

Indiana University
2017-18 Operating Budget

Salary and Wage Policy for Fiscal Year 2017-18—All Fund Groups

The salary and wage policy for fiscal year 2017-18 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 limited to 2%, for continuing faculty and staff assuming the organization has available resources.
 - A campus (with VPCFO approval) or responsibility center (RC) (with Campus approval) may elect, given its priorities and resource constraints, to set a salary increase pool lower than provided in this policy.
 - University Administration RC's will be centrally funded for increases of ONLY 1.5%. An additional 0.5% will be allowed, per policy, and 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. An employee receiving a 0% increase must be coded with one of the following codes. Please code every funding line with the reason code and calculated amount of the reason. 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 16-17 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 FY17 or within the previous 12 months, resulting in no or reduced increase for FY18.
- e. FYS – Fiscal year supplement (bi-weekly staff above the maximum salary range).

The policy provides for 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 submitted prior to March 2017.
- b. EQY– Submit request to Campus Academic Affairs for review and approval.
- c. FLT – Employees earning less than \$31,200 annualized, receiving a flat increase.
- d. INT – Employee salary increases mandated by the Department of Labor.
- e. MYR – Written agreement completed prior to May 15, 2017 that include a salary increase requirement for the FY2017-2018. 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.

Excludable Reason Codes Applicable to Staff:

- a. EQU – Affirmative Action approved increases submitted prior to March 2017.
- b. EQY – 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 salaryiu@iu.edu by May 15, 2017.
- c. FLT – Employees earning less than \$31,200 annualized, receiving a flat increase.
- 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 during FY 2017 (position submitted for position review July 1, 2016- May 15, 2017) and approved by Compensation are eligible for up to an additional 8% salary/wage (combining the HLR percentage with the campus salary policy will result in a higher percentage); requested increases should not exceed the associated salary range maximum or create internal equity or compression issues. Submit the increase request and supporting documentation to Compensation via salaryiu@iu.edu by May 15, 2017.
- e. INT – Employee salary increases mandated by the Department of Labor.
- f. MYR – Written agreements completed prior to May 15, 2017 that include a salary increase requirement for FY17-18. Please provide a copy of the individual's agreement.
- g. RCL – Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank.

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

Employees earning less than \$31,200 on a full time calculation, after the salary policy 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 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 FY17 or within the previous 12 months.

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, 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 FY17-18 budget.