

## **LAB SALARIES ITEMS APPROVED AT JUNE 2006 REGENTS**

### **MICHAEL R. ANASTASIO, LANS PRESIDENT AND LANL DIRECTOR**

- During his five-year appointment as LANS President/LANL Director, will receive an annual non-base building supplement in the amount of \$100,000 in addition to his base salary of \$367,000 (\$350,000 paid by LANS and \$17,700 by the University).
- Automobile allowance of \$743 per month.
- Following his service at LANS and when he retires, the purchase of an annuity (or buy-back of UCRP service credit if appropriate) in the amount necessary to compensate for the loss in pension benefits attributable to his actual period of service at LANS rather than remaining under the UC Retirement Plan, to be calculated by appropriately off-setting the amount of employer contributions that he will have received in the LANS market-based benefit package.
- If he is terminated without cause prior to the end of his five-year term, or resigns from his position after two years but before five years, and accepts an appointment proposed by the University, his then-existing base salary as Laboratory Director, not including the \$100,000 University-paid salary supplement referred to above, will be guaranteed for the balance of the 5-year period.
- Participate in the newly-proposed LANS performance incentive bonus program, which may provide up to 20% of base pay.
- The source of funding for these items is UC's portion of the DOE management fee.

The compensation described above shall constitute the University's total commitment until modified by The Regents.

### **GLENN MARA, PRINCIPAL ASSOCIATE DIRECTOR FOR WEAPONS PROGRAMS**

- One-time non-base building payment of \$100,000.
- Participate in the newly-proposed LANS performance incentive bonus program, which may provide up to 20% of base pay.
- Reimbursement of actual relocation costs not to exceed \$20,000, from New Mexico to the Bay Area are authorized at the end of a minimum two-year period.
- One-time payment of the present value of the difference in the amount of the monthly retirement payments he will receive upon retirement as compared to those he would have received without the three-month break in UC service that occurred from December 31, 2004- April 1, 2005 (when Mr. Mara was recruited to return to active employment to assist in the LANL efforts.) The amount of the present value is estimated to be \$5,000.
- The source of funding for these items is UC's portion of the DOE management fee.

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### **CHARLES MCMILLAN, ASSOCIATE DIRECTOR FOR WEAPONS PHYSICS**

- One-time, non-base building payment of \$60,000.
- Participate in the newly-proposed LANS performance incentive bonus program, which may provide up to 20% of base pay.
- A housing bonus of \$27,500 every six months, for a period of up to two years, with a tax gross-up to offset any adverse tax consequences.

- Reimbursement of amounts related to non-business travel to visit family during the initial two-year period of employment with LANS up to \$22,000 annually, with a tax gross-up to offset any adverse tax consequences.
- Reimbursement (on a tax-equivalent basis) for up to 24 months of the employer portion of the cost of health care for his immediate family members residing in California who continue to be covered by their existing health care provider with comparable health insurance under COBRA provisions, until their relocation to New Mexico, whichever occurs first.
- If Mr. McMillan leaves his LANS positions and returns to Lawrence Livermore National Laboratory, and there is no agreement with DOE which allows transfer of pension credit, he will be compensated by the amount necessary to reflect any loss in pension credit for the period of time he was employed by LANS, with a tax gross-up to reflect any adverse tax consequences resulting from the payment.
- The source of funding for these items is UC's portion of the DOE management fee.

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### **BRET KNAPP, ASSOCIATE DIRECTOR FOR WEAPONS ENGINEERING**

- One-time, non-base building payment of \$60,000.
- Participate in the newly-proposed LANS performance incentive bonus program, which may provide up to 20% of base pay.
- A housing bonus of \$27,500 every six months, for a period of up to two years, with a tax gross-up to offset any adverse tax consequences.
- Reimbursement of amounts related to non-business travel to visit family during the initial 2-year period of employment with LANS up to \$30,000 annually, with a tax gross-up to offset any adverse tax consequences.
- Reimbursement (on a tax-equivalent basis) for up to 24 months of the employer portion of the cost of health care for his immediate family members residing in California who continue to be covered by their existing health care provider with comparable health insurance under COBRA provisions, until their relocation to New Mexico, whichever occurs first.
- If Mr. Knapp leaves his LANS positions and returns to Lawrence Livermore National Laboratory, and there is no agreement with DOE which allows transfer of pension credit, he will be compensated by the amount necessary to reflect any loss in pension credit for the period of time that he was employed by LANS, with a tax gross-up to reflect any adverse tax consequences resulting from the payment.
- The source of funding for these items is UC's portion of the DOE management fee.

The LANS proposal submitted to DOE-NNSA in July 2005 specified the salary amounts to be paid to all key personnel. Recently the NNSA advised that they would not reimburse 100% of the salaries as proposed. As a result, at the LANS Board of Governors meeting on May 23, 2006, each partner confirmed the monies they would be responsible for in making up the gap between the reimbursed and unreimbursed amounts. UC will be responsible for making up a total of \$61,025 in base salaries during the next year.

In addition, the University will provide funding for a LANS performance incentive program that will cover UC-designated key personnel for LANS under which they will be eligible to earn up to 20% of their annual salary as a performance incentive bonus. The maximum aggregate amount of available bonus for the first year is approximately \$536,000.

The compensation described above, including that which was approved in prior meetings, shall constitute the University's total commitment until modified by The Regents.

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