The Committee on Compensation of the Officers recommends the following recommendations be adopted and the remainder of this report be filed:

1. That the secretarial reimbursement be increased to \$1,125 effective January 1, 2025.
2. That there be no changes to Officers' compensation for the period beginning July 1, 2024 through June 30, 2025.
3. That the remainder of the report be filed.

APPENDIX

Definition of Governance Honorarium Effective July 1, 2017:

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 up to eleven (11) Internal Representation days.

Definition of Per Diem for Representation effective July 1, 2017:

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. or for Internal Representation days above eleven (11). 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 \$1,400 per day.

Definition of Telephone Per Diem for External Representation effective July 1, 2017:

Officers, excluding the Board Chair and the President(s) who are assigned as the AMA representative to outside groups as one of their specific Board assignments or assigned Internal Representation days above eleven (11), receive a per diem for teleconference meetings when the total of all teleconference meetings of 30 minutes or longer during a calendar day equal 2 or more hours. Payment for those meetings would require the approval of the Chair of the Board. The amount of the Telephonic Per Diem will be ½ of the full Per Diem which is \$700.