UNC General Administration has now released formal guidelines for annual salary increases for EPA Faculty and EPA Non-Faculty employees. Accordingly, we have developed general guidelines for our campus which are described in this memorandum and will be carried out in an Annual Raise Process (ARP) for implementation in the September monthly payroll retroactive to 7/1/2012.

As you know, the N.C. General Assembly has appropriated state funding to allow for a 1.2% salary increase for eligible employees. This 1.2% will be implemented as an across-the-board increase for EPA employees. Additionally, we are allocating 1.0% to support discretionary salary increases, thus increasing to 2.2% new salary funding to be made available. Campus units are also allowed to utilize an additional .8% of available resources to fund discretionary salary increases for EPA employees for retention, merit, or equity. However, the total expenditure for the ARP is not permitted by UNC General Administration to exceed 3% of the University's EPA salary-base campus-wide.

Regarding funding to support salary increases for EPA employees paid from F&A funds, we will allocate 2.2% in F&A funds to be distributed to EPA employees based upon the same guidelines that apply to state funded positions.

This memorandum will be followed by separate instructions from the Office of the Provost which will provide more detailed procedures for processing this year's ARP in the EPAWeb System in accordance with the following guidelines. Those instructions will also include specific campus unit allocations for EPA employee salary increases.

*** "Across the Board" 1.2% Base Salary Increase

-- Permanent EPA Faculty and EPA Non-Faculty employees who were active on payroll as of 6/30/12, unless otherwise indicated below, will receive an "across the board" (ATB) salary increase of 1.2% retroactive to 7/1/2012, calculated against their 6/30 base salary (not including supplements/stipends).

-- Faculty members in the School of Medicine covered by the clinical or basic science pay plan or faculty members in the School of Dentistry covered by that School's clinical pay plan will have any increases governed by the provisions of these plans and not the ATB provisions noted in this memorandum.
-- Department Heads have the option not to award the ATB increase to employees who may have already received a salary increase of 1.2% or greater effective 7/1/2012 but prior to ARP for permissible reasons (e.g., promotion, additional duties, etc.) if the employee's current base salary is considered sufficient for the remainder of the fiscal year. If the 7/1 increase was less than 1.2%, the ATB must be awarded so that the employee receives at least the minimum 1.2% increase.

-- New employees hired effective 7/1/2012 or later will not receive the ATB increase.

-- The ATB increase is not to be provided to employees who have or will be provided notice of end of appointment or term non-renewal as of the initiation of the ARP.

-- For employees in SAAO Tier II positions, the ATB increase may still be awarded even if the new salary amount exceeds the established GA SAAO salary range displayed in EPAWeb or if no GA salary range is displayed. The ATB is not limited by the GA SAAO salary range maximum.

-- If the employee's salary is paid on any non-State funds, the ATB increase must be distributed proportionally across the employee's current funding sources as each funding source permits.

-- Departments must implement the ATB increase directly in EPAWeb as part of the ARP; it will not automatically be applied to Payroll.

*** Additional Discretionary Increase

-- In addition to the ATB increase above, each School/College or Vice Chancellor area will be permitted to process additional discretionary increases against eligible funding sources for EPA faculty and EPA non-faculty staff for reasons of merit, equity, or retention retroactive to 7/1/2012.

-- As with the ATB increase, the discretionary increase guidelines are not applicable for faculty covered by clinical or basic science pay plans in the School of Medicine or the clinical pay plan in the School of Dentistry. Any increases for individuals in these plans should be handled in accord with the plan provisions.

-- The total amount of discretionary increases granted by each School/Division in ARP may not exceed 1.8% of the School/Division's total 6/30/2012 EPA salary base excluding that portion of the salary base for faculty members covered by special clinical or basic science faculty pay plans.

-- Any merit, equity, or retention-related salary increases previously granted to EPA employees within the School/Division and effective 7/1 to date, but prior to ARP, count toward the 1.8% limit with the exception of any increases granted to faculty in the previously noted special pay plans.
-- Dean's and Vice Chancellor's offices may distribute the 1.8% maximum discretionary salary increase limit to their subordinate units in equal amounts or in any other way they deem appropriate to meet operational needs. Within those limits, Department Heads then have flexibility to determine the specific amount of any discretionary salary increase that will be granted to individual employees.

-- Dean's and Vice Chancellor's offices will be responsible for monitoring compliance with the overall salary increase limits described above for their areas of responsibility. Note that increases granted to EPA faculty via the University Faculty Recruiting and Retention Fund do not count toward the 1.8% salary increase limit described above.

-- For SAAO Tier II positions, any proposed discretionary increase may not exceed the established UNC GA SAAO salary range for the employee's position as displayed in EPAWeb. In those instances where an SAAO Tier II position does not have an established GA salary range displayed in EPAWeb, contact the OHR EPA Non-Faculty HR unit for assistance. While we will make reasonable efforts to obtain an approved SAAO salary range from GA in time for the ARP, in those instances where that cannot be done, a proposed increase will need to be handled outside of ARP in the October payroll as an out-of-cycle action.

-- No further salary increases should be processed for the September Payroll outside of ARP except in instances of an internal promotion/hire or urgent retention situation that is intended to be addressed on a current basis and not retroactive to 7/1. All other salary increases should be held until the October monthly payroll.

*** Special Budget Allocations for ARP

-- The Office of the Provost will communicate specific information regarding permanent budget allocations to be used to support the ATB and discretionary salary increases in the detailed ARP instructions.

*** Medical and Health Affairs Faculty Salary Ranges

-- The Academic Personnel Office has posted separately (on the compensation portion of its website) newly updated salary ranges from UNC General Administration for individual faculty ranks in the Schools of Medicine (including Allied Health), Public Health, and Dentistry. Units must consult these ranges in contemplating any proposed salary actions for covered faculty in ARP or thereafter on an out-of-cycle basis.

*** Salary Increases After ARP

-- All of the above salary increase guidelines apply to actions that are permitted and processed as part of ARP and retroactive to 7/1. "Out-of-cycle" salary increases following ARP (e.g., October payroll and after) may still be processed but only under exceptional circumstances, such as significant additional duties, promotions/hires into new positions, equity, retention, etc. Department Heads are advised to use significant care and be especially judicious in proposing out-of-cycle increases
for the remainder of the fiscal year to assure they are absolutely essential to departmental operations and strongly justified.

-- The recent memorandum titled "Discontinuation of 2011/12 Special Salary Increase Restrictions and Related Procedure Changes" issued jointly on July 12, 2012 by Gwen Burston (Director of Academic Personnel) and Jessica Moore (Senior Director, Classification and Compensation) provides more specific details on out-of-cycle salary increases now that special salary increase restrictions from FY 2011/2012 have been lifted. The compensation sections of the Academic Personnel and OHR web sites should also be consulted for specific details.

-- The University Faculty Recruiting and Retention Fund administered by UNC General Administration is continued for this fiscal year and has newly added funds. Academic Personnel will issue additional information regarding the processing of requests for increases utilizing these funds shortly. Such requests do not need to be handled through the ARP.

*** Additional Information and Questions

If you have any questions regarding the annual salary increase guidelines, please contact your Dean/Division HR Officer or the applicable central office. For faculty salary increase related questions, contact the Academic Personnel Office; for EPA non-faculty-related questions, contact the EPA Non-Faculty HR unit in OHR.

This email is sponsored by: Office of the Provost and Office of Human Resources