

# Indiana University

## Salary and Wage Policy for Fiscal Year 2021-22

### All Fund Groups

The salary and wage policy for fiscal year 2021-22 provides salary and wage setting guidelines which support the objective of optimizing the university's ability to continue to attract and retain outstanding faculty and staff talent.

For fiscal year 2021-22, Executive Vice President or Vice President (or delegate) approval is required:

- To fill new and recently vacated appointed academic and staff positions, including visiting faculty
- Mid-year salary increases above 8%

Effective July 1, 2021, President or Executive Vice President approval is no longer required for the following hiring or payment actions: (Campus level review and approval may still be required. Please refer to campus budget instructions):

- All externally funded appointed faculty and staff positions
- Mid-year salary increases for Higher Level Responsibilities, career progression, and market adjustments (if below 8%)
- Adjunct and part-time instructors
- Independent contractors
- Temporary Employees, including students and work-study
- Temporary additional and supplemental pays
- Summer salary for 10-month faculty and adjunct positions
- Student academic appointees

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

### 2021-2022 Policy

- Each campus and Responsibility Centers (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%, and an additional increase of up to 1% is permitted assuming the organization has available resources.
  - Exceptions to the 1% mandatory increase require approval by the Executive Vice President and President and will be coded with one of the includable reason codes.
- University Administration Responsibility Centers (RC) will be centrally funded for a 1% increase. Up to an additional 1% will be allowed, per policy, predicated on the RC's own base funding ability.

### University Minimum Wage

- Effective July 1, 2021, the University's minimum wage is \$15 per hour (\$31,200 annual) for **appointed** faculty and staff.
  - Dually employed faculty or staff can be excluded from this minimum wage policy using the excludable code MYR.

### Salary Compression Adjustments

- Appointed faculty and staff with current hourly pay rates exceeding \$15/hour and less than \$17/hour may receive up to an additional \$500 in annual base salary (\$0.24/hr), after the mandatory 1% annual pay increase (1.25% for union), with the following criteria:
  - Must have 3 or more years of service with the University

- The \$500 payment is limited to the amount needed to reach \$17/hour
- Excludes employees that will receive a pay increase of 1% or greater in order to meet the \$15/hr minimum wage
- Increases above 8% without one of the exception codes noted in this policy should be sent to [budu@iu.edu](mailto:budu@iu.edu) (with campus budget narrative materials) after campus approval. These increases will also be reviewed by the Vice President for Human Resources and the Vice President & Chief Financial Officer.

A list of **includable** reason codes is provided below. An employee receiving less than a 1% 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, Exempt staff and non-union non-exempt 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 positions on campus and/or in the market. External market data must be provided. Submit the request and supporting documentation [budu@iu.edu](mailto:budu@iu.edu) after campus approval.
- e. MYR – Written agreement completed prior to May 14 that includes a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual's agreement to the University budget office via [budu@iu.edu](mailto:budu@iu.edu), along with the campus budget narrative materials.
- f. NTN – Newly tenured faculty.
- g. PRO – Faculty receiving promotion in rank or newly named as Distinguished Professors.
- h. SCA - Salary compression adjustment as outlined above.

**NOTE:** Faculty with the exclusion code of NTN or PRO should receive the salary policy increase established for the campus, and the standard increase associated with the exclusion. 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:
  - In order to use this code, the increase cannot have already been processed via a Mid-year Pay Adjustment.
  - 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).
  - 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 [hrcomp@iu.edu](mailto:hrcomp@iu.edu) by April 23.
- 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](mailto:hrcomp@iu.edu) by April 23.
- g. MYR – Written agreements completed prior to May 14 that include a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual's agreement to the University budget office via [budu@iu.edu](mailto:budu@iu.edu).
- h. CAR – Staff either (a) progressed to a higher career level, or (b) promoted to a different position of a higher career level effective 7/1 of the upcoming fiscal year.
- i. SCA - Salary compression adjustment as outlined above.

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

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.

#### Non-exempt Staff Represented by Unions

Non-exempt 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 1.25% in FY22.
- Non-exempt staff covered by a union are eligible for compression adjustments based on the criteria outlined above.
- Employees earning less than \$31,200 on an annualized full-time equivalent rate after the salary policy increase, will receive an additional base increase 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: Academic (Object Code 2000), Exempt/Non-Exempt Staff (Object Code 2400 & 2480), and Non-Exempt Non-Union (Object Code 2500).

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.