EHRA (formerly EPA) Annual Raise Process (ARP)  
July 1 Salary Increase Guidelines  
NC State University  
October 19, 2015  

The University has authorized a raise pool of 2% of the total EHRA salary base.

For positions (and portions of positions) paid on state appropriations, the University will allocate 1% centrally, and the other 1% will come from college/divisional resources.

For positions (and portions of positions) paid from non-state-appropriated sources, the entire 2% will be provided by the college/division.

All ARP adjustments will be retroactive to July 1, 2015 and must be entered into the HR system between November 20 and December 6, 2015.

Each college/division must allocate the entire 2% pool amount for all funding sources.

1. ELIGIBILITY
   a. The individual must have been continuously employed by NC State in a permanent, benefits-eligible (at least .75 FTE) EHRA position between January 1, 2015, and December 1, 2015.
   b. Individuals whose employment terminates before December 1, 2015, will not receive any ARP adjustments.
   c. The ARP pool does not apply to SHRA employees, post docs, graduate assistants, temporary employees, student workers, or faculty phased retirees.
   d. The ARP pool can only be allocated to filled positions with incumbents – not vacant positions.
   e. The ARP pool is not intended to provide across-the-board adjustments for all eligible EHRA employees. Rather, the pool is intended to be allocated strategically and selectively to address the unit’s most compelling merit and retention priorities.

2. ADJUSTMENT LIMITATIONS
   a. Any adjustment or cumulative combination of adjustments (merit + retention + market + equity, as described below), including any separate adjustments that have been approved through University HR since July 1, 2015, may not exceed 10%** of the June 30, 2015 base salary.
   b. The total of the ARP increase shall not result in a new salary that exceeds 10% of the employee’s June 30, 2015 base salary (inclusive of any other adjustments that have occurred since July 1).

3. FUNDING FOR INCREASES
   a. The 2% target amounts to be allocated (from all funding sources), and the amounts of state-appropriated budget allocation, will be provided to the colleges/divisions by the University Budget Office by October 20, 2015.
   b. For 16030 (Academic Affairs), 16031 (Agricultural Research) and 16032 (Cooperative Extension), half of the 2% pool for the state-appropriated funding will be allocated from university resources to the colleges/divisions. This will be based on their EHRA salaries paid on state-appropriated funds as of July 1, 2015, and will go to one project as identified by each college/division. The remaining half and 100% for non-state-appropriated positions must come from college/division resources.
c. The budget allocation is based on the eligible employee’s “home” department. If employees are split funded by more than one college/unit, the colleges/units need to work together in providing increases to these employees.

4. ACTIONS ALREADY ENTERED SINCE JULY 1

These ARP actions are to be effective retroactive to July 1, 2015. Since the state budget process (and hence the subsequent ARP guidance from UNC) was so delayed, 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. In such cases, the post-July 1 action will need to be removed by HRIM, then the July 1 ARP action applied, and then the post-July 1 action immediately reapplied. The employing college/division will need to contact their HRIM specialist in University HR to delete the July 1 action. The employing unit can then enter the July 1 ARP action and immediately re-enter the post-July 1 action.

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:
   
i. individuals whose salary is below the minimum of the designated salary range (market)
   
ii. individuals whose salary may be inequitable relative to comparable positions in the unit, with prior review and confirmation by University HR (equity)
   
iii. are 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 November payroll lockout (November 20 or later) and NO LATER THAN the December payroll lockout (Sunday, December 6), and will appear in December paychecks retroactive to July 1, 2015.

b. Please note that this is a VERY compressed timeline to enter actions, since December has an early pay date. Also note that the available time period for data entry includes the Thanksgiving holiday break, so plan accordingly. Use the period between now and November 20 to plan and finalize all your allocation decisions and be ready to begin data entry as soon as the November payroll lockout is lifted.

c. Actions that are not entered by December 6 in time for the December 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 Section 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.

* The name of the State Personnel Act has been changed by the NC General Assembly to the State Human Resources Act. As a result, SPA employees are now “Subject to the State HR Act” (SHRA) and EPAs are “Exempt from the State HR Act (EHRA)”.

** Note this intentional change in wording: UNC-GA used to review actions of “10% or more.” Now it will be “more than 10%,” so an adjustment may be up to, and include, exactly 10% -- and does not have to cut off at 9.99%.