Requirements for Salary Adjustments and Position Approvals for UNC System Constituent Institutions

Overview

This document is intended to provide constituent institutions with information and mandatory requirements for salary adjustments and position actions that require pre-approval from UNC System Human Resources or the Board of Governors Committee on Personnel and Tenure (P&T). Pre-approval for these salary adjustments and position actions is requested and granted through the UNC Compensation and Position Database, frequently called the Comp Database.

Key Salary Requirements

**EHRA Employees**

The President has granted constituent institutions delegated authority for most EHRA salary actions up to and including 20% and $15,000. The President has been delegated authority by the BOG for salary actions above 20% and $15,000, up to and including 25% and $25,000 in most cases, and all externally posted competitive events. There are also higher delegations in place for:

- Certain temporary salary adjustments (see Salary Code 2b in the “Salary Codes” section on page 3 for more details).
- Retention of an employee actively under recruitment (see Salary Code 3 in the “Salary Actions” section on page 4 for more details).

Salary actions that exceed the President’s delegated authorities require P&T pre-approval. This is a process with significant scrutiny and requires an actual vote by members of P&T during one of their scheduled meetings.

A matrix illustrating approval authority delegated to constituent institutions and the President for EHRA salary increases can be found at [here](#).

**Salary Codes**

Each salary adjustment submitted through the salary database must be assigned to one of the salary codes listed below.

1a – Internal Competitive Event

- Employee applies for an internally recruited job vacancy, is selected competitively, and changes jobs to a different position.

1b – External Competitive Event

- Employee applies for an externally recruited job vacancy, is selected competitively, and changes jobs to a different position.
1c – Promotion – EHRA Waiver

- Waivers of recruitment for a position are reported here.

1d – Promotion – Tenure Conferral and Academic Rank Promotions

- Used for faculty rank promotions which, under current policy, are subject to pre-approval rules.
- Faculty rank promotions do count toward the cumulative fiscal year salary increase.

2a – Increase in job duties or responsibilities

- Includes reclassification of job.
- Includes salary stipends/supplements with no specific end date for department chair appointment, faculty center director appointment, faculty administrative rank, and named or distinguished professorship. Also includes such appointments that will potentially last for multiple years, even if there is an end date.
  - Faculty department head/chair appointments with an end date beyond 12 months are not considered temporary increases, even if the stipend reverts. They should be coded as 2a if there is no end date or if the end date is beyond a calendar year.
  - Stipends/supplements with no specific end date (or those lasting multiple years) do count toward the cumulative total salary for calculating increase amount/percentage and should be included in subsequent submissions with specific details regarding the amount and timeframe of the secondary appointment.

2b – Temporary Adjustment Related to an Increase in Job Duties or Responsibilities

- UNC System HR pre-approval is not needed on temporary, acting, or interim salary increases equal to or less than 25% and $25,000 of cumulative salary adjustments fiscal year-to-date up to 12 months in duration.
- Faculty Department Head/Chair appointments are not considered temporary increases, even if the stipend reverts, UNLESS the position will be held in an interim capacity for one academic year or less. If there is no specific end date, the increase should be coded as 2a.
- Temporary salary increases with a specific/projected end date within 12 months DO NOT count cumulatively towards the permanent base salary for any subsequent salary requests but should be clearly mentioned in any subsequent salary request’s written justification with specific details regarding the amount and timeframe of the temporary adjustment.
- Accompanying justification must clearly state that the salary will revert when the temporary duties cease.

3 – Retention

- The President has delegated authority to approve certain retention adjustments in situations where it can be demonstrated that the individual has a written offer of employment or is under active recruitment.
- All EHRA retention adjustments greater than 20% and $15,000 require System Office HR approval. EHRA retention adjustments greater than 30% and $25,000 also require full P&T approval.
- A true “retention” can be distinguished from a “preemptive retention” by strong, documented recruitment activity verified by a third party, such as a department head. Less specific scenarios are preemptive. For instance, if there is anecdotal evidence that an employee is being approached by outside organizations, but there is no actual recruitment evidence or offers, it would largely be considered preemptive. Salary code 12 should be used for preemptive retentions.
4 – Career Progression Adjustment for Demonstrated Employee or Position Competencies Within the Same/Current Level

- This code is for SHRA employees who receive a salary increase in their current position.

5 – University Cancer Research Fund (This code is currently unused.)

6 – Distinguished Professors Endowment Fund (This code is currently unused.)

- Applies to professorships that are supported by the state-matched Distinguished Professors Endowment Fund.

7 – Faculty Recruiting and Retention Fund

- This fund was provided by the state’s General Assembly and is carefully monitored and administered by the UNC System Academic Affairs department.
- Increases approved by the President through the Faculty Recruitment and Retention Fund do not require P&T approval regardless of the percentage; the System Office has full discretion in approving these requests.
- These increases do count toward the cumulative fiscal year salary increases for any subsequent salary increase requests.

12 – Other

- Includes other adjustments not included in other salary codes and not included in subcodes 12b, 12e, 12f, or 12g. (Distinguished Professorships, Distinguished Term Professorships, merit, etc)
- Detailed explanation must be provided in the justification.

12b – Other – ARP

- This increase is only to be used for official EHRA Annual Raise Process (ARP) adjustments.
- Merit adjustments should only be considered during the ARP.

12e – Other – Market Increase

- This code should be used for market adjustments, or salary adjustments spurred by market data external to the university.
- Includes increases up to and equal to market rate. Using this code for increases that exceed the market rate would be an exceptional and heavily scrutinized circumstance.
- This code does not apply to market increases for SHRA employees in their current position. Those are assigned salary code 4 – Career Progression Adjustment.

12f – Other – Equity Increase

- This code should be used for equity adjustments, or salary adjustments spurred by internal peer comparisons.
- Includes increases bringing the employee’s salary closer to that of peer employees.
- Outside truly exceptional circumstances, the requested salary should generally not be above that of similarly situated peers.
- This code does not apply to equity increases for SHRA employees in their current position. Those are assigned salary code 4 – Career Progression Adjustment.

12g – Other – One-time ARP bonus

- This code should only be used when instructed. It applies to one-time, non-recurring bonuses tied to the EHRA Annual Raise Process.
Supplement/Temporary Salary Actions

Supplement/temporary actions, both with and without specific end dates, are subject to all existing UNC System HR salary pre-approval guidelines.

Increases That Include an Existing Stipend/Supplement without a Specific End Date

When calculating the cumulative salary increase amount in a fiscal year, any stipend/supplement without a specific end date (e.g. long-term Department Heads/Chairs, Directors, Distinguished Faculty) should be included in the numeric calculations. These are generally coded as “2a.”

Example:

- June 30 total salary is $120,000 ($100,000 base + $20,000 stipend/supplement without an end date).
- Proposed total salary is $150,000 ($100,000 base + $50,000 stipend/supplement without an end date).
- The cumulative fiscal year increase would be $30,000/25% as the stipend/supplement with a non-specific end date SHOULD be included in calculations.

Increases That Include Existing Stipend/Supplement/Temporary/Interim Pay with a Specific End Date:

When calculating the cumulative salary increase amount in a fiscal year, any additional, unrelated Stipend/Supplement/Temporary Increase/Supplement with a specific/projected end date (e.g. interim, acting appointments) should not be included in the June 30 numeric calculations (which determine the cumulative increase for the fiscal year). The only time the temporary stipend/supplement should be included in the numeric calculations is when the action is directly related to the temporary duties. These are generally coded as “2b.”

Example:

- June 30 total salary is $120,000 ($100,000 base salary + $20,000 interim supplement with a specific/projected end date).
- Proposed total salary is $120,000 ($120,000 base salary + $0 remaining interim supplement).
- The cumulative increase would be $20,000/20% rather than zero percent. The temporary pay, with its established end date, is not included in the calculation.
- However, the written justification should detail the specifics on all additional pay, long-term or short-term.

In very rare instances, the percentage/dollar amount of a short-term (i.e., less than 12-month) temporary increase may be calculated on the total amount paid rather than an annualized increase in rate of pay. This should be limited to contractual or similar situations when there is no risk of an extension. Institutions should consult UNC System HR before employing this type of calculation.