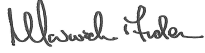



MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Warwick A. Arden, Executive Vice Chancellor and Provost 
Charles A. Maimone, Vice Chancellor, Finance and Administration 

SUBJECT: FY2021-22 State Budget Update – 2.5% Legislative Salary Increase

DATE: January 10, 2022

The Appropriations Act of 2021 provides compensation increases for employees subject to the North Carolina State Human Resources Act (SHRA) and employees who are exempt from the act (EHRA). In January 2022, eligible permanent EHRA and SHRA employees (including probationary and time-limited employees) will receive a 2.5% legislative salary increase regardless of funding source. The instructions are summarized below:

A 2.5% legislative salary increase (LSI) for eligible permanent EHRA and SHRA employees (including probationary and time-limited employees), regardless of funding source:

- The 2.5% LSI will be calculated based on each employee's June 30, 2021, base salary. For example, an employee earning a base salary of \$50,000 on June 30, 2021, will have a new base salary of \$51,250, retroactively effective July 1, 2021 ($\$50,000 \times 1.025 = \$51,250$).
- The LSI will be reflected in employees' January 2022 paychecks, retroactive to July 1, 2021, and subject to the eligibility requirements below.
- For employees with a primary EHRA nonfaculty appointment who receive an ongoing administrative supplement directly related to that role, "base" salary includes the administrative supplement (e.g., academic department heads and associate deans). Employees with a primary faculty appointment who have a secondary administrative appointment (e.g., directors of graduate programs) are not eligible to have their supplement included in the 2.5% calculation.
- SHRA longevity payments and premium pay, overtime pay, etc. earned between July 1, 2021, and Dec. 31, 2021, will be recalculated to include the LSI, and the difference will be included in January 2022 paychecks.
- The LSI is applied as a flat amount on top of any other base salary increase effective July 1, 2021, through Dec. 31, 2021.

Eligibility Requirements

- To be eligible for the retroactive LSI payment for July 1-Dec. 31, 2021, the employee must have been employed in a permanent benefits-eligible position of .50 FTE or greater on both June 30, 2021, and Dec. 31, 2021.
- Employees who separated prior to Dec. 31, 2021, are not eligible for the retroactive payment.

- Employees who were employed in a permanent position on both June 30, 2021, and Dec. 31, 2021, but who were not employed on a continuous basis between those two dates shall receive a prorated retroactive payment.
- NC State will be responsible for the retroactive payment for employees who transferred to NC State from a permanent position at another state entity eligible for the LSI.
- Employees currently on disability or who are on a leave of absence (paid or unpaid) may be eligible for the LSI upon their return if they satisfy all other eligibility requirements.
- The LSI will be awarded regardless of current performance ratings.
- Faculty members who entered the Phased Retirement Program on July 1, 2021, are not eligible to receive the LSI. Faculty in their second or third year of the program are eligible for the LSI if they meet other eligibility criteria.
- Postdocs, house officers, grad students and temporary employees are not eligible for the LSI.

Funding/Budget Distribution

- Funding will be provided to colleges/units at the two-digit level for the 2.5% LSI for positions funded by state-appropriated funds (projects between 201000 and 249999, except 202xxx and 203xxx) as of July 1, 2021. This funding distribution will be based on the July 1, 2021, employee distribution identified by the University Budget Office after the January 2022 payroll has been processed.
- We anticipate allocating the funds to campus in February 2022. However, the timing will depend on when we receive the funds from the UNC System.

Please contact your college, division or unit HR representative or University Human Resources if you have questions about the LSI. For questions concerning the appropriated funding, please contact the University Budget Office at budgetoffice@ncsu.edu.