Indiana University
2018-19 Operating Budget

Salary and Wage Policy for Fiscal Year 2018-19—All Fund Groups

The salary and wage policy for fiscal year 2018-19 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.

- Each campus and RC average base salary increase pool is approved **up to** 3% for continuing faculty and staff:
  - The 3% increase pool includes a <u>mandatory</u> increase of 1%, with the exception of
    - Union employees
    - Employees with annual base rates below $31,200
  - The additional increase of up to 2% is permitted assuming the organization has available resources.
  - Exceptions to the 1% mandatory increase require approval by the Executive Vice President and President.
  - University Administration RC's will be centrally funded for the mandatory 1% increase. Up to an additional 2% will be allowed, per policy, based on the RC's own funding ability.
- Increases above 8% require Campus and Associate Vice President for Human Resources Review.

A list of **includable** reason codes is provided below. <u>An employee receiving a 0% increase must be coded with one of the following codes</u>. The use of these codes will <u>**NOT**</u> exclude an increase from the salary average increase calculation:

a. INS – Insufficient Funds.
b. MID – Employee received off-cycle increase during 17-18 budget 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 FY18 or within the previous 12 months, resulting in no or reduced increase for FY18.
e. TER – Employee will terminate or retire in FY19 and should not receive an increase.

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

Excludable Reason Codes Applicable to <u>Faculty</u>:

a. EQU – Affirmative Action approved increases submitted prior to March 2018.
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.
e. MYR – Written agreement completed prior to April 9, 2018 that include a salary increase requirement for the FY2018-19. Please provide a copy of the individual's agreement.
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 submitted prior to March 2018.
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 FY 2018. In addition:
    1. In order to use this code, the increase cannot have already been processed via a Mid-year Pay Adjustment
    2. 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)
    3. Requested increases should not exceed the associated salary range maximum or create internal equity or compression issues
    4. Submit the increase request and supporting documentation to Compensation via hrcomp@iu.edu by April 9, 2018.
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 or approved by Compensation. Submit the request and supporting documentation to Compensation via hrcomp@iu.edu by April 9, 2018.
g. MYR – Written agreements completed prior to April 9, 2018 that include a salary increase requirement for FY18-19. Please provide a copy of the individual's agreement to the campus budget office via budu@iu.edu
h. RCL – Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank effective 7/1/2018.

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** $600 for monthly or $603.20 for hourly. This increase is 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, a file of budget 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.

The PER excludable code should be used for employees with less than satisfactory performance. This should be documented by a performance improvement plan or other corrective action in FY18 or within the previous 12 months.

*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 $603.20 annually, 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 budget 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 FY18-19 budget.