

UNC-Chapel Hill ~ Office of Human Resources and Academic Personnel Office  
FY 2011/12 Faculty, EPA Non-Faculty, and SPA Salary Increase Guidelines  
Released as of 9/29/2011 and Updated as of 01/09/2012

General Information on Updated Salary Increase Guidance

As you know, the State continues to experience significant budgetary challenges in FY 2011/12. Accordingly, as part of this year's enacted State budget, the State Legislature has continued to prohibit employee salary increases at all State agencies and at the UNC campuses except in very specific circumstances.

This document represents updated guidance from UNC General Administration (GA) to campus departments regarding the handling of EPA faculty, EPA non-faculty, and SPA permanent and temporary employee salary increases in FY 2011/12 and fully replaces previous guidance released to campus by memos from the Executive Vice Chancellor and Provost and Vice Chancellor for Human Resources. Human Resources Facilitators must review this document very carefully for changes since earlier memorandums on this topic.

Department Heads should continue to be aware that during this fiscal year all salary increases will be subject to significantly greater scrutiny, regardless of funding source, by the UNC System's Board of Governors (BOG), Office of State Personnel (OSP), Office of State Budget and Management (OSBM), and the State Legislature. Increases above certain thresholds (as described in this document) must be reported and approved by UNC General Administration and the BOG. And many increases are also subject to quarterly reporting to UNC GA, OSP, and OSBM. For these reasons, any proposed salary increase must be carefully considered, well justified, sufficiently documented, and determined essential to serve departmental needs.

The State has indicated that any failure to follow the FY 2011/12 salary increase guidelines set forth in the State Budget Act may result in the reversal of the unauthorized salary increase and will require repayment by the affected employee. For this reason, Department Heads and HR Facilitators should use extra care to ensure that all relevant salary increase rules are followed and required approvals are received prior to the increase being processed or communicated to the employee. If you have questions regarding the guidelines and how they apply to a particular salary increase proposed within your unit, you are urged to contact either Academic Personnel or the appropriate OHR office for assistance first before making firm plans to proceed or communicating anything to the employee.

Permissible Salary Increases Paid from Any Funding Source (State or Non-State)

Salary increases for both permanent and temporary employees will be permitted under the following circumstances, regardless of the employee's current source of funding, using any source of funds.

- Reassignment or promotion from one position to an entirely new, higher-level position as far as rank, duties, and/or responsibilities. This normally results from a promotion process for faculty, a competitive recruitment or, in limited circumstances, a waiver of recruitment. Fixed term faculty who are reappointed in 2011-2012 to do the same job they previously held may not be given a salary increase from state funds.
- For non-faculty employees, position reclassifications when the new classification represents a higher-level position in terms of job duties and responsibilities.

- A tenured faculty member who receives an increase from the President's Recruitment and Retention Fund as part of a counter-offer to retain him or her on the faculty. If the retention amount has a campus component, the campus funds must come from a non-state source.
- A faculty member appointed to a Distinguished Professorship in accord with statutory and campus processes and/or a faculty member supported by the Distinguished Professors Endowment Fund.
- Faculty involved in cancer research supported by the University Cancer Research Fund.
- For SPA only, employee competency changes when the overall competency rating or a majority of the underlying individual competency ratings are increased to a higher rating.
- Addition of substantive new job duties and responsibilities to an existing position.

#### Permissible Salary Increases Only When Paid on Non-State Funding Sources

When the entire amount of the proposed increase for a permanent or temporary employee will be paid only on Non-State funding sources, regardless of the employee's current source of funds, the following additional circumstances may be considered with appropriate justification and supporting documentation. Extra care should be exercised in proposing salary increases for any of the reasons described below given the added scrutiny these types of increases will receive.

- For faculty, at the discretion of the principal investigator, an increase that is built into a contract or grant (sponsored research) for a faculty member who is paid entirely on contracts and grants funding.
- For faculty and non-faculty, retention increases may only be proposed when the employee receives a specific competitive offer from an outside entity. Generally, these actions will require documentation of the offer from the outside entity which includes a specific salary amount. In exceptional circumstances, other forms of documentation will be considered subject to OHR, Provost's Office and UNC GA approval.
- For faculty, a preemptive retention offer. We will not require documentation of an outside offer for a preemptive retention salary increase; however, we will require written documentation from the Dean justifying the increase. When considering a preemptive retention salary increase, a few guidelines to consider are:
  1. The faculty member has been the target of at least one recruitment in recent years
  2. The faculty member's work or research has been recognized nationally or internationally that may result in a recruitment effort
  3. Reliable knowledge or information about peer institutions' plans to expand research or other programs in a given area, rendering your faculty susceptible to recruitment.
  4. The faculty member has been invited to present a talk and discuss the opportunity of relocating to some other institution that is of quality at least comparable to Carolina in their field of research
- *Ø NEW as of December 13<sup>th</sup>, 2011: UNC General Administration has excluded from their salary pre-approval process any supplemental payments made to UNC-Chapel Hill clinical faculty in the School of Medicine under the provisions of the Clinical Faculty Compensation Plan.*
- Faculty who are subject to medical, dental, or similar organized compensation plans may have a salary adjustment based on the provisions of the plan. Such plans typically involve both increases and decreases in the salary adjustments from year to year.
- General salary increases for post-doctoral scholars and graduate student employees pursuant to grants when merited based on their assigned duties and responsibilities and/or as required by grant

sponsor policy, such as federal training grants. Such increases must satisfy all requirements of the supporting grant.

- Other circumstances where a Department Head determines a salary increase is deemed essential including internal salary equity or competitiveness to external labor market with the approval of the relevant Dean or Vice Chancellor. Such increases must all be carefully documented and appropriately justified subject to higher-level approvals.

### Salary Increase Pre-Approval Requirements by UNC General Administration

In addition to our normal campus salary increase procedures, during FY 2011/12, additional special pre-approval requirements have been mandated by UNC GA for certain types of salary increases which are explained below. These GA pre-approval guidelines do not apply to temporary employees. For purposes of these guidelines, temporary employees are those who are ineligible to participate in State benefits such as the State Health Plan and include post-docs and student employees.

- As in prior fiscal years, any EPA employee base salary change which results in a cumulative fiscal year-to-date increase of 10% or greater above the most recent 6/30 base salary requires UNC-CH Board of Trustees (BOT) approval. The only exception is for an EPA non-faculty increase due to an entirely new appointment resulting from a competitive recruitment or recruitment waiver. The BOT approval requirements remain unchanged from prior fiscal years..
- For FY 2011/12, GA pre-approval will be required for any EPA salary change that results in a fiscal-year-to date cumulative increase of 10% or greater from the most recent 6/30 total salary regardless of the dollar amount. When calculating the fiscal year to-date cumulative increase, you must include all base salary changes, supplements, stipends, and lump sum payments. When calculating 6/30 total salary, you must include supplements or stipends that were in place as of 6/30. Increases subject to GA pre-approval include those that occur when moving from one position to an entirely new position.
- For FY 2011/12, GA approval will be required for any SPA employee salary increase that results in a fiscal year-to-date cumulative increase of 10% or greater from the most recent 6/30 total salary regardless of the dollar amount. When calculating the fiscal year to-date cumulative increase, you must include base salary changes, acting pay, and pay for temporary additional duties. When calculating 6/30 total salary, you must include any temporary pay that may have also been in place as of 6/30. Increases subject to pre-approval include all internal promotional increases resulting from moving into a new position via a competitive recruitment.
  - Ø *NEW as of December 13<sup>th</sup>, 2011 is the requirement for any schedule (FTE) change for a permanent benefits-eligible Faculty, EPA Non-Faculty, or SPA employee that results in any salary increase that is 10% or greater to base salary on a cumulative basis fiscal year to date requires pre-approval of the UNC President. The June 30<sup>th</sup> FTE is not a factor. For example; An employee has a 1.0 FTE on June 30<sup>th</sup>, 2011 and temporarily reduces their schedule (FTE) to .75 for the month of October and then on November 1<sup>st</sup> that schedule (FTE) is increased back to 1.0 must receive pre-approval.*
- For FY 2011/12, GA pre-approval will also be required for any EPA or SPA supplemental compensation including acting pay, pay for temporary additional duties, salary supplements, stipends, or lump sum payments but only when all of the following conditions occur: 1) the effective date of the additional work and associated compensation is 8/24/2011 (which is the date this new requirement was communicated by UNC GA to our campus) or later; 2) the compensation is for an individual task or assignment that will exceed 6 months or greater in duration, and 3) the cumulative amount of this and all other forms of added compensation made to the employee fiscal year-to-date

exceeds 10% or greater of the employee's June 30<sup>th</sup> total salary(which equals base salary plus any existing supplements or stipends.)

- Ø *New as of January 9<sup>th</sup>, 2012 is the reduction of the above 6 month or greater duration for all temporary pay to a 3 month or greater duration of temporary pay.*
- Ø *New as of December 13th, 2011 is the addition of one reporting code for "additional duties and responsibilities"*
  - o *2a Adjustment related to an increase in job duties and responsibilities (EPA/SPA permanent increases-non-reverting)*
  - o *2b Temporary adjustment related to an increase in job duties or responsibilities; salary will return to original base when temporary duties cease. (EPA/SPA)*
- Ø *New as of January 9<sup>th</sup>, 2012 is an exception to pre-approval for overload payments directly related to added teaching responsibilities that do not exceed a single semester in duration.*

- Absent the required pre-approvals, these types of temporary compensation must end when the underlying task or assignment reaches 6 months. If the duration is known to be 6 months or greater at the onset, GA pre-approval should be sought at the earliest possible time but generally not later than 4 months after the compensated activity commences to allow sufficient time for pre-approval.
- If an employee is hired to the University any time after June 30<sup>th</sup>, for the purposes of calculating the cumulative percentage increase amount, the total salary as of the date of their initial appointment is used.
- Campus units will be held accountable for obtaining appropriate pre-approvals and monitoring the duration of tasks associated with specific stipends/supplements/lump sum payments/temporary pay.

Several examples of how to calculate whether a potential increase amount requires GA pre-approval follow:

- Example #1: An employee's 6/30 total salary was \$120,000 (\$100,000 base and \$20,000 supplement). The department intends to award the employee a base salary increase of \$10,000 on 9/1. Because \$10,000 is less than 10% of the employee's 6/30 total salary, no GA pre-approval is necessary. However, this action will still require BOT approval since the salary increase is still 10% or greater of the 6/30 base salary. This highlights the difference between calculations on base salary vs. total salary.
- Example #2: An employee's 6/30 total salary was \$120,000 (\$100,000 base and \$20,000 supplement). The department awarded the employee a base salary increase of \$10,000 on 9/1. This increase did not require GA pre-approval since it was less than 10% of the 6/30 total salary but still required BOT approval since the increase was 10% or greater of their 6/30 base salary. The department later proposes to add a salary supplement of \$5,000 for 12 months on 10/1. Because the base salary increase of \$10,000 added to the proposed supplement of \$5,000 equals a cumulative fiscal year to-date increase which is greater than 10% of the employee's 6/30 total salary, GA pre-approval is required. Had the proposed \$5,000 supplement been for a task with a duration of 6 months or less, the 10/1 supplement would not have required GA pre-approval.
- Example #3: An employee's 6/30 total salary was \$120,000 (\$100,000 base and \$20,000 supplement). The department made lump sum payments to the employee for additional duties in the amounts of \$5,000 on 9/1 and \$5,000 on 10/1 for tasks of less than 6 months in duration, neither of which required GA pre-approval due to the durations. The department then proposed to add a salary supplement for \$10,000 on 11/1 for a task that will have duration of 9 months. Because the newly proposed supplement will have a duration exceeding 6 months and the previous lump

sum payments combined with the proposed supplement cumulatively exceeds 10% of the 6/30 total salary, the \$10,000 supplement will require GA pre-approval.

#### Special Salary Increase Forms and Routing for EPA-Non-Faculty and SPA Employees

- All EPA salary increases regardless of amount as well as stipends, supplements, or lump sum payments should be requested using the "FY 2011/12 Recommendation for EPA/SPA Base Salary Increase, Stipend, or Supplement" form ([http://academicpersonnel.unc.edu/n/CCM3\\_032868](http://academicpersonnel.unc.edu/n/CCM3_032868)).
- All SPA increases requiring GA pre-approval should be requested using the "FY 2011/12 Recommendation for EPA/SPA Base Salary Increase, Stipend, or Supplement" form in addition to the regular SPA Salary Recommendation Form ([http://hr.unc.edu/n/CCM1\\_018507](http://hr.unc.edu/n/CCM1_018507)). For SPA increases that do not require GA pre-approval, only the regular SPA Salary Recommendation Form is necessary.
- Routing of forms is as follows:
  - SPA promotional increase paperwork is routed to your assigned OHR Employment and Staffing Consultant; all other SPA salary increase paperwork is routed to your assigned OHR Classification and Compensation Consultant.
  - EPA Non-Faculty salary increase paperwork is routed to the EPA Non-Faculty HR unit.
- For paperwork requiring GA pre-approval, please route via electronic mail only unlocked Excel and MS Word documents (not PDFs).

#### Special Salary Increase Forms and Routing for EPA Faculty

- Departments must complete the "FY 2011/12 Recommendation for EPA/SPA Base Salary Increase, Stipend, or Supplement" form located at: [https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1\\_017166](https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1_017166) for each recommendation and submit to their Dean's Office and any other supporting documentation for the recommended increase (i.e., outside offer letter, memo of justification.)
- The Dean's Office of each school will be required to complete the GA Approval Spreadsheet found at [https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1\\_017166](https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1_017166). One spreadsheet (as an unlocked Excel file) with all recommendations for the upcoming review cycle will be e-mailed, along with the salary recommendation form for each recommendation - as unlocked Excel files and not PDF - to Academic Personnel at [apo@unc.edu](mailto:apo@unc.edu). When submitting this documentation, please include in the subject line the school, month, and year (e.g., CAS November 2011 Salary Requests).
- For actions requiring BOG approval, the effective date of the action will be determined from the "EPA Salary Increase Request Submission and Effective Date Schedule 2011-2012" form which is found on the Academic Personnel website at: [https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1\\_017166](https://academicpersonnel.unc.edu/faculty-policies-procedures/compensation-and-pay/CCM1_017166).
- For actions requiring President's Review, the effective dates are established by the Office of the President and are currently to be determined. When you e-mail the special salary increase form or GA Approval Spreadsheet, use "TBD by GA" in the effective date field.
- The deadlines to submit salary adjustments are found on the schedule referenced below.
- Following notification of GA approval by Academic Personnel, departments must submit an EPA Web Salary/FTE Change action and attach to the action the special salary increase form and any other supporting documentation for the recommended increase as PDF files.

## Effective Dates and UNC GA Pre-Approval Submission Deadlines

- For EPA internal hires subject to competitive recruitment, approval of the EEO Final Selection Document by the EEO Office does not imply that the necessary GA salary increase approval has been obtained. For actions requiring GA pre-approval, please assure that a salary commitment is not communicated to the selected employee until after any GA approval is obtained and confirmed.
- For non-faculty actions, do not initiate the resulting SPA HRIS or EPAWeb hiring or salary-related action for an increase requiring GA pre-approval until notification of any required approval has been received by the department from OHR and the effective date can be confirmed.
- Please remember to consider any required UNC-CH BOT approvals, as they must be submitted and fully approved PRIOR to submitting any salary action to GA for approval. This adds significant time to the approval process and must be taken into account and planned for by the requesting department.
- All salary increases requiring GA approval may only be processed with an effective date the day following the final required GA approval and may not be retroactive.
- Attached to the memorandum are two calendars; one contains salary increase submission deadlines for SPA and a second for EPA.
- For faculty salary increases less than 10%, departments should submit an EPA Web Salary/FTE Change action and attach to the action the special salary increase form and any other supporting documentation for the recommended increase as PDF files. The effective date cannot be retroactive and should be submitted within the payroll deadline for the month in which the increase is being requested.

## Temporary Employees and Employees with Breaks in University Service

As has been noted previously in this document, temporary employees, including post-docs and student employees, are subject to the specific permissible salary increase reasons based on the source of funds for the proposed increase even though they are not subject to the UNC GA pre-approval process. The following procedures must be followed for any proposed temporary employee increases for FY 2011/12:

- All non-student SPA temporary employee increases must be submitted for pre-approval using the "FY 2011/12 Recommendation for EPA/SPA Base Salary Increase, Stipend, or Supplement" form to OHR Classification and Compensation prior to being processed in HRIS.
- All EPA Post-Doc employee increases must be submitted for pre-approval using the "FY 2011/12 Recommendation for EPA/SPA Base Salary Increase, Stipend, or Supplement" form to EPA Non-Faculty HR prior to being processed in EPAWeb.
- All other non-student EPA non-faculty temporary employee increases may be submitted for approval directly in EPAWeb since these actions will automatically route to OHR for approval.
- All SPA and EPA student employee increases will continue to be processed without OHR pre-approval. However, it is the responsibility of the individual Department and School/Division to assure these increases, especially when on state funds, are being processed in accordance with these guidelines.

Individuals who were separated from University employment anytime during Fiscal Year 2010/11 OR Fiscal Year 2011/12 and then proposed for re-employment at a higher salary, are fully subject to the salary increase guidelines in this document as if they had not left the University. These situations must be assessed on a case-by-case basis by Academic Personnel or OHR to determine specific pre-approval

requirements. In these circumstances, please consult first with one of these offices so we can advise you how the salary increase guidelines will apply.

### Questions

If you have any questions at all regarding these guidelines or need assistance in planning a potential salary increase, please consult your Dean/Division HR Office or use one of the following contacts.

- SPA promotional salary increases: Contact your department's assigned OHR Employment and Staffing Consultant.
- All other SPA salary increases: Contact your department's assigned OHR Compensation and Classification Consultant.
- All EPA non-faculty salary increases, supplements, etc.: Contact any member of the EPA Non-Faculty Human Resources unit.
- All faculty salary increases: Contact the Office of Academic Personnel at 962-1091 or e-mail [apo@unc.edu](mailto:apo@unc.edu).