



# WOODS HOLE OCEANOGRAPHIC INSTITUTION

Dr. Laurence P. Madin, *Acting Director of Research*

October 10, 2007

TO: Scientific and Technical Staff

FROM: Larry Madin *Larry Madin*

SUBJECT: Proposed change to Cruise Leave and Sea Duty Vacation Policy

In response to concerns about the cost of adding Cruise Leave and Sea Duty Vacation to proposal budgets, we have looked into changes in the policy that could reduce these costs without giving up these benefits for employees who go to sea. Currently, WHOI policy states that all scientific and technical staff (exempt from overtime) will earn 8 hours of Cruise Leave for each Saturday, Sunday and Holiday spent at sea, traveling, or in port, and all employees earn 4 hours of Sea Duty Vacation for each full 7 days at sea. Since it is WHOI Policy to provide these incentives unless specifically prohibited by the funding agency, Cruise Leave and Sea Duty Vacation costs must be accounted for in proposal budgets, and currently carry the full benefit and overhead rates. Earned Cruise Leave and Sea Duty Vacation can be taken either as a cash payment or as paid time off, but if held for time-off, must be used within 6 pay-periods from the end of the cruise. After that, the time held will be paid as cash. Most people take the cash option, and even those who choose time off frequently end up being paid cash after the 6 pay-period window ends.

Labor regulations do not allow us to make these benefits optional – they must apply to an entire category of employees. We could eliminate them altogether, or for all Scientific or for all Exempt staff, or we can try to reduce their costs. We prefer to reduce costs, and are now proposing the following:

1. Pending auditor approval, we will lower the rate used to calculate benefits on hours of Cruise Leave and Sea Duty Vacation. Currently this is the same as on regular time, 52.74%, but we expect to be able to reduce it to about 10%. This will also reduce the amount of overhead charged on Cruise Leave and Sea Duty Vacation, as that is based on the total salary and benefits costs.
2. Because the reduced benefits will not cover the cost of Cruise Leave and Sea Duty if it is taken as paid time off, *we will only provide Cruise Leave and Sea Duty as cash payments.*
3. Because it is WHOI policy to provide these incentives to sea-going personnel, Cruise Leave and Sea Duty Vacation will still be required on budgets for seagoing personnel except in rare cases where the funding agency specifically disallows it, as with JOI's Ocean Drilling Program.
4. The WHOI grants budgeting program will be modified to use the new benefits rate as quickly as possible.

This reduction in the benefit rate for Cruise Leave and Sea Duty Vacation will reduce cruise costs in proposals, but will create a very slight increase in the general overhead rate. An example of the impact of the change to an individual budget is included on the following page.

This change would be effective January 1, 2008. Should you have questions concerning the proposed change, I encourage you to speak with your department administrator or Chair. As always, my staff and I are available should you have additional questions or concerns. We welcome your comments.

LPM:adn  
cc: Department Chairs, Department Admins.

## CRUISE LEAVE & SEA DUTY VACATION - PROPOSED BENEFIT CHANGE

Friday, August 10, 2007

### OLD CALCULATION

	DAYS				BASE COST	LOADED COSTS				
	Sea	Port/ Trav	Total	SSH*	Total	Benefits	Sals/Rel	G&A	Lab	Total Cost
Sr Scientist	19	4	23	9	\$ 11,717	6,180	<b>17,897</b>	5,502	10,438	
Engineer	19	4	23	9	\$ 7,677	4,049	<b>11,726</b>	3,605	6,839	
Res Associate	19	4	23	9	\$ 6,552	3,456	<b>10,008</b>	3,076	5,837	
Sr. Eng Assistant I	19	4	23	9	\$ 10,613 <sup>#</sup>	3,481	<b>14,094</b>	3,614	6,857	
					<b>\$ 36,559</b>	17,166	<b>53,725</b>	15,797	29,971	<b>\$ 99,493</b>

### NEW CALCULATION

	BASE COST	LOADED COSTS				
Total	Total	Benefits	Sals/Rel	G&A	Lab	Total Cost
	\$ 11,717	4,093	<b>15,810</b>	4,860	9,220	
	\$ 7,677	2,682	<b>10,359</b>	3,184	6,041	
	\$ 6,552	2,289	<b>8,841</b>	2,718	5,156	
	\$ 10,613 <sup>#</sup>	3,378	<b>13,991</b>	3,583	6,797	
	<b>\$ 36,559</b>	12,442	<b>49,001</b>	14,345	27,214	<b>\$ 90,560</b>

\*worst-case number of Sat., Sun. and holidays during period of cruise.

<sup>#</sup> includes OT hrs