The salary and wage policy for fiscal year 2019-20 & 2020-21 provides guidelines for salary and wage setting that supports the objective of optimizing the university’s ability to continue to attract and retain outstanding faculty and staff talent.

The salary and wage policy is predicated on an overall budget framework WITHOUT structural deficits.

2019-20 Policy
- Each RC average base salary increase pool is approved up to 2% for continuing faculty and staff:
  - The 2% increase pool includes a mandatory increase of 1% (RC Level), and an additional increase of up to 1% is permitted assuming the organization has available resources. Exceptions include:
    - Union employees
    - Employees with annual base rates below $31,200
  - Exceptions to the 1% mandatory increase (RC Level) requires approval by the Provost.
  - BL Support Unit RC’s will be centrally funded 1.5%. Up to an additional .5% will be allowed, per policy, based on the RC’s own funding ability.
  - Increases above 8% without one of the exception codes noted in this policy should be sent to AVP Aimee Heeter (aheeter@iu.edu). These increases will be Approved by the Provost & Executive Vice President. Increases will also be reviewed by the Vice President for Human Resources and the Vice President & Chief Financial Officer.

2020-21 Policy
- RC average base salary increase pool is approved up to 2% for continuing faculty and staff assuming the organization has available resources. Exceptions include:
  - Union employees
  - Employees with annual base rates below $31,200
- Increases above 8% without one of the exception codes noted in this policy should be sent to AVP Aimee Heeter (aheeter@iu.edu). These increases will be Approved by the Provost & Executive Vice President. Increases will also be reviewed by the Vice President for Human Resources and the Vice President & Chief Financial Officer.
- RCs will not be setting salaries for FY 21 in FY 20 Budget Construction (this is for planning only).

A list of includable reason codes is provided below. An employee receiving a 0% increase must be coded with one of the following codes. Employees’ base pay must meet or exceed the minimum of the pay range for their position’s classification. The use of these codes will NOT exclude an increase from the salary average increase calculation:
a. INS – Insufficient Funds.
b. MID – Employee received off-cycle increase during the current fiscal year resulting in no 7/1 increase or a reduced increase %.
c. NEW – Academic, Professional staff and non-union support or service new hire resulting in no 7/1 increase or a reduced increase %.
d. PER – Less than satisfactory performance, which should be documented by a performance improvement plan or other corrective action in the current fiscal year or within the previous 12 months, resulting in no or a reduced increase.
e. TER – Employee will terminate or retire during the upcoming fiscal year and should not receive an increase.

The policy provides an exception for individuals excluded from the average for the following reasons ONLY (please code for exclusion every funding line with the reason code and calculated amount of the exclusion):

Excludable Reason Codes Applicable to Faculty:
   a. EQU – Affirmative Action approved increases.
   b. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
   c. INT – Employee salary increases mandated by the Department of Labor.
   d. MAR – Market adjustments for faculty that have fallen behind in base salary as compared to similar appointments on campus. The request will be submitted to the Campus Budget Office and Campus Academic Affairs Office for approval. Requests should also be submitted to aheeter@iu.edu.
   e. MYR – Written agreement completed prior to May 13 that includes a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement to Aimee Heeter (aheeter@iu.edu).
   f. NTN – Newly tenured faculty.
   g. PRO – Faculty receiving promotion in rank or newly named as Distinguished Professors.

   NOTE: Faculty with the exclusion code of NTN or PRO should receive the standard increase associated with the exclusion as well as the salary policy increase established for the campus. The total amount will be entered into the request field and the exclusion amount entered into the reason code amount field.

Excludable Reason Codes Applicable to Staff:
   a. EQU – Affirmative Action approved increases.
   b. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
   c. FYS – Fiscal year supplement is required for Non-Exempt staff above the maximum salary range. This reason code may also be used for exempt employees above the maximum of the salary range or other non-union employees who are receiving compensation well above their position requirements for the salary range.
   d. HLR – Staff position duties have substantially changed within level and the position now has a sustained increase in responsibility documented in a position description approved by Compensation during the current fiscal year. In addition:
i. In order to use this code, the increase cannot have already been processed via a Mid-year Pay Adjustment.

ii. The staff position is eligible for a salary/wage increase up to an additional 8% (combining the HLR percentage with the campus/RC salary policy will result in a higher percentage).

iii. Requested increases should not exceed the associated salary range maximum or create internal equity or compression issues.

iv. Submit the increase request and supporting documentation to Compensation via hrcomp@iu.edu by May 13.

e. INT – Employee salary increases mandated by the Department of Labor.

f. MAR – Market adjustments for employees that have fallen behind in base salary as compared to similar positions on campus and/or in the market. External market data must be provided to and approved by Compensation. Submit the request and supporting documentation to Compensation via hrcomp@iu.edu by May 13.

g. MYR – Written agreements completed prior to May 13 that include a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement to Aimee Heeter (aheeter@iu.edu).

h. RCL – Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank effective 7/1 of the upcoming fiscal year.

For Employees with Base Rates Less Than $31,200*

Employees earning less than $31,200 on a full time calculation, after a 2% salary increase, will receive an additional base increase up to $624. This increase is limited to the amount needed to reach $15/hr or $31,200/annually.

To achieve the University’s goal of a $15 minimum wage, the minimum hourly pay rate for appointed faculty and staff will be increased incrementally in FY20, FY21, and FY22. In a given fiscal year, if an employee’s hourly pay rate is below the minimum after receiving a 2% salary increase and an additional base increase of $624, the employee’s hourly rate should then be increased to be equal or greater to the new minimum:

- FY20 - $12.33/hr ($25,646.40 Annually)
- FY21 - $13.66/hr ($28,412.80 Annually)
- FY22 - $15/hr ($31,200 Annually)

A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover, a file of budgeted CSF Tracker records will be sent to each campus to assist in budgeting and determining the costs, by account. For employees not covered by union agreements, salaries for those paid less than $31,200 ($15/hr) should be set according to this policy, and the reason code “FLT” assigned to the increase.

*Dually employed faculty or staff can be excluded from this policy using the excludable code MYR.
Support and Service Staff Represented by Unions

For support and service staff covered by a union (i.e. AFSCME Service, AFSCME Police, IATSE and CWA), the salary increase pool available for distribution shall be calculated based on the following:

- The salary increase pools for employees represented by unions will provide for an overall average of 2%.
- Employees earning less than $31,200 on an annualized full-time equivalent rate after the salary policy increase, will receive an additional base increase up to $624, with this increase limited to the amount needed to reach $15/hr or $31,200/annually. A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover from the University Budget Office, a file of budgeted CSF Tracker records will be sent to assist in determining the cost, by account for budgeting in the salary reserve line.

Salary statistics by RC are calculated independently within three employee classifications: Faculty, Professional Staff, and Support/Service Staff. The lack of a percentage maximum does not guarantee campus or university approval of proposed salary or wage increases. Units must be able to justify large increases, no increase, or salary and wage decreases for individual employees. All increases should be covered by existing unit budgets. Resulting salaries and wages should be commensurate with those of similar job ranking across the university. Provide justifications for increases in excess of 8% with your budget submission.

As always, please do not share salary and wage recommendations with employees prior to Trustee approval of the budget.