NC STATE UNIVERSITY

Office of Executive Vice Chancellor and Provost
and
Office of Finance and Administration

Holladay Hall
Raleigh, NC 27695

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Jim Pfaendtner, Executive Vice Chancellor and Provost
Charles A. Maimone, Executive Vice Chancellor, Finance and Administration

SUBJECT: Fiscal Year 2026-2027 Legislative Salary Increase and Bonus Instructions

DATE: July 21, 2026

As noted in Chancellor Howell's recent message, the North Carolina General Assembly passed the 2026 Appropriations Act (Senate Bill 257, SL 2026-41) and Governor Stein has signed the legislation, enacting the state budget for the new fiscal year (July 1, 2026 - June 30, 2027). We are grateful for the state's continued support and significant investment in NC State instruction, research and extension services.

The 2026 Appropriations Act and the corresponding Joint Conference Committee Report provide for legislative salary increases (LSI) and one-time bonuses for eligible employees. More information about these increases and bonuses, including eligibility criteria and expected timing, is provided below.

2026 Legislative Salary Increases and Eligibility

In July 2026, eligible NC State permanent EHRA (includes faculty, SAAO and EPS) and SHRA employees, including probationary and time-limited employees, will receive a 3% legislative salary increase regardless of funding source. Sworn law enforcement personnel will receive a 13% legislative salary increase, while non-sworn public safety personnel and support staff will receive the standard 3% increase. Lawmakers also passed a 3% rate increase for temporary hourly employees.

- To be eligible for the 3% LSI, permanent EHRA and SHRA employees must be employed in a permanent position or as an active temporary employee on June 30, 2026.

- For eligible permanent EHRA and SHRA employees, the LSI will be reflected in July 2026 paychecks.

- Temporary hourly employees are eligible to receive the 3% legislative salary increase applied directly to their regular hourly wage. The legislative salary increase will be reflected in the July 31, 2026, paycheck, if practicable. Otherwise, it will be reflected in the August 14, 2026, paycheck.

- Employees currently on approved paid leave (e.g., Paid Family Leave, Paid Military Leave, Workers' Compensation salary continuation, Paid Medical Leave) will receive the legislative salary increase effective July 1, 2026. Employees on Leave Without Pay (LWOP) will have their eligibility reviewed individually upon their return to work.

- Student employees (including graduate assistants) and post docs are not eligible for the legislative salary increase.

- Faculty members who entered the Phased Retirement Program on July 1, 2026, are not eligible to receive the LSI. Faculty in their second or third year of the program on July 1, 2026, are eligible for the LSI. Phased retirees are responsible for ensuring any compensation received remains within applicable retirement regulations (e.g. TSERS earnings limitations).

- Employees whose last workday is on or before June 30, 2026, due to resignation, retirement, dismissal, reduction in force, or death, are not eligible for the salary increase.

- Employees who separate from employment after June 30, 2026, but before payroll implementation, will receive the retroactive salary owed from the July 1, 2026, effective date through their last day of work.

- The 3% LSI will be calculated based on each employee's June 30, 2026, base salary and will be effective July 1, 2026. For example, an employee earning a base salary of $50,000 on June 30, 2026, will have a new base salary of $51,500.

- The LSI must be implemented even if the resulting salary exceeds an established salary range maximum, and it will be awarded regardless of current performance ratings.

- Interim supplements and temporary supplements are excluded from the 3% calculation.

- Employees who have a primary Faculty and EHRA nonfaculty appointment (e.g., academic department heads and associate deans) and receive an ongoing administrative supplement directly related to that role are eligible to have their supplement included in the 3% calculation.

- Employees who have a primary faculty appointment and a long-term, recurring (intended for a duration of 12 months or more) secondary administrative appointment (e.g., institute/center directors) are eligible to have their supplement included in the 3% calculation.

- Employees who have a long-term, recurring (intended for over 12 months) secondary honorific supplement (e.g. distinguished professorship) are eligible to have their supplement included in the 3% calculation.

- NC State will be responsible for administering the LSI for eligible employees transferring from another UNC constituent institution or State agency, coordinating to verify June 30, 2026, base salary and transfer timelines.

- State-funded SHRA employees whose longevity payments occur on or after July 1, 2026, will be calculated using the employee's updated recurring salary (i.e. post-LSI salary).

2026 One-time Legislative Bonus and Eligibility

- One-time bonuses will be provided to eligible EHRA and SHRA employees employed as of June 30, 2026.

- One-time bonus amounts are determined by the employee's annual base salary as of June 30, 2026. A $1,750 one-time bonus will be provided to eligible permanent employees earning a base salary of $65,000 or less per year; or a $1,000 one-time bonus will be provided to eligible permanent employees earning a base salary exceeding $65,000 per year.

- The one-time bonus is anticipated to be paid in September 2026 paychecks, if practicable, but not later than the October 2026 payroll period.
- Eligible employees who separate on or after July 1, 2026, will receive the one-time bonus payment.
- Temporary, student, graduate assistants and postdocs are not eligible for the one-time bonus.
- Part-time (less than 1.0 FTE) permanent employees shall receive a pro-rated one-time bonus.
- The one-time bonus will not be included in retirement or longevity compensation calculations.

Funding/Budget Distribution

Funding will be provided to colleges/units at the project level for the 3% LSI and the one-time legislative bonus pool for positions funded by state-appropriated projects (200000–249999 in 16030 and 4xxx50 in 16031 and 16032) as of July 1, 2026. This funding distribution will be based on the July 1, 2026, employee distribution identified by the University Budget Office.

- We anticipate allocating the funds to campus in the September/October 2026 timeframe. However, the timing will depend on when NC State receives the funds. The University Budget Office and University Human Resources will provide further LSI and one-time bonus implementation instructions to the budget and HR leads.

Please contact Ryan Bernarduci, director of Human Resources Information Management and Analytics, at rjbernar@ncsu.edu, or your college or division HR representative, if you have specific questions about the LSI or legislative bonus. For questions concerning the appropriated funding, please contact the University Budget Office at budgetoffice@ncsu.edu.

As stated above, we are grateful for the state's continued support and significant investment in NC State - especially in our people. This continues to be an incredibly exciting and successful time for our university, and we appreciate your leadership, commitment and contributions to NC State.