

***HIRING and SALARY INCREASE Guidelines, FY 13-14  
Sept 19, 2013***

Based on UNC-General Administration's August 14, 2013, memorandum "[Salary Administration for EPA Faculty, EPA non-faculty, and SPA](#)" and subsequent information provided to campus HR offices, please follow these updated campus guidelines for salary adjustments for faculty, EPA Non-Faculty, and SPA staff salaries.

**DEFINITIONS**

UNC provides the following definitions:

*Appointment Conversions:* If there is no change to the pay rate (e.g., monthly salary rate or hourly rate), UNC Board of Governors' (BOG) pre-approval is not needed, and does not need to be calculated as part of the cumulative salary increase (examples include routine 9-to-12-month conversions and FTE adjustments).

*Department Head Stipends:* Department Head/Chair stipends that will last longer than 9 months are not considered temporary payments and require pre-approval if they result in a salary that is at or above 10% of the June 30, 2013 salary. Stipends for individuals serving as an interim chair are subject to the rules regarding temporary increases.

*Campus Approval:* All salary increases going forward to UNC-GA must be approved by chancellors. Chancellor designees are not permitted.

*Clinical Faculty Pay Plans:* Since it is commonplace that substantial components of salaries of full-time faculty members in clinical departments of schools of medicine derive from receipts for patient care by approved institutional clinical practice plans, it is acknowledged that the total salary of faculty members for full-time service in these disciplines should reflect their levels of productivity. Thus, it is consistent that the salary of a faculty member in a clinical department be subject to a positive adjustment if there is a substantial increase in the individual's level of participation in the practice plan. These increases are exempt from the pre-approval process as they are contractual obligations.

*Competitive Events.* To be considered a competitive event, the position must have been posted externally. Internal postings are allowed but are not considered "competitive events" by the BOG, and must follow the reporting and approval procedures for general salary adjustments.

*Course Overloads.* Course overloads are considered task-based compensation and are not included in the 10% approval process.

*Cumulative Increases.* The salary pre-approval process is based upon the cumulative increase for the fiscal year, not the increase between the current & proposed salary. In other words, the policy examines the relationship between the proposed salary and the prior June 30, 2013 salary. The June 30, 2013, salary typically consists of all compensation

being received on that date -- whatever amounts would have been reported as W-2 “wages, tips and other compensation” (not including overtime pay).

*Effective Dates.* Approved EPA increases will be allowed an effective date as early as the 1<sup>st</sup> of the calendar month in which approval is given. Approved SPA increases will be allowed an effective date as early as the date approved by the President’s Office. Retroactive approval is not permitted for SPA actions; retroactive approval -- earlier than the first of the month in which approved -- for EPA increases for extraordinary circumstances will be at the discretion of the Promotion & Tenure (P&T) Committee of the BOG.

*Employee:* Any permanent (benefits-eligible) full-time or permanent part-time employee with a recurring appointment of at least 9 months, a total FTE of .50 or more, and eligibility to participate in the State Health Plan. For this purpose, temps, student workers, post-docs (if not considered regular EPA employees) and part-time, per-course adjuncts/lecturers do not fall under these protocols.

*Equity.* Current legislation allows for equity increases regardless of funding source.

*Faculty Rank Promotions:* Rank promotions for tenured faculty do not require BOG Approval for Campuses WITH Management Flexibility (*note: NC State has management flexibility*).

*FTE Adjustments.* If there is no change to the pay rate, BOG pre-approval is not needed and does not need to be calculated as part of the cumulative increase.

*Market & Merit Adjustments.* These reasons for proposed salary adjustments are not mentioned in the legislation. If there is a compelling need to propose a market or merit adjustment from non-state funds, HR will consult with UNC-GA about possible exceptions. (*Note: Legislation did establish a limited state-wide ‘salary adjustment fund’ that OSHR and OSBM may allocate to State agencies and universities to help address salary challenges of state-funded SPA positions that are ‘significantly below market’, positions with chronically high turnover, and critical positions. Whether NCSU will actually receive any of this funding is unknown at this time.*)

*Retentions.* SPA and EPA increases must comply with applicable SPA and EPA policies, respectively. Retention adjustments will not be considered until policy requirements are satisfied. Please note: SPA retention requests require approval from the Office of State Human Resources (OSHR, formerly OSP).

*Retroactive Increases:* Retroactive approval is not permitted for SPA actions; retroactive approval for EPA increases will be at the discretion of the P&T committee of the BOG.

*SPA Policy/Increases.* As a general reminder, SPA increases must comply with established OSHR policy in order to be considered for salary adjustments. As authorized by the Board of Governors, the President’s office will review all appropriate SPA increase at or above 10% once policy requirements are satisfied.

*SPA Rehires.* Former SPA staff – with a separation date effective July 1, 2012 or later – who are rehired into a position at the same or lower level than their previous position – are not

eligible for an increase in pay. This applies to both your institution's employees as well as SPA employees who were employed at another state agency/university.

*SPA Transfers.* Staff who transfer from one SPA position to another at the same or lower level are not eligible for an increase in pay. This applies to both current employees of NC State as well as employees who transfer from other state agencies / universities.

*Summer Courses.* Summer courses are considered tasked-based compensation and are not included in the 10% approval process.

*Temporary Increases.* Campuses, using sound judgment and based upon consultation with chancellors, will be allowed to proceed with temporary increases up to 9 months. Temporary increases longer than 9 months -- or at or above 25% of the June 30, 2013, salary -- require GA review and approval. Specific approval rules on increases over 9 months are pending.

*Temporary Employees.* An employee in a temporary job is subject to the same general salary increase prohibitions as a permanent employee: No increases during the same assignment with the same duties. However, if there is a valid change in duties warranting a salary adjustment, no BOG approval is required. An employee in a temp job who is selected in an open, competitive search for a 'permanent' (benefits-eligible) position, is not considered a salary increase as restricted by these guidelines, and no BOG preapproval is required.

*Transfers from Another UNC Campus or State Agency.* Under UNC-GA rules, EPA transfers may be considered new hires, and are not subject to the 10% approval rules. However, SPA transfers from another campus or state agency are subject to the 10% approval rules.

## What counts as "Salary?"

For this purpose, "salary" includes whatever amount is expressed as an employee's base "annual salary."

It also includes the amounts that are paid to the employee on a *regular basis each payroll period* and that could reasonably be characterized as "regular wages" or as an adjustment to annual base salary.

The term "salary" for this purpose does not include elements like *overtime* or *fringe benefits*. Nor does it include one-time or similar payments for a '*task-based*' assignment of very brief duration (such as summer pay for summer duties).

## Who can approve a salary increase?

Units should submit all salary adjustment requests through the HR **PeopleAdmin** system. Central HR will then facilitate the process of submitting the actions for appropriate levels of approval.

- ***Below 10%.*** For the universities, any and all salary increases that are granted on an exception basis (even increases below 10%) require the preapproval of the Chancellor (or Chancellor's designee) during FY 13-14.
- ***10% or higher --***
  - EPA Non-Faculty increases that are competitive events or 10%+ but under \$10,000 – as well as all SPA increases -- will be reviewed on a weekly basis. Such increase requests are due to HR by **noon on Fridays**. HR must compile, review, clarify any questions; then the Chancellor must review and approve; and then HR must submit increases to UNC-GA by noon on Tuesdays. Barring holidays, UNC-GA will attempt to have a response by the following Friday.
  - EPA Faculty increases that are competitive events or over 10% but under \$10,000 will be reviewed on a semimonthly basis. Such increase requests are due to HR by **noon on the 1<sup>st</sup> and 3<sup>rd</sup> Fridays** of each month. HR must compile, review, clarify any questions; then the Chancellor must review and approve; and then HR submit increases to UNC-GA by noon on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of every month, with the exception of December, when all requests will be reviewed on December 10, 2013. Barring holidays, UNC-GA will attempt to have a response by the following Friday.
- ***15% and \$10,000 or higher.*** Salary adjustments for EPA employees that would have gone to the campus Board of Trustees (BOT) under pre-existing policies must still follow that same path through Chancellor to the BOT and then to the BOG – such as increases that result in a salary which is at least 15% *and* \$10,000 above the prior June 30 salary (other than for job changes pursuant to a competitive search or commensurate FTE changes, for example). This includes EPA recruitments that were posted internally only, as well as hires made through a search waiver.

## REPORTING REQUIREMENTS

Each UNC campus must continue to submit quarterly reports of all salary increases for EPA and SPA employees, including those funded from non-state-appropriated sources, to the “. . .President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division” of the State of NC, through UNC-General Administration. These actions continue to be scrutinized closely at every level.

## NOT SUBJECT TO THESE APPROVAL REQUIREMENTS

### 1) STUDENTS & POST DOCS

Student workers, vet med interns and residents, and post-doctoral scholars are not subject to the same restrictions as EPA and SPA employee positions, but any salary adjustments to student or post doc pay must be in compliance with any restrictions or guidelines of the authorized funding source.

## 2) TEMPS

- a. **Within a Temp Assignment.** An employee in a temporary assignment is subject to the same general salary increase prohibitions as a permanent employee → No increases during the same assignment with the same duties.

However, if there is a valid change in duties warranting a salary adjustment, no BOG preapproval is required. Consult with HR Employment Services before making a salary increase on an existing temp.

- b. **Temp to Perm.** An employee in a temporary assignment selected as the successful candidate in an open search for a “permanent” (benefits-eligible position of .50 FTE or more) position at a higher rate of pay is not considered a salary increase as restricted by these guidelines. No Chancellor (or designee) or BOG preapproval is required.
- c. **One Temp Assignment to Another.** An employee ending one temporary assignment and accepting a different temp assignment with significantly different duties and anticipated range of pay (such as serial UTS assignments) is not considered a salary increase as restricted by these guidelines. No Chancellor (or designee) or BOG preapproval required.

## 3) PART-TIME EMPLOYEES (.49 FTE OR BELOW)

Any person with a total FTE of .49 or below is not subject to these guidelines.

Part-time faculty whose appointments are for less than .50 FTE (or for one semester only) are not considered “permanent” employees for this purpose (they are non-benefit-eligible) and are not covered by the 10% salary restriction. So a change in FTE -- even *from* less than .50 *to* .50 or more, with a change of duties and non-commensurate salary change – does not require Chancellor (or designee) or BOG preapproval.

In general, part-time teaching faculty effort should now reflect this taxonomy in the HR System for each 3-hour course or equivalent effort, according to UNC-GA definitions issued on 6/24/13:

One 3-hr Course	=	22.5%
Two 3-hr Courses	=	45.0%
Three 3-hr Courses	=	67.5%
Four 3-hr Courses	=	90.0%