I write to provide an update to my memo dated June 12, 2013, regarding the "Temporary Freeze on SPA and EPA Non-Faculty Salary Increases with Planned 7/1/2013 Effective Dates or Later."

While a State budget has not yet been approved by the General Assembly, a continuing budget resolution has been enacted to enable State operations to continue without interruption. This resolution resulted in the issuance of interim salary increase guidelines by the Office of State Personnel (OSP) and UNC General Administration (GA) until a new State budget for Fiscal Year 2013/2014 is adopted. The following new guidelines are effective immediately and supersede the guidance in my previous memo.

*** SPA Salary Increases:
Salary increases for SPA permanent and non-student temporary employees, with a 7/1 or later effective date, are permissible only under the following specific circumstances:

-- Promotion due to job change.
-- Acting pay when an individual is formally performing the duties of a vacant position on a temporary basis (e.g., interim/acting appointment), pending the position being permanently filled. Note: Added compensation is not permitted for performing additional duties, unless the individual actually assumed all of the duties of the vacant position.
-- US DOL prevailing wage adjustments, as mandated by federal law.
-- Adjustments to reflect straight FTE changes, with no change in annualized compensation.

The following are additional important notes related to SPA increases:

-- These interim guidelines do not permit increases based on additional duties, retention, reclassification, market, equity, or employee competency assessment (ECA), regardless of funding source.
-- Salary adjustments for enrolled student employees (e.g., student assistants) are not presently restricted.

*** EPA Non-Faculty Salary Increases:
Salary increases for EPA Non-Faculty permanent and non-student temporary employees, with a 7/1 or later effective date, are permissible only under the following specific circumstances:

-- Job changes due to competitive recruitment or waiver of recruitment, as long as the new
position requires higher-level duties.
-- Acting pay when an individual is formally performing the duties of a vacant position on a temporary basis (e.g., interim/acting appointment), pending the position being permanently filled. Note: Added compensation is not permitted for performing additional duties, unless the individual actually assumed all of the duties of the vacant position.
-- US DOL prevailing wage adjustments as mandated by federal law.
-- Overload pay for teaching classes for secondary adjunct faculty or academic advising appointments.
-- Adjustments to reflect straight FTE changes, with no change in annualized compensation.
-- Experience-based adjustments for postdocs on federal grants that must be accomplished at the time of reappointment and are not permitted to be delayed until a later date per federal guidelines.

The following are additional important notes related to EPA Non-Faculty increases:

-- These interim guidelines do not permit increases based on additional duties, retention, reclassification from SPA to EPA status, market, or equity, regardless of funding source.
-- All other new salary supplements or lump sum payments (overload) for additional duties are not presently permitted, except in the specific circumstances noted above.
-- Salary adjustments for student employees are not presently restricted. Note: Reminder - fellows and postdocs are not enrolled students.

*** Special 10 Percent Pre-Approval Requirements:
Any permissible salary increase or supplemental pay for an SPA or EPA Non-Faculty permanent employee will require GA pre-approval if the cumulative amount of all such increases fiscal year-to-date is 10 percent or higher of the employee's June 30 annual base salary. OHR will provide the required pre-approval for any temporary employee salary increase exceeding this threshold.

-- The above pre-approvals will also be required for individuals presently employed by other State agencies or UNC campuses and newly hired into a position at UNC-Chapel Hill with an increase from their current base salary.
-- For an EPA Non-Faculty action, this GA pre-approval is in addition to any required Board of Trustees (BOT) approval under our normal procedures.
-- For SPA actions, the GA pre-approval would replace any OSP approval, which is normally required for increases of 20 percent or greater.

The following process is being instituted to comply with these new GA pre-approval mandates (links to all forms are at the bottom of this email):
-- EPA Non-Faculty salary increase requests, regardless of percentage amount, should be documented on the FY 2013/14 Non Faculty Salary Adjustment/Supplement Form. This form, in Microsoft Excel format, should be emailed to the EPA Non-Faculty HR unit at epanfsalaryrequest@unc.edu.

-- SPA promotional hire salary increase requests, regardless of percentage amount, should continue to be documented on the PeopleAdmin Selection and Hiring Worksheet and attached in the PeopleAdmin system.

Requests where the cumulative fiscal year-to-date increase amount is 10 percent or higher must also have the FY 2013/14 Non Faculty Salary Adjustment/Supplement Form completed. This form, in Microsoft Excel format, must be separately emailed to your OHR Employment and Staffing Consultant.

-- All other types of SPA salary increase requests (e.g., FTE changes, prevailing wage, etc.), regardless of percentage amount, should be documented on the SPA Salary Recommendation Form and sent to your OHR Classification and Compensation Consultant. Requests where the cumulative fiscal year-to-date increase amount is 10 percent or higher must also have the FY 2013/14 Non Faculty Salary Adjustment/Supplement Form completed. This form, in Microsoft Excel format, must be emailed to your OHR Classification and Compensation Consultant.

Specific submission deadlines for the 10 percent or higher cumulative increases for permanent SPA and EPA Non-Faculty employees have been established in order to meet GA timelines; increases for temporary employees may be submitted in accord with normal payroll processing deadlines.

Departments are asked not to communicate an increase to an employee or enter actions into our HR systems until after OHR confirms the necessary approvals are completed. Please consult the following web links for the submission deadlines and forms referenced above.

-- 10 Percent and Higher Salary Increase Request Submission Deadlines:
http://hr.unc.edu/files/2013/07/NF_salary_subcalendar.pdf
-- FY 2013/14 Non Faculty Salary Adjustment/Supplement Form:
http://hr.unc.edu/files/2013/07/NF_salary_adjform.xlsx
-- PeopleAdmin Selection and Hiring Worksheet:
http://hr.unc.edu/files/2013/02/PeopleAdmin-Selection-and-Hiring-Worksheet.doc
-- SPA Salary Recommendation Form:
http://hr.unc.edu/files/2012/11/SRF-eff-0712.doc

This memo is being distributed separately to all School/Division HR Officers for communication and implementation within their areas of responsibility. We anticipate that there will be changes to the salary increase guidelines once a new State budget is enacted. We will continue to keep
you informed of further developments as we receive additional guidance from GA and OSP.

All questions should be directed to School/Division HR Officers (http://hr.unc.edu/for-managers-hr-facilitators/schooldivision-hr-offices/), who in turn may contact OHR as needed for assistance. Thank you for your cooperation in ensuring our campus complies with these new State mandates.

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