MEMORANDUM

TO: All University Faculty and Staff

FROM: Edna Chun, Associate Vice Chancellor for Human Resources
       Alan Boyette, Vice Provost

DATE: September 24, 2012

SUBJECT: Fiscal Year 2012-2013 Compensation Guidelines

This memorandum updates the 2011-12 salary guidelines and is based upon the passage of HB950 by the General Assembly during the 2012 legislative session. In addition to the provision for a modest salary increase, the General Assembly has discontinued the salary restrictions which have been in place for the past several years. The following provides information on the types of salary increases allowable along with the process and procedures for these actions.

SPA Salary Increases

All salary actions for new hires, promotion, reclassification, career progression for increased job duties and/or competencies, equity, market rate, retention, and lateral transfer shall be reviewed by Human Resources in light of the following compensation-related factors:

- Internal Pay Alignment (Equity) – Analysis of similarly situated employees across the university in the same classification and competency level, taking into account related work experience, performance, educational qualifications, and time in position.
- Required Competencies – Analysis of the functional demonstrated competencies and associated levels that are required based on organizational needs.
- Appropriate Market Rate – Rate determined by OSP on the career banding schedule
- Financial Resources – Funding available when requesting a salary action.

Any salary increase of 20% or greater must be approved by The Office of State Personnel (OSP) regardless of funding source. The chart below summarizes the documentation required for SPA salary actions. These forms are located at: http://web.uncg.edu/hrs/Forms/.

<table>
<thead>
<tr>
<th>Type of Action</th>
<th>Employee Action Form (EAF)</th>
<th>Position Action Form (PAF)</th>
<th>Employee Competency Assessment</th>
<th>SPA Compensation Request Form</th>
<th>JobSearch Hiring Proposal</th>
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</thead>
<tbody>
<tr>
<td>Promotion</td>
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<td>Lateral Transfer</td>
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<td>New Hire</td>
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<td>Reclassification</td>
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<td>Career Progression</td>
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<td>Retention</td>
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All completed salary actions must still be submitted quarterly to General Administration for legislative review.

Promotions:
Promotions will be awarded through a competitive recruitment process to include posting, interview, and formal assessment process. Salaries will be determined based on the compensation factors indicated above and may not exceed the maximum of the range. All documentation is submitted through the JobSearch process.

Lateral Transfer:
Salary increases for lateral transfers may be awarded as a result of a competitive recruitment process to include posting, interview, and formal assessment process. Salaries will be determined based on the Pay Factors and may not exceed the maximum of the range. All documentation is submitted through the Job Search process.

New Hires:
New employees possessing the minimum qualifications and competencies at the contributing level will normally be paid at the minimum of the contributing range for the classification. If the new hire possesses demonstrated competencies and qualifications that are above the minimum standards, the salary may be established at a higher rate after review of the relevant compensation factors.

Reclassification:
When a position moves to a new classification with a higher journey market rate, or is moved to a higher competency level with the same job classification, a salary increase may be awarded. Salary increases will be determined based on an evaluation that includes the four compensation factors and relation to the new market rate.

Career Progression Adjustment for Increased Higher Level Job Duties or Increased Competencies:
Salary actions will be considered for a career adjustment for either of the following actions: increased higher level job duties that keep the position in the same classification and competency level, or demonstration of higher level competencies. Salary increases will be evaluated utilizing the compensation factors described earlier.

Career Progression Adjustment for Equity or Market Rate:
Salary actions will be considered for equity or market resource adjustments. Human Resources will review these requests in light of pay alignment and internal equity considerations.

Retention:
Salary actions for retention can be considered when an employee receives an employment offer from outside state government including sister institutions of the University of North Carolina and other state agencies.

EPA Salary Increases

The Board of Governors has approved the recommendation that all eligible EPA employees should receive a salary increase of not less than 1.2% for 2012-13, retroactive to July 1 for 12-month employees and August 1 for 9- and 10-month employees. Salary adjustments for EPA employees may be awarded for merit pay, across-the-board, recruitment bonuses, retention, market conditions, and inequities.

The Chancellor is authorized to approve all increases, regardless of funding source, that are below 15% and $10,000. Salaries that are 15% or more AND $10,000 or more on an individual or cumulative basis
for 2012-13 shall continue to require prior approval by the Board of Governors. All salary actions must still be submitted quarterly to General Administration for legislative review.

Salary adjustments for September should be submitted as part of the current salary increase package following guidelines provided in earlier correspondence to Deans Council and Vice Chancellors from the Office of the Provost. Faculty salary adjustments should be submitted in writing to Andrea Whitley, Interim Associate Vice Provost; EPA non-faculty salary adjustments should be submitted to Dr. Edna Chun, Associate Vice Chancellor for Human Resources.