I write to provide an update to my memo dated July 8, 2013, regarding "Non-Faculty Salary Increase Interim Guidelines (Pending Adoption of a State Budget)." The newly approved State budget has resulted in the issuance of new salary increase guidelines by the Office of State Human Resources (previously, the Office of State Personnel) and UNC General Administration (GA). These new guidelines are effective immediately, and supersede the guidance in my previous memo. Department heads must exercise special care to comply with the below provisions and continue to exercise appropriate discretion to ensure that any proposed increase is strongly justified and provides good stewardship of University and State resources.

* Permissible Salary Increases

Non-faculty salary increases using any source of funds (including State funds) can be implemented in the following circumstances:

-- Additional job duties when there is a substantive increase in the scope and complexity of the job. Note: Such an increase may not be justified solely on the basis of increased work volume.
-- Promotion/Job Change or Reclassification, but only when the new job represents higher-level duties and responsibilities. Note: For SPA, this means a promotion to a higher branch, role and competency; for EPA non-faculty, this means a position that features a higher level of scope and complexity.
-- Equity, but only when well supported by analysis that demonstrates the equity issues present and how the proposed increase(s) addresses them.
-- Employee retention. Note: For SPA employees, there must be a documented offer from an external entity and special approval from the Office of State Human Resources (OSHR); for EPA non-faculty, the department head must be able to demonstrate direct knowledge that the employee is being actively considered for an outside opportunity, or that compelling retention risks are demonstrated based on the external market for hard-to-fill or unique skill sets.
-- Increase in SPA employee competencies. Note: There must be a substantive and documented increase in a majority of the employee's individual competencies, and/or a change in the employee's overall Employee Competency Assessment (ECA) rating compared to the most recent ECA assessment.
-- Change in FTE due to schedule change, without any change in annualized compensation.

ALL other regularly permissible non-faculty salary increase reasons for EPA permanent, EPA temporary, EPA post-docs and fellows, and SPA permanent employees not otherwise listed above may be completed using non-State funds. Two specific exceptions are noted below in "Other Special Provisions."
* Other Special Provisions

-- An employee who is being re-hired following prior temporary or permanent State service in Fiscal Year 2011/12 or later may not receive an increase upon reemployment, unless they are returning to a position with a documented increase in duties, such as a promotion. Note: OHR can assist departments in researching the details of an employee's previous State government or UNC employment to comply with this provision.

-- Increases for SPA temporary employees (excluding student employees) are not permitted except when the employee moves to another temporary or permanent position. While we do not formally classify SPA temporary employees, any salary increase for a newly assigned temporary job for an existing employee within a unit may only be sought when the new job clearly demonstrates higher level duties and responsibilities. The School/Division HR Officer is responsible for making a best-faith determination based on the employee's existing duties within the unit and the duties of the newly planned temporary assignment.

* Special Pre-Approval Requirements for All Increases 10 Percent or Greater

Any permissible salary increase or supplemental pay for a non-faculty permanent employee will require GA pre-approval if the cumulative amount of all of the employee's increases fiscal year-to-date is 10 percent or higher of the June 30 annual base salary. This includes EPA lump sum payments or salary supplements. Any temporary non-faculty employee salary increase (including post-docs and fellows) exceeding this 10 percent threshold will require OHR review and approval.

-- 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 will in most cases replace any OSHR approval, which is normally required for increases of 20 percent or greater. OSHR approval is still required for positions where the University lacks delegated classification authority or which are an exception to regular OSHR policies.

The following process is being instituted to comply with these new GA pre-approval mandates:

-- EPA Non-Faculty salary increase requests, regardless of percentage amount, must 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., equity, labor market 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.

-- Adjustments to reflect straight FTE changes (with no change in annualized compensation) do not require completion of any of the above forms and may be submitted directly in the applicable HR system.

* Submission Deadlines and Links to Forms

-- 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 can 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% 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:
https://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 has also been distributed to all School/Division HR Officers for communication and implementation within their areas of responsibility. All questions should be directed to School/Division HR Officers, who in turn can contact OHR as needed for assistance.

Thank you for your cooperation in ensuring our campus complies with these new State-mandated guidelines.

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