The University has authorized an optional Annual Raise Process (ARP) for EHRA employees.

This is an option (not required) to all units but no additional University funding will be provided.

All ARP adjustments for the colleges and Provost’s units must be reviewed by the Provost office prior to being entered into the HR System. All other ARP adjustments must be approved by the appropriate Vice Chancellor prior to being entered into the HR System.

These adjustments will be retroactive to July 1, 2016 and must be entered into the HR system between September 23rd and October 12th.

1. ELIGIBILITY
   a. The employee must have been continuously employed by NC State in a permanent, benefits-eligible (at least .50 FTE) EHRA position as of January 1, 2016, and remain in this status as of October 1, 2016.
   b. Employees whose employment terminates before October 1, 2016, will not receive any ARP adjustments.
   c. The ARP pool does not apply to SHRA employees, post docs, graduate assistants, temporary employees, or student workers.
   d. Faculty members who entered the Phased Retirement Program on July 1, 2016 are not eligible for ARP; however, faculty members who entered the Phased Retirement Program July 1, 2015 or earlier are eligible.
   e. The ARP can only be awarded to filled positions with incumbents – not vacant positions.
   f. Under no circumstances may the ARP be implemented as an across-the-board adjustment for all eligible EHRA employees. Rather, the ARP is intended to be awarded strategically and selectively to address the unit’s most compelling merit and retention priorities.

2. ADJUSTMENT LIMITATIONS
   a. The total of any ARP increases cannot exceed 8.5% of the June 30, 2016 base salary. Therefore, any combination of adjustments (the 1.5% legislative increase, ARP, and any other July 1 or later base salary adjustment) shall not result in a new salary that exceeds 10% of the employee’s June 30, 2016 base salary.
   b. Faculty rank promotions do not count toward the ARP cap.
   c. The one-time 0.5% across-the-board bonus and any additional one-time merit bonus as set forth in the 2016-17 State Budget are not included in these calculations.

3. FUNDING FOR INCREASES
   No additional funding will be provided by the university. Any ARP increases must be funded entirely by the college/unit.

4. ACTIONS ALREADY ENTERED SINCE JULY 1
   These ARP actions are to be effective retroactive to July 1, 2016. There are a number of circumstances where one or more post-July-1 personnel actions already had to be entered into the HR System for an employee. The employing college/division will need to contact their HRIM
specialist in University HR to delete the post-7/1 action. The employing unit can then enter the 7/1 ARP action and immediately re-enter the post-7/1 action. In no case may the LI and ARP salary adjustment result in a salary that is more than 10% over the employee’s June 30, 2016 base salary.

5. MERIT / RETENTION / MARKET / EQUITY ADJUSTMENT REASONS
   a. While no specific allocations are mandated by category, under UNC guidelines, particular priority consideration should be given for:
      i. individual meritorious performance, including teaching, service, publications, and/or research productivity of faculty (merit)
      ii. documented high-impact contributions to the work unit and/or the University as a whole (merit)
      iii. retention of key or hard-to-recruit positions (retention)
   b. Secondary criteria that may be considered include employees whose salary:
      i. is below the minimum of the designated salary range (market)
      ii. may be inequitable relative to comparable positions in the unit, with prior review and confirmation by University HR (equity)
      iii. is below the labor market reference rate for the position (market)

6. IMPLEMENTATION OF ARP SALARY ADJUSTMENTS IN THE HR SYSTEM
   a. ARP Merit, Retention, Market, and Equity adjustments must be applied by the respective colleges/divisions AFTER the September payroll lockout (Sep. 23 or later) and NO LATER THAN the October payroll lockout (Wednesday, Oct. 12), and will appear in October paychecks retroactive to July 1, 2016.
   b. Use the period between now and Sep. 23 to plan and finalize all your decisions and be ready to begin data entry as soon as the September payroll lockout is lifted.
   c. Actions that are not entered by Oct 12th in time for the October payroll may not subsequently be processed as an ARP adjustment with a retroactive effective date.
   d. All adjustments must be entered with one of four unique action/reason codes as defined in Sec 5. above:
      i. Pay Rate Change – ARP 1: Merit
      ii. Pay Rate Change – ARP 2: Retention
      iii. Pay Rate Change – ARP 3: Market
      iv. Pay Rate Change – ARP 4: Equity

7. MONITORING
   a. The HR System will be monitored by University HR and the University Budget Office to ensure compliance with these guidelines.
   b. All ARP increases will have to be included in the relevant quarterly salary increase report provided to UNC General Administration.