

Office of State Human Resources and UNC System Office Terminology

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90% Market for SHRA Increases: UNC System HR generally views 90% of the established market rate as a defensible proposed total salary for competitiveness into new career progressions. Increases that are above 90% of the established market rate will be considered but should include a strong salary argument with quantifiable data on market, comparable peer salaries, and/or special skills and experience.

1095 C tax form: The filing of 1095-C forms is required by the Internal Revenue Service (IRS) for employers with 50 or more Full Time Equivalent (FTEs) on average during the prior year. A 1095-C is filed for each full-time employee who worked for the employer during the year, indicating all offers of coverage in Part II of the form. All employers utilizing the State Health Plan are self-insured.

The filing of 1095-B forms is required for self-insured employers with less than 50 FTEs on average during the prior year. All coverage provided for employees and their dependents must be reported via the 1095-B forms for these employers.

Affordable Care Act (ACA) : The ACA requires every employer with 50 or more Fulltime Equivalent, referred to as an Applicable Large Employer or an ALE, to offer affordable health coverage to Qualified Fulltime Employees. This coverage offering must meet or exceed minimum effective coverage and minimum value standards.

If an ALE fails to offer or chooses not to offer affordable coverage meeting these standards to at least 95% of their qualified full-time employees, they are subject to paying an Employee Shared Responsibility Payment (ESRP). Or, if a full-time employee successfully meets the criteria to obtain coverage via the healthcare exchange (healthcare.gov) and successfully qualifies for a government subsidy, the ALE would also be subject to an ESRP.

Affirmative Action: Affirmative action is defined as a set of procedures designed to; eliminate unlawful discrimination among applicants, remedy the results of such prior discrimination, and prevent such discrimination in the future. Applicants may be seeking admission to an educational program or looking for professional employment. In modern American jurisprudence, it typically imposes remedies against discrimination on the basis of (at the very least) race, creed, color, and national origin.

Appointments: An appointment is the approval or certification of an applicant or employee to perform the duties and responsibilities of an established position subject to the provisions of the State Human Resources Act. The selection and appointment of all personnel into classified state service shall be made by the head of the agency subject to final approval of the State

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Human Resources Director. The following are the types of employee appointments: Probationary, Permanent, Time-Limited, and Temporary

- **Permanent Appointment:** A permanent appointment is an appointment to a permanently established position when the incumbent is expected to be retained in the position on a permanent basis. A permanent appointment shall be given when the requirements of the probationary period have been satisfied, or a time-limited appointment extends beyond three years of continuous employment in the same time-limited position.
- **Probationary:** Individuals receiving initial appointments to permanent positions must serve a probationary period. The probationary period is an extension of the selection process, and provides the time the new employee needs to achieve performance at or above the expectations of the job or to be separated if performance does not meet acceptable standards. Individuals who are reemploying to a permanent position after a separation shall also serve a probationary period. The probationary period shall be 12 months of either full-time or part-time employment from the actual date of employment or reemployment. Periods of extended leave of absence with or without pay do not suspend or increase the duration of the probationary period beyond 12 months. Extended leave is defined as leave in excess of one-half of the regularly scheduled workdays and holidays in the month. The probationary period in this policy is not the same as the probationary period prescribed for criminal justice officers.
- **Time-Limited Appointment:** A time-limited appointment is an appointment that has a limited duration:
 - o A time-limited appointment may be made in a permanent position that is vacant due to the incumbent's leave of absence. Time-limited appointments in a permanent position may be made when the replacement employee's services will be needed for a period of one year or less.
 - o A time-limited appointment may also be made in a time-limited position. If an employee is retained in a time-limited position beyond three years, the employee shall be designated as having a permanent appointment.
- **Temporary Appointment:** A temporary appointment is an appointment for a limited term, normally not to exceed three to six months, to a permanent or temporary position. Upon request, the Office of State Human Resources shall approve a longer period of time; but in no case shall the temporary employment period exceed 11 consecutive months.
 - o Exceptions:
 - Full-time students are exempt from the 11-month maximum limit. For purposes of this policy, "full-time students" are defined as those

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undergraduate students taking at least 12 credit hours or graduate students taking at least 9 credit hours.

- Retired employees are exempt from the 11-month maximum limit if they sign a statement that they are not available for, nor seeking permanent employment, and are drawing a retirement income and/or Social Security benefits.
- Inmates that are on a work-release program are exempt from the 11-month maximum limit.
- Interns are exempt from the 11-month maximum limit. For purposes of this policy, “interns” are defined as those students who, regardless of the number of credit hours enrolled, work to gain occupational experience for a period of time not to exceed three months.
- Externs are exempt from the 11-month maximum limit. For purposes of this policy, “externs” are defined as those students who, regardless of the number of credit hours enrolled, are employed as part of a written agreement between the State and an academic institution through which the student is paid and earns course credit.

Appointment Length and FTE Adjustment: UNC System HR approval is not required for appointment conversions and FTE adjustments as long as there is no additional change in the rate of pay (e.g., a straight 9- to 12-month conversion, or a straight FTE change from 0.75 to 1.0).

Abolish a Position | To permanently inactivate a position so that it cannot be used/filled again.

Academic Personnel Office (APO) | The Academic Personnel Office, which oversees most human resources needs for EHRA faculty employees. APO is part of the Provost’s Office.

Advanced Level | SHRA competencies required in a position include the highest or broadest scope of knowledge, skills and abilities. Applies to SHRA positions. Positions at this level have the most complex work and the broadest scope within a given title, i.e., “senior level”. (See also Contributing level and Journey level.)

Affiliate | An Affiliate is commonly an unpaid volunteer, intern or visiting scholar, research collaborator or contractor that is engaged with UNC-Chapel Hill in support of the University’s mission of teaching, research, and public service. More broadly, an affiliate is anyone who is not paid through UNC-Chapel Hill payroll and is not attending UNC-Chapel Hill, but requires University resources to work in conjunction with a UNC-Chapel Hill school/division.

Americans with Disabilities Act (ADA) Accommodation | Title I of the Americans with Disabilities Act of 1990 is part of a federal law that prohibits discrimination against someone

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with a disability, defined as “a physical or mental impairment that substantially limits a major life activity.” The Equal Opportunity & Compliance Office oversees the University’s ADA Reasonable Accommodations in Employment Policy, which is the policy that outlines requirements for disability accommodations and how to request accommodations for employees and applicants for employment.

Annual Raise Process (ARP) | The Annual Raise Process, the procedure that distributes legislative or discretionary increases to EHRA employees.

Band Revision: Any change in a Career-banded salary range as a result of routine or special labor market reviews and approved by the Human Resources Commission. Typically this will result in a change in the minimum, contributing, journey, advanced and maximum rates for the band but may not necessarily mean a change in all five reference points. However, for a band revision to occur, at least the journey market rate must change. **Salary Eligibility for Band Revision:** Salary increases as a result of band revisions are not rewards for job performance, assumption of greater responsibility or achievement of higher competency levels. Increases provided by this policy are for maintenance of market competitive pay levels for affected employees. Subject to the availability of funds, satisfactory performance, and application of pay factors, salary increases shall be awarded at least to the minimum of the new range. Salary increases above the minimum of the range

Base Salary: A rate for a defined specific job or activity that excludes additional payments for overtime, summer school, course overloads, one-time bonuses, or other incentives – which are all examples of task-based compensation; or supplemental duties, temporary activities, or secondary role – which are examples of supplemental/interim compensation.

Budgeted Salary: The amount or range of state and/or non-state funding that has been allocated for the position.

Benchmark: a description of a real position having duties and responsibilities typical of a group of jobs in an occupational category, described in terms of factors which determine the level of the position or positions. Each benchmark includes the following sections: (1) Class Title, (2) Major Duties, (3) Factor Descriptions

Board of Governors (BOG): The UNC Board of Governors. The University of North Carolina System is governed by the Board of Governors, which under Chapter 116 of the North Carolina General Statutes has responsibility for the planning, development, and overall governance of the UNC System.

Board of Trustees (BOT): The UNC Board of Trustees. According to The UNC Code, UNC shall have a board of trustees composed of thirteen persons: eight are elected by the UNC Board of Governors, four are appointed by the NC General Assembly, and the remaining member is the president of the student government, ex officio. The Board of Trustees shall promote the

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sound development of its institution within the functions prescribed for it, helping it to serve the people of the state in a way that will complement the activities of the other institutions and aiding it to perform at a high level of excellence in every area of endeavor.

Branch: A job that is part of a major grouping of jobs that represent general fields of work where career paths are identified and career planning is emphasized. Applies to SHRA positions. This is a particular field of work within a job family. Examples include the Technology Support branch in the IT job family and the Accounting branch in the Administrative and Managerial job family. (See also Role.)

Career Banding | The University System classification and compensation system for SHRA employees. It is a pay structure that exchanges a large number of narrow salary ranges for a smaller number of broader salary ranges. This type of pay structure encourages the development of broad employee skills and growth.

Career Progression Adjustment: A salary adjustment within the salary range of the banded class to which an employee is assigned. A career progression adjustment may be granted in conjunction with demonstrated competencies or as justified through labor market as follows:

- **Competency/Skill:** documented change in duties and responsibilities result in increased/decreased knowledge, skills and abilities at the same overall competency level.
- **Competency Level Change:** Documented change in duties and responsibilities result in increased/decreased knowledge, skills and abilities at a higher or lower overall competency level within the same banded classification (Note: change in overall competency level that results from disciplinary action shall follow the demotion provisions of the policy.)
- **Labor Market:** Employee's salary is low in relation to market guidelines applicable to employee's knowledge, skills and abilities required of the position; or employee's salary is low in relation to market when compared to other employees performing the same type and level of work. **Salary Eligibility for Career Progression Adjustment:** Salary shall be based on application of all Pay Factors. Employees with active warnings/disciplinary actions or with overall below good or unsatisfactory ratings are not eligible for a career progression adjustment based on competency assessment

Career State Employee: Career State employee is a State employee or a local government employee who:

- is in a permanent position; and
- has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the State Personnel Act for the immediate 12 preceding months.

Classification Specification (class spec): A broad summary of the

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essential duties and responsibilities of a job. It is not intended to describe all the duties of each position in the class but rather to give a composite view of the class so as to set it apart from other classes. A class spec identifies the nature of the work performed, minimum education and experience required to perform the essential duties and responsibilities, and the knowledge, skills and abilities required. OSHR creates class specs in collaboration with agency HR staff and presents to the State Human Resources Commission as the approving authority for all class specs. Class Specs are used by agency HR analysts and OSHR for the job evaluation process.

Class Title: The class title is the official title to be used for payroll, position management and other human resources and budget records. It may cover positions in several agencies and does not preclude the use of more specific working titles, if individual agencies so desire. In a series where Roman numerals are used to indicate more than one level of work, the numeral "I" always denotes the lowest level.

Clinical Faculty Pay Plans: Since it is commonplace that substantial components of salaries of full-time faculty members in clinical departments of schools of medicine derive from receipts for patient care by approved institutional clinical practice plans, it is acknowledged that the total salary of faculty members for full-time service in these disciplines should reflect their levels of productivity. Thus, it is consistent that the salary of a faculty member in a clinical department be subject to a positive adjustment if there is a substantial increase in the individual's level of participation in the practice plan. These increases are exempt from the pre-approval process as they are contractual obligations and should be included in the June 30th salary for the purpose of calculating the increase above the June 30th salary.

Coaching and Athletic Director Contracts: UNC System HR acknowledges that contracts for head coaches and athletic directors often structure staggered salary increases over a period of years. It is acceptable to include those future, explicit, staggered increases on the original salary increase that is being reviewed and approved under the Salary Review Process. The provisions for future increases must be clearly defined; and a copy of the contract should be submitted at the same time as the salary increase. Additionally, please remember that System Office Legal Affairs should always be copied on BOT-approved athletic director and coaching contracts.

Compensatory (Comp) Time: Given in lieu of overtime pay at management discretion; non-exempt employees earn 1.5 hours of comp time for each hour worked over 40 in a work week. Comp time should be used before any other type of accrued leave; if it is not used within one year of being earned, it is paid out.

Competency Profile: A set of knowledge, skills and abilities required of the position based on business needs as determined by the manager. It can be contributing, journey, or advanced

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and applies to SHRA positions. A generalized description of the work, required competencies, and minimum recruitment standards for a particular SHRA career-banded job title. These are provided by the Office of State Human Resources.

Contributing Level: HRA competencies required in a position include knowledge, skills and abilities minimally necessary to perform a job from entry to journey. Applies to SHRA positions. Positions at this level are the entry-level jobs in a given title. (See also Journey level and Advanced level.)

Conversion: A position changing from SHRA to EHRA or vice versa.

Compensation Analysis: Every written salary justification should include details regarding the compensation analysis that was conducted to determine the proposed total salary. In other words, every justification should include how or why the institution chose the proposed total salary. These details could include the average salary of similarly-situated positions, the 50th and 75th percentiles, the salary range of the incumbents in similarly-classified positions (i.e. lowest paid vs. highest paid), any special skills and qualifications of the incumbent, or any resulting cost savings to the university. The details may vary from request to request and are extremely important on any increase of a sizable percentage or dollar amount. This information helps build and support the case for a salary adjustment and provides UNC System HR with stronger grounds for a defensible approval.

Competitive Event: For an offer to be considered a competitive event (internal or external) the expectation is to generally see at least three candidates interviewed. However, there are some circumstances in which it is not possible to obtain a pool of three viable candidates to interview. In those instances, please provide specific details regarding the search process and limited candidate pool. The request should always explicitly state whether the position was posted externally or internally. In the event that only one candidate applies for EHRA position, it is generally requested that the institution explore obtaining an EHRA waiver through their EEO office.

Competencies: Sets of knowledge, skills and abilities that employees need to successfully do their job. Competencies must be demonstrated on the job, measured according to standards set by the organization, and required of the job based on the organization's needs.

Contributing Competencies: The span of knowledge, skills and abilities minimally necessary to perform a job from entry up to the journey competencies recognized for the class.

Journey Competencies: Fully acquired knowledge, skills and abilities demonstrated on

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the job that are beyond the contributing competencies.

Advanced Competencies: The highest or broadest scope of knowledge, skills and abilities demonstrated on the job that are beyond journey competencies.

Course Overloads: Faculty members may from time to time teach courses that are in addition to the course load requirements specified in their effort allocation (e.g., PTEAP portfolio, employment contract). The term ‘overload teaching’ applies to faculty members teaching academic courses in addition to the course load requirements of their ‘usual faculty activity,’ as determined by their effort allocation, for which a base salary is paid. Course overloads are considered task-based compensation and are not included in the salary pre-approval process.

Cumulative Increase: The salary pre-approval process is based upon the cumulative increase for the fiscal year, not the increase between the current & proposed total salary. The June 30 salary typically consists of all compensation being received on that date -- whatever amounts would have been reported as W-2 “wages, tips and other compensation” (not including overtime pay). Also, a general note on Legislative Increases (“LIs”): any across-the-board LI awarded at the start of the fiscal year should be included in the “June 30” salary calculation, even if it was effective on July 1. This only applies to across-the-board LIs; it does not extend to discretionary EHRA increases under the annual raise process. (Generally, only SHRA employees see across-the-board LIs. In the event that we have a rare EHRA across-the-board increase, separate instructions will be distributed to prevent confusion.)

Current Salary: The employee’s current salary fields. If the current salary is different from the June 30 salary, the justification should always include an explanation for the difference.

EHRA -The acronym for Exempt from Human Resources Act. It represents positions exempt from the State Human Resources Act and therefore exempt from the policies and procedures promulgated by the State Human Resources Commission applicable to most State agency and university staff employees. EHRA status was created to address the unique personnel needs of the University of North Carolina.

Educational Requirements | The education level which employees must possess in order to successfully perform job functions which are essential to business operations.

Demotion: Change in employee status due to disciplinary action as outlined in Section 7 of the Human Resources Manual, resulting in:

- employee movement from one banded position to another with the same banded classification with a lower competency level, or
- employee movement from one banded position to another with a different banded classification with a lower market rate than the employee’s current market rate, or
- reduction in salary within same banded class.

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Salary Eligibility for Demotion: When demotion results in movement to another banded class, salary shall be reduced if it exceeds the maximum of the salary range. When demotion results in salary reduction in same banded class, salary may not be less than the minimum of the salary range. A salary reduced by disciplinary action may be less than appropriate rate based on Pay Factors.

Description of Work: This section describes by a general statement and then by more detailed statements the type of work and responsibilities which characterize the class. A consideration of such factors as scope, variety and complexity of work, relative independence of action, supervision received and exercised, and other distinguishing features are also included.

Equal Employment Opportunity: Equal Employment Opportunity (EEO) laws prohibit specific types of job discrimination in certain workplaces. The U.S. Department of Labor (DOL) has two agencies which deal with EEO monitoring and enforcement, the Civil Rights Center and the Office of Federal Contract Compliance Programs.

- Civil Rights Center oversees EEO in programs and activities receiving federal financial assistance. CRC also assures equal opportunity for all applicants to and employees of DOL.
- The Office of Federal Contract Compliance Programs oversees employers holding federal contracts and subcontracts.
- The Equal Employment Opportunity Commission (EEOC) is an independent federal agency that promotes equal opportunity in employment through administrative and judicial enforcement of the federal civil rights laws and through education and technical assistance. Applicants and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations may be assisted by the EEOC.

Equity: Fair treatment in access, opportunity and advancement for all individuals. Work in this area includes identifying and working to eliminate barriers to fair treatment for disadvantaged groups, from the team level through systemic changes in organizations and industries.

Essential Qualifications and Experience | The skills, knowledge and abilities which employees must possess in order to successfully perform job functions which are essential to business operations.

Employee: Any permanent (benefits-eligible) full-time or permanent part-time employee with a recurring appointment of at least nine months, a total FTE of 0.5 or more, and eligibility to participate in the State Health Plan. For this purpose, temps, student workers, post-docs (if

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not considered regular EHRA employees) and part-time, per-course adjuncts/lecturers do not fall under pre-approval review process.]

Exempt from the Human Resources Act (EHRA): Employees who are Exempt from the (State) Human Resources Act. These employees are members of one of the following groups: EHRA Faculty (professors, assistant professors, etc.) SAAO (Senior Academic and Administrative Officers), or EPS (Exempt Professional Staff which includes former Tier II SAAO Instructional, Research and Information Technology). Policies are administered by the UNC System Board of Governors.

Exempt Professional Staff (EPS): Employees who are Exempt from the (State) Human Resources Act that were previously identified as Senior Academic and Administrative Officers Tier II and those EHRA Non-Faculty. This category does not include Faculty or Tier I SAAO administrators.

Fair Labor Standards Act (FLSA) -A federal labor law that defines in part who is eligible for overtime compensation when working in excess of 40 hours in a workweek. Individuals who are not eligible for overtime compensation are referred to as FLSA "exempt" and those who are subject to overtime are referred to as FLSA "non-exempt". The FLSA contains a complex set of rules and procedures that defines which employees are and are not subject to various provisions of the Act.

Factor Descriptions: This section describes the relative degree of major evaluation factors present in the position. The factors described are those which are used to evaluate all positions in an occupational category. While factors are the same for all jobs in a given category of occupations, they may vary from one occupation to another. Factors which are generally common to all positions include minimum education/experience requirements, decision-making responsibility, as well as variety, complexity and scope of work. This list of factors is not exhaustive.

Faculty - Individuals who perform teaching, research, and/or "clinical" duties and are classified as members of the faculty under University policies and regulations.

Family Medical Leave Act (FMLA): The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:

- Twelve workweeks of leave in a 12-month period for:
 - o the birth of a child and to care for the newborn child within one year of birth;
 - o the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;

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- to care for the employee’s spouse, child, or parent who has a serious health condition;
 - a serious health condition that makes the employee unable to perform the essential functions of his or her job;
 - any qualifying exigency arising out of the fact that the employee’s spouse, son, daughter, or parent is a covered military member on “covered active duty;” or
- Twenty-six workweeks of leave during a single 12-month period to care for a covered servicemember with a serious injury or illness if the eligible employee is the servicemember’s spouse, son, daughter, parent, or next of kin (military caregiver leave).

Full-Time Equivalent (FTE) | Full-Time Equivalent. FTE is a unit that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. An FTE of 1.0 is equivalent to a full-time worker and represents a primary schedule of 40 hours per week, while an FTE of 0.5 signals half of a full workload.

Funding Source: For each request the detail on the amount of the salary paid on state and non-state funds is required. When non-state fund sources are indicated, the type of non-state fund source (e.g., grant, trust, etc.) must be listed.

Horizontal Transfer: Employee movement from one banded position to another with the same market rate. **Salary Eligibility for Horizontal Transfer:** Salary shall be based on application of all Pay Factors. If employee’s current salary exceeds appropriate rate based on Pay Factors and the transfer is not by employee choice, salary may be maintained except the salary may not exceed the maximum of the class salary range. If the transfer is by employee choice, and the current salary exceeds the appropriate rate based on the pay factors, the salary shall be reduced to the appropriate rate.

Intra-Campus or Agency Transfers: Employees hired into an SHRA role from another UNC institution or North Carolina state agency fall under the UNC System HR salary pre-approval guidelines. Employees hired into an EHRA role from another UNC institution or agency do not fall under the salary pre-approval guidelines, as these employees are considered under the guidelines to be new hires.

Instructional, Research and Information Technology (IRIT): this category of non-faculty employees are also Exempt from the State Human Resources Act (EHRA). These positions deliver the core-mission activities of the University: creating and disseminating knowledge through direct instruction, research, and public service; or performing professional-level duties that are integral to and uniquely supportive of that work. The purpose of each such position must be substantially engaged in the regular academic, educational, research, or public-service/extension activities of the University. The majority of EHRA-NF positions are in

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this classification. IRIT was once dedicated to professionals involved in academic instruction and research but has grown to include many other professional areas in recent years, including information technology, accounting, business, finance, library science, public service and extension, athletics management, and law enforcement officers.

Job Category (JCAT): A classification scheme that assigns a standard code to each position that describes its functional purpose.

Job Family: A group of jobs involving work of a similar nature but requiring different knowledge, skill and responsibility levels.

Journey Level: SHRA competencies required in a position represent a fully-applied body of knowledge, skills and abilities. Applies to SHRA positions. Positions at this level are fully functioning within a job title and have broader duties, greater scope, and more complexity than the Contributing level. (See also Contributing level and Advanced level.)

June 30 Salary: The employee's total salary on June 30 of the prior fiscal year. This includes the base salary and any long-term stipends/supplements with no defined end date. Interim stipends/supplements with a defined end date (roughly for a year or less, unless extended) should not be used to determine the percent and amount of increase above the June 30 salary – though any such active interim stipend/supplement should be noted in the justification. Any across-the-board Legislative Increases (“LIs”) awarded at the start of the fiscal year should be included in the “June 30” salary calculation, even if it was effective on July 1. This only applies to across-the-board LIs; it does not extend to discretionary EHRA increases under the annual raise process. (Generally, only SHRA employees see across-the-board LIs. In the event that we have a rare EHRA across-the-board increase, separate instructions will be distributed to prevent confusion.) If there is any difference between the June 30 salary and the current salary, there should always be an explanation in the justification.

Knowledge, Skills and Abilities: Knowledge, skills, and abilities set forth the requirements of employees for successful work performance in positions allocated to the class. They are written in terms of what is required of new employees at time of appointment or promotion. They do not specify the desirable qualifications of a thoroughly experienced employee in the class. Their purpose is to be of assistance in the recruitment, examination, and placement of applicants. They may be used also to identify training guides to develop promotability of lower level employees. Personal characteristics such as honesty, courtesy, dependability, sobriety, and industry are not mentioned; they are requirements for all employees in all classes of work in State service.

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Legislative State Increase (LSI): Legislative State Increase, a salary increase that may be granted by the NC General Assembly to all state employees. In years where an LSI is granted, eligibility requirements and effective dates may vary year to year based on legislative rulings.

Mandatory Separation Requirement: Temporaries may not work for more than 11 consecutive months without a lapse in employment of 31 or more days. This is called the Mandatory Separation Requirement. Retirees who certify that they are not available for or seeking permanent employment are exempt from the mandatory separation requirement and may work more than 11 consecutive months without being separated. This certification is made in the employee's onboarding packet.

Major Duties: This section describes the major level determining duties of the position. This list reflects duties of a specific position and is not exhaustive.

Market Index: A ratio of an employee's salary to the appropriate market rate. It is calculated by dividing the employee salary by the market rate. The index is expressed as 100 being at market, with 95 indicating 5% below market and 105 indicating 5% above market.

Market Rate: Average pay rate as determined by the Office of State Human Resources when comparing benchmark jobs to relevant local, state or national organizations that recruit and hire employees with the same or similar competencies. Rates are determined for each competency level (contributing, journey and advanced). For EHRA positions see the reference rate definition.

Minimum Recruitment Standards: The minimum qualifications required by the State for an appointment to a given classification. These include the required "knowledge, skills and abilities," "minimum training and experience" plus any other special requirements such as certificates and licenses. These are required to qualify the applicant for the minimum and, if applicable, the special minimum rate.

Office of State Human Resources (OSHR): The Office of State Human Resources, an agency that oversees personnel policies and programs for SHRA employees throughout the state. The Office of Human Resources at the University is granted delegated authority by OSHR to administer many of these policies.

P&T: The Committee on Personnel and Tenure of the UNC Board of Governors.

Pre-Approval: The process, delegated by formal UNC Policy, in which UNC System HR and/or the BOG approves salary increases that exceed established thresholds. Salary increases that exceed the System Office's delegated approval threshold are reviewed during BOG meetings, which occur approximately every four to six weeks.

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Pay Equity: Pay equity is the concept of compensating employees who have similar job functions with comparably equal pay, regardless of their gender, race, ethnicity or other status. Yet, this practice is often more complex than simply eliminating biases. Employers must weigh other factors, like the employee's education and work experience, the responsibilities of the position, and the organization's long-term financial stability. Employers who implement fair pay policies may be able to prevent discrimination lawsuit, comply with equal pay regulations, improve productivity and morale, reduce workplace turnover, and attract talented new employees.

Pay Factors (F.A.I.R.)

- **Financial Resources:** The amount of funding that a manager or organization has available when making pay decisions.
 - o Agency business need (budget)
- **Appropriate Market Rate** - The market rate applicable to the functional competencies demonstrated by the employee.
 - o Journey market rate guidelines/market reference rate guidelines and related market information
 - o Market dynamics
- **Internal Pay Alignment** - The consistent alignment of salaries among employees who demonstrate similar required competencies in the same banded class within a work unit or organization.
 - o Internal pay alignment (equity)
 - o Current salary and total compensation
- **Required Competencies** - The functional competencies and associated levels that are required based on organizational business need and subsequently demonstrated on the job by the employee.
 - o Minimum qualifications for class
 - o Knowledge, skills, and abilities
 - o Related education and experience
 - o Duties and responsibilities
 - o Training, certifications, and licenses

PeopleAdmin: The recruitment system used for temporary (SHRA, EHRA Non-Faculty, Visiting/Part-time Faculty) and permanent EHRA Non-Faculty job postings. NCA&T uses PeopleAdmin is a Online Employment Management System. PeopleAdmin 7, an industry-leading online position management and applicant tracking system. The system automates personnel actions related to position management, classification/compensation and recruitment for permanent EHRA, Post Doctoral and SHRA positions.

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Position Description (PD): A written statement that explains the responsibilities and qualifications of a given job. The job description includes specific required tasks as well as an overview of the position and whom the employee reports to.

Preferred Qualifications and Experience: Skills, knowledge and abilities which employers would like for a candidate to have which may be beneficial to business operations but are not required to perform the duties of the position.

Position Analysis: Position analysis is the process of describing and evaluating the different kinds and levels of work found in the organization and grouping positions with similar kinds of work on the basis of major factors which includes but is not limited to minimum education/experience requirements, decision-making responsibility, as well as variety, complexity and scope of work. Position analysis involves the application of accepted techniques of job evaluation to produce a systematic classification plan that forms the basis for an equitable and logical pay plan, meaningful standards of recruitment and selection, identification of training needs, a framework for performance evaluation, and information to support management in planning, budgeting, and maintaining the organization.

Principal Functions: Description of the principal duties and responsibilities of a position, with associated percentages.

Promotion: Promotion is a change in status upward resulting from assignment to a position assigned a higher salary grade.

Promotional Priority: Promotional priority is applied when there is no reasonable or justifiable difference in the selected non-state applicant's job-related qualifications and the most qualified state employee applicant seeking a promotion who received the highest evaluation by the hiring manager or hiring team. Thus, a promotional priority serves as a tiebreaker when, after all evaluation factors are considered, an internal career status applicant seeking a promotion is evaluated as equal to the highest evaluated applicant from outside state government. When the top interviewed applicant receives the highest evaluation based on merit, all interviewed state applicants with lower evaluations do not have promotional priority claims. Qualification determinations for referred applicants are made by the hiring manager or hiring team. Promotional priority serves to benefit the state employee when a non-state employee and the state employee's qualifications would otherwise be equal, and has no bearing on determining the decision to grant or not grant an interview. "Substantially equal qualifications" occur when the employer cannot make a reasonable and justifiable determination that the job-related qualifications held by one applicant are significantly better suited for the position than the job-related qualifications held by another applicant.

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Proposed Total Salary: Base salary and non-base temporary pay and/or salary supplements. Examples of applicable non-base compensation include interim/acting pay, temporary additional duties, supplements for faculty department chairs, center directors, and other administrative appointments, and distinguished faculty titles.

Promotion: Definition: Employee movement from one banded position to another with a higher market rate. **Salary Eligibility for Promotion:** Salary shall be based on application of all Pay Factors

Reallocation: Assignment of a banded position/employee to a different banded classification approved by the Human Resources Director or designee and documented through data collection and analysis according to customary professional procedure the processes and procedures outlined by the Office of State Human Resources in the Classification Basics Training.

- **Reallocation Up:** Employee assignment to a different banded classification with a market rate higher than the employee's current market rate.
- **Reallocation Down:** Employee assignment to a different banded classification with a market rate lower than the employee's current market rate.
- **Salary Eligibility:** Salary shall be based on application of all Pay Factors.

Reclassification: A position reclassification is the assignment of a new salary band, branch, or role. A reclassification may be due to the position duties and responsibilities changing substantially due to changes in organization, work, staffing requirements, etc. For SHRA positions, also referred to as reallocation.

Reasonable Accommodation: Under Title I of the Americans with Disabilities Act (ADA), a reasonable accommodation is a modification or adjustment to a job, the work environment, or the way things are usually done during the hiring process. These modifications enable an individual with a disability to have an equal opportunity not only to get a job, but successfully perform their job tasks to the same extent as people without disabilities. The ADA requires reasonable accommodations as they relate to three aspects of employment: 1) ensuring equal opportunity in the application process; 2) enabling a qualified individual with a disability to perform the essential functions of a job; and 3) making it possible for an employee with a disability to enjoy equal benefits and privileges of employment.

Reduction in Force (RIF): An agency or university has the authority to separate an employee whenever it is necessary due to:

- Shortage or loss of funds;
- Shortage or loss of work;
- Abolishment of a position; or
- Other material changes in position duties or organization

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SHRA RIFs require review and approval of System HR; severance on state funds requires review and approval of OSHR and OSBM. No loss of funds shall be required as a precondition for a reduction in force; however, an agency or university may not use the RIF process to circumvent the disciplinary process required to separate or demote an employee for a disciplinary reason. RIF procedures also apply to position or budgetary changes that result in an involuntary reduction in an employee's work hours. A decision to implement a RIF must be reached only after the systematic consideration of actions designed to avoid the layoff. These actions may include but are not limited to the elimination of vacant positions; reduction in non-personnel related expenses; placement in a vacant position for which the employee qualifies; or retraining employees to facilitate placement in other positions at the agency or university.

Reference Rate: Typically, the 75th percentile of the market for similar positions in that EHRA job family band. This may be interchangeably referred to as the market rate.

Senior Academic and Administrative Officers Tier I (SAAO Tier I): Senior officers of the University exempt from the State Human Resources Act (EHRA) and are characterized by the following job titles: president; the vice presidents and other members of the president's professional staff designated by the Board of Governors; the chancellors of the constituent institutions; the vice chancellors, provosts, and deans of the constituent institutions, and the directors of major administrative, educational, research and public services activities of the constituent institutions designated by the Board of Governors.

Reclassifications/Title Changes: For reclassifications/title changes, the current and new titles must be listed. If the title does not change, please list the current title as the proposed title as well. Do not say "Same" or leave the field blank.

Reinstatement: Reemployment of a former employee into a banded position after a break in service (defined as 31 calendar days) or reemployment of an employee in a banded position from leave without pay (LWOP). **Salary Eligibility for Reinstatement:** Salary shall be set based on application of all Pay Factors. Reinstatement from LWOP into previous position shall be previous rate unless a higher rate is justified with across-the-board increases or as a career progression adjustment.

Retention Adjustment: A salary increase not covered by other pay administration policies that may be necessary to retain a key employee where there is a written job offer from an employer outside the State government structure which provides greater compensation without increased competencies and there is no current employee with substantially equal competencies to assume those duties. Eligible employees shall have a satisfactory performance rating.

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- 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.
- All SHRA retention adjustments greater than 20% require System Office HR approval. SHRA retentions must comply with OSHR policy and procedure, which specifies that the employee must have an official written offer from an employer outside State government which provides greater compensation without increased responsibility. The offer of employment must include the salary offered, location, and new job title.
- 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.

Salary Eligibility for Retention: A retention adjustment may result in an employee’s salary being above the appropriate rate based on Pay Factors. The salary shall not exceed the maximum of the pay range.

Retiree Returning to Work (Rehired Retirees)

You must be retired for at least six months before returning to work in North Carolina state government. Retirees who perform work with a North Carolina state government employer within six months of their retirement are subject to TSERS financial penalties. Rehired retirees may be subject to earnings limits with the Social Security Administration and/or their previous employer and should consult with these entities before returning to the workforce. Rehired North Carolina state government retirees typically work 29 or fewer hours on average per week per year. Working more than this amount may affect your State Health Plan benefit.

Retroactive Increases: Approved EHRA increases may be effective as early as the first of the calendar month in which the request is first submitted to UNC System HR (assuming that occurs within a reasonable period, such as three months or less). Longer EHRA retroactive increases are only approved for exceptional circumstances. If a retroactive effective date is submitted, the request must include specific details regarding the reason for the retroactive adjustment. Approved SHRA increases are effective no earlier than the day approval is given. SHRA retroactive increases are not permitted in accordance with OSHR rules.

Salary Compression: Also known as wage compression or pay compression is when there’s little difference in pay between team members, despite differences in things like skills, experience, performance, seniority, or tenure. **This often** occurs when newly-hired, less-experienced employees earn close to what current employees make. While salary compression is not illegal, it is often accompanied by pay inequities that could violate equal pay laws. In situations where salary compression causes salary inversion—where newer staff

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make more than experienced staff—it could create a pay equity problem if the experienced staff are a protected class.

Salary Structure: The EHRA Non-Faculty salary structure is a formal compensation document that details all of the different job families and their associated salary band minimums, reference rates, and maximums. The compensation program is part of the University's commitment to offer fair, equitable, competitive compensation considering the scope of job responsibilities, relevant experience, employee's performance against job expectations, appropriate compensation comparison markets, and available budgetary resources.

Salary Ranges: Salary ranges are required for all requests (salary and position). For each submission, it is required to note whether the salary range was set by UNC System HR or at the institution level. Providing the Salary Range Minimum and Maximum is always required, and the institution will also have the option of providing a 50th and 75th percentile, if available, on salary increase requests. (Though it is strongly recommended to include the data whenever possible.) Any proposed total salary below the established Minimum, or above the established Maximum, must be addressed in the justification. An exception must be granted for approval on salary increases that are below the salary Minimum or exceed the salary Maximum. Questions about salary ranges should be directed to a UNC System HR Representative.

Senior Academic and Administrative Officers Tier II (SAAO Tier II): Other senior officers of the University exempt from the State Human Resources Act (EHRA). This includes members of the president's professional staff other than those identified as SAAO I; senior associate, associate and assistant vice chancellors; vice, senior associate, associate and assistant provosts; vice, senior associate, associate and assistant deans; and other administrative positions within the constituent institutions.

State Health Plan (SHP): The mission of the State Health Plan is to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being. The Plan provides health care coverage to nearly 750,000 teachers, state employees, retirees and their dependents. The Plan is self-insured and exempt from the Employee Retirement Income Security Act as a government-sponsored plan. The Plan offers two Preferred Provider Organization (PPO) plans; the Base PPO Plan (70/30) and Enhanced PPO Plan (80/20), for active and non-Medicare members. PPO plans offer freedom of choice among in-network providers, lower out-of-pocket costs and a strong emphasis on preventive health. The Plan also offers a High Deductible Health Plan for those who are deemed eligible by their employing agency. For our Medicare eligible retirees, the Plan offers three health plan options. These plans include two Group Medicare Advantage Plan options that feature benefits and services such as access to the SilverSneakers® Fitness

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Program, a nurse help line and disease and case management. Retirees may also choose the Base PPO Plan (70/30), which is the same plan available to active members.

State Human Resources Act: State law that sets forth the terms and conditions of employment for most State employees (SHRA, subject to the Act) except those defined as exempt from the Act (EHRA). SHRA employees are Subject to the North Carolina Human Resources Act. SHRA positions are classified into career-banded classifications based on competencies required for the position and demonstrated by the employee. Career-banded classifications and their associated salary ranges are determined by the Office of State Human Resources (OSHR).

Stipend/Supplement (Non-Specific End Date): A rate outside of the base salary paid for a secondary appointment or honorary award (i.e. Department Head/Chair, Director of Graduate Programs, Distinguished Faculty) with no specific end date, typically 13 months or greater. Stipends/supplements with no specific end date do count cumulatively towards the permanent base salary for any subsequent salary requests and should be included in the submission with specific details regarding the amount and timeframe of the secondary appointment. If a salary request includes an increase to base salary and the addition of a salary supplement/stipend, a justification should be provided for each portion of the increase. (For instance, a market adjustment to the base salary that brings the base salary more in line with a CUPA market rate, accompanied by a supplement/stipend for serving in a secondary administrative role, should be carefully explained in the justification.)

Stipend/Supplement (Specific/Projected End Date): A rate outside of the base salary paid for interim, acting, or temporary duties that have a specific end date, typically less than 13 months. Stipend/supplements with specific/projected end dates generally do not count cumulatively towards the permanent base salary for any subsequent salary requests (unless the action in question is about the temporary duty), but should be clearly detailed in the justification.

Task Based Compensation: Lump sum or short-term payments for tasks like course overloads, summer school, speaking engagements, summer sports camp, or overtime. This is not counted as either base salary or supplemental salary.

Temporary Promotion: Temporary promotions may be made when an employee is placed in an “acting” capacity for a specified period of time. At the discretion of management, one of the following may occur:

- The employee may be placed in the higher-level position (if vacant) with a promotional increase and with an understanding that the employee will return to the former position and salary when the position is filled; or
- A promotional salary increase may be given in the present position with the

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understanding that the salary will be decreased when the “acting” capacity ends. The agency shall indicate on the PD-105 form (or other similar form) the position number, classification, and salary grade for which the employee is serving in an “acting” capacity and the expected duration. The salary may not exceed the maximum of the “acting” salary grade.

The provisions for salary increase for permanent promotions apply; however, the amount of the promotional salary increase shall be determined by the degree of assumption of the higher level duties.

Term Appointment: EHRA permanent employees with a set expected end date of their appointment. These are generally only coaches or librarians, other term appointments must be specially requested from the Office of Human Resources EHRA Non-Faculty Unit.

Time-Limited: SHRA positions that are most often used when there are soft monies or grant monies to fund a position where there are no guarantees in the continuance of the funding source. Additionally, time-limited positions are frequently used when there is a project with a defined end date within three years. Employees with a time-limited appointment receive leave, total state service credit, retirement and health benefits. However, upon separation, time-limited employees are not eligible for severance pay, priority re-employment, or health insurance continuation. Time-limited positions can be filled by more than one employee, but if an employee is retained in a time-limited position beyond three years, the employee and position must become permanent.

Total Salary: Base Salary + Stipend/Supplement: The total salary should be used to determine the percentage of increase when the stipend/supplement is scheduled to be in place for an indefinite period of time.

UNC System Office: The UNC System Office, also known as SO, which oversees all the constituent institutions of the University of North Carolina system. The UNC System Office is located just off campus in Chapel Hill.

Working Title: A job title that can describe the responsibilities of the position, the level of the job, or both. The working title is used in the campus directory and is assigned to a specific position to describe that specific role. It is also used in postings for vacancies.