Research Incentives Scheme

FAQs/Case Law

1. **Can I negotiate on the ‘price’ of buyout to top up my salary supplement or OSF account?**
   The proportion of funds transferred to the department for buy-out is determined by the proportion of time being bought out and committed to the research project, capped at the amount funded by the project. Buyout will be paid at the full amount of investigator income that is received for the period and FTE that the investigator is on leave.

   You will not normally be allowed to vire funds allocated as buyout to top up your salary supplement or OSF account.

2. **I have X% buyout, how many hours of teaching will this buy me out of?**
   If an investigator is committing say 30% of their time to the project (0.3 fte), they can use the funding recovered for their salary to buy themselves out of 30% of their teaching. (Note that if a member of staff spends half their time on teaching, then buying oneself out of 30% of their teaching equates to only 15% of their time.)

   The ‘teaching load’ on which the buy-out is based should be a normal load, however determined. If someone has an exceptional arrangement to have a lower teaching load than normal, then the buy-out would nevertheless be based on a normal load, not their abnormal load. If a normal load in is 100 hours per fte per year, then it would be expected that there would be a 30% buy-out to reduce the load to 70 hours.

   Section 18 of the Research Incentives Policy ([http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/resInc.pdf](http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/resInc.pdf)) states, ‘Buy-out will be priced at the cost of the salary recovered for the time committed by the PI or Co-I to the project – that is, a little under 80% of the full salary cost (including NI and pension contributions) in the case of research council funding, a little under 75% of the full salary cost in the case of European framework funding, and a little under 100% (or less) in the case of Government Department funding.’

   So to buy out 30% of an investigators time, they would need to use all their PFR (personal financial reward) money – i.e. all the money recovered from the funder for the investigators time on the grant.

   The investigator would be expected to commit 30% of their full time post (or more if they have reduced their buyout time to a lower amount e.g. they are expected to work 40% of their time on the project but have decided to only buy themselves out for 30%) to the project.

3. **I am costed into my project at certain percentage of my time but this in actual fact is only partly funded by the sponsor. Is the PFR based on the full cost or the funded amount?**
   PFRs are capped at the amount we receive from the sponsor, so the PFR available to you is the funded amount.
4. *My salary is paid directly from the grant, will I be entitled to a PFR?*

By the nature of the scheme, PFRs are not available to staff whose salaries are charged directly to externally-funded research projects (‘soft-funded’ staff). In these cases, and in the cases of staff who bring in significant research funding to the School with healthy overhead income levels but who for good reason are unable to target funding carrying PI income, the PDR may approve exceptional PFRs.

5. *I would like to pay pension contributions from my PFR salary, can this be arranged?*

PFR salary supplements are classed as ‘fluctuating emoluments’, that is they are earnings not paid on a fixed basis, but additional to basic wage or salary. Under current rules, USS does not allow this type of payment to be pensionable.

However, you can use your net paid PFR to then purchase add additional voluntary contribution (AVC) and free-standing additional voluntary contribution (FSAVC).

6. *Taking on my funded research project means that I will be losing an existing salary supplement, what can I do?*

If taking on an award means that you are losing an existing supplement e.g. a HoD allowance then a case can be made, via LSE Research and Innovation, to the Pro Director of Research (PDR).

In the case of one department the PDR has approved a virement from the part of the investigator’s PFR allocated for buyout to top up the investigators salary supplement to the amount of the lost HoD supplement.

7. *Why am I being asked to sign a waiver form*

The reason for the waiver is that as the PFR is optional remuneration that you can opt to draw the PFR either as earnings or expenses and so it is deemed taxable at the point when you would normally be entitled to it. We can negate this tax burden by waiving your entitlement to the sum (no longer taxable) not taken as salary supplement before the tax point with the mutual understanding that you can draw it as expenses. Therefore before the school can transfer any PFR to you it requires the waiver of (unused) remuneration to be signed. The implications of the waiver are – 1) you can only use it in accordance with the School’s Financial Regulations (via expenses), 2) you cannot draw it as remuneration at any point, and 3) you cannot take any unused balances to your next employer.

8. *Am I right in thinking that unspent PFR money held in an OSF account is not taken back at the end of the financial year, but is carried forward into the next year?*
Any unspent funds on OSF accounts is available to use whilst the investigator remains employed by the School and therefore unspent balances will automatically be carried forward at the beginning of each financial year. The School reserves the right to change this policy at any time.

9. **I am moving to another institution but have an unspent balance on my OSF account, can I transfer the balance to another institution?**
Funds held in an OSF account are only available to an individual whilst they remain employed by the LSE. You will not be able to transfer the balance to your new institution.

10. **I have changed my mind about the allocation of my PRF, I would now like some of the funds paid into my OSF account as a salary supplement, can I do this?**
You have waived the right to take any PFR paid into a OSF as a salary so you will not be able to take it as a salary supplement or fee at a later date.

11. **The amount of buyout we are receiving as a department is more than the cost of the replacement lecturer can I use the funds for other activities/expenditure?**
Departments are under no obligation to use the buy-out funding for buy-out purposes, or to buy in replacement teaching at the salary level of the buy-out, but any buy-out funding not used for buy-out must be added to the department RIIF fund.

12. **Can we transfer funds from our RIIF to another departmental pot?**
The RIIF should be used for specific purposes which are outlined in the Research Incentives Policy Document. It would not therefore be appropriate to transfer the funds to a general pot.

13. **What has happened to the PI income between 1 August 2011 and 31 March 2013**
The PI income scheme was a mechanism for returning a proportion of ‘overhead’ income to departments using PI Income as the method for calculations. The RIIF has replaced the PI income scheme and uses net overhead excluding PI income to calculate the return. Departments will not get any PI income for the period because they are receiving overhead through the RIIF. The PFR scheme now returns the PI income to academics but this part of the scheme did not come into effect until 1 April 2013.