

## UNC Eshelman School of Pharmacy Compensation Guidelines

The UNC Eshelman School of Pharmacy (ESOP) is committed to offering fair and competitive compensation with the goal to attract, engage, and retain top talent. The following guidelines describe the School's approach to initial salary determination, salary reviews, and pay progression.

### Pre-approval Process:

All requests for new positions, recruitment of vacant positions, and salary adjustments must receive approval from the Workforce Optimization Workgroup (WOW) via designated HR Consultant. The WOW is comprised of the Executive Vice Dean-Chief Operating Officer/Chief Financial Officer, Executive Vice Dean-Chief Academic Officer, Senior Director of Finance and Facilities Services, and Senior Director of Human Resources and Engagement. No salary adjustments shall be communicated to the employee prior to receiving WOW and OHR approval.

### Initial Salary Determination:

1. Staff Salaries
  - a. A new staff member's initial salary is based on factors such as education, years of experience, and scarcity of skillset. The hiring manager discusses these qualifications with the ESOP Human Resources Office to determine a salary. The ESOP Human Resources Office reviews each salary for newly hired employees in comparison to market data, as well as internal salary alignment. Every effort is made to offer at least 100% of the market rate to all qualified candidates at the time of hire for SHRA positions. For EHRA non-faculty positions, which have greater ranges between bands, every effort is made to offer 90-100% of the market rate at the time of hire.
2. Faculty Salaries
  - a. New faculty compensation is determined in coordination of the Chair, Executive Vice Dean-Chief Academic Officer, and consultation with the ESOP Senior Director of Human Resources and Engagement. New faculty salaries are reviewed and approved by the Dean. Multiple factors are considered when making a new salary offer: individual qualifications, including educational preparation, years and type of experience, record of productivity and accomplishments in the areas of teaching, research, and service relative to rank, appointment type, scarcity of needed specialty, equity within the School, and market factors reported by peer institutions to the American Association of Colleges of Pharmacy (AACP).
  - b. If current faculty salaries in a given rank are at benchmark levels, then a new faculty member being appointed to the same rank with similar qualifications will be offered a salary at the appropriate benchmark range for that rank. If current faculty salaries in a given rank fall short of benchmark salaries, then a new faculty member being appointed to the same rank is offered a salary comparable to current faculty salaries. This approach is taken to minimize salary compression, which occurs when new faculty are hired at higher salaries than current School faculty salaries, given equivalent qualifications and accomplishments. There are, however, certain instances when it is necessary to hire a new faculty member at a salary level higher than those of current faculty. Whenever this occurs, market salary increases are

- given high priority in order to reduce the disparity in salaries between newly hired faculty and longer-term faculty with equivalent qualifications and accomplishments.
3. Postdoctoral Scholars/Fellows Salaries
    - a. The hiring range for Postdoctoral Scholars/Fellows will start at the minimum stipend for that fiscal year as stated by the Office of Postdoctoral Affairs. The top of the hiring range will follow the NIH guidelines for postdoctoral stipend levels, provided that appropriate funding is available. The starting salary will be determined based on the years of relevant experience. If a postdoctoral appointment is funded by an external fellowship program, the starting salary is set by the program.
  4. Temporary SHRA and EHRA Non-Faculty Positions
    - a. The hiring range for temporary positions will follow the same guidelines as comparable permanent positions.

## Salary Range Guidelines:

1. Staff Ranges
  - a. SHRA pay bands and policies on compensation are set by the Office of State Human Resources (OSHR). EHRA Non-Faculty staff salary ranges are set by the UNC Office of Human Resources (OHR). Salaries should not be lower than the minimum of the range, nor should they exceed the maximum of the range.
2. Faculty Ranges
  - a. Faculty salary ranges are created at the School and are based on AACP salary ranges. Faculty ranges have been developed with the 80<sup>th</sup> percentile of the AACP's salary survey as our midpoint. The midpoint usually represents the market rate for a rank, and a fully experienced employee might be paid at this level. Faculty that are new to a rank and/or do not have substantial experience in that rank are generally compensated in the first quartile of the range. Faculty who have gained experience and are demonstrating proficiency in the rank are generally compensated within the second quartile to the midpoint. The third quartile is typically reserved for experienced employees with sustained productivity who frequently exceed expectations. The fourth quartile of the range is normally reserved for individuals who have extensive experience with sustained productivity, and who are consistently exceptional performers. Faculty salaries should not be lower than the minimum range, nor should they be greater than the maximum range. Faculty salary ranges are reviewed and updated at least every three years.

## Annual Compensation Process and Maintenance:

1. Annual Process
  - a. Salary Benchmarking
    - i. The ESOP Human Resources Office completes annual salary benchmarking for both faculty and staff positions.

Staff positions and salaries are compared to the UNC Career Bands, which are developed by the UNC System Office. Each job family is categorized into branches, which in turn contain roles. Roles represent the various classifications that have been banded together due to similarities in position attributes, nature and scope of the work, and competencies required to meet business needs.

Faculty positions and salaries are compared to the American Association of Colleges of Pharmacy (AACP) data which is provided in an annual report. We use 80<sup>th</sup> percentile as the midpoint.

Salaries that have disparity with market trends, according to this data, will be reviewed and adjusted as appropriate during this annual salary review. The annual review will begin in July and will compare the most recently available benchmark data. The ESOP Human Resources Office will provide recommendations on salaries to the Dean, Executive Vice Dean-Chief Operations Officer, and Executive Vice Dean-Chief Academic Officer. Approved changes will be implemented in October. The timing of these increases may be adjusted as necessary. All salary increases are dependent upon available funding. No salary adjustments will be made for staff that have an active disciplinary action or performance improvement plan, or for faculty on an active development plan or other performance plan.

#### b. Internal Salary Alignment Analysis

In certain circumstances, in order to attract highly qualified candidates for both faculty and staff positions in a competitive job market, candidates may be offered a higher salary than others within the same job classification. In the event that a new hire's salary creates internal inequity, the salaries of others that have similar education, experience, and expertise will be evaluated and given high priority for adjustments in order to reduce the disparity in salaries. This review will begin in July to align with the benchmark review. Any changes will be implemented in October, as stated above. The timing of these increases may be adjusted as necessary. All salary increases are dependent upon available funding. No salary adjustments will be made for staff that have an active disciplinary action or performance improvement plan, or for faculty on an active development plan or other performance plan.

## 2. Monthly Maintenance

- a. The ESOP Human Resources Office evaluates the following reports on a monthly basis in order to review and recommend any market adjustments needed on an ad-hoc basis. These reports are provided to the Workforce Optimization Workgroup each month.
  - i. **Salary alignment** report across all staff positions that provides comparison-ratio data, which is a ratio of the employee salary versus the University-established market rate for the position. The purpose of this report is to provide a snapshot overview of salaries in relation to current University market data.
  - ii. **Faculty salary** report for faculty of all ranks and tracks. The purpose of this report is to show all faculty salaries in addition to administrative supplements. Faculty are broken into categories based on rank and track and the report

provides median data. The report also tracks School-based secondary appointments for faculty.

- iii. **Salary increases** report to track any salary increase to salaries. The report provides the reason for the increase, the dollar amount, percent increase, and the effective date.

## SHRA Salary Increase Guidelines:

1. Qualifying Reasons for a Salary Increase
  - a. **Additional job duties**, when there is a substantive increase in the scope and/or complexity of the job. This includes temporary adjustments with a defined start and stop date. Please note: Such an increase may not be justified solely on the basis of increased work volume. Temporary adjustments may not be provided for training new employees in their job duties. Also, employees may not receive temporary increases for performing the duties of vacant positions which they supervise.
  - b. **Position reclassification**, where application of the career banding pay factors will determine the base salary.
  - c. **Competitive-hiring events**, when the employee applies for an externally recruited job vacancy, is selected competitively and changes jobs to a different position.
  - d. **Equity**, when employees in the same position/branch/role/competency are performing very similar work with a similar level of competence to those who have a higher pay rate and the pay discrepancy has no apparent justification.
  - e. **Labor Market**, when an employee's salary is less than the position's assigned market rate. Managers may request a salary increase up to 110% of the assigned market rate. (Labor market increases of up to 115% of the assigned market rate can be considered on a case-by-case basis when there is compelling additional market-based data to support them).
  - f. **Employee retention**, when employees have a documented offer for a comparable position (i.e., not an obvious promotion) outside of state employment and have given that documentation to their managers and the employee has skills or knowledge that would be difficult to replace.
  - g. **Increase in SHRA employee competencies**, when there is a documented change in one or more component competency ratings or overall ratings between two Employee Competency Assessment (ECA) reviews.
  - h. **Change in FTE due to a schedule change**, when there has been no change in annualized compensation.
2. Effective Date of Actions
  - a. All actions are effective on the Monday following the receipt of all required approvals. If final approvals occur on a Monday, the action can be effective that day. Retroactive salary increases are not allowed, unless mandated by a legislative action.

## EHRA Non-Faculty and Faculty Salary Increase Guidelines:

1. Qualifying Reasons for a Salary Increase
  - a. **Internal competitive event**, when the employee applies for an internally recruited job vacancy, is selected competitively and changes jobs to a different position.

- b. **External competitive event**, when the employee applies for an externally recruited job vacancy, is selected competitively and changes jobs to a different position.
- c. **Increase in job duties or responsibilities; includes reallocation or reclassification of job**, where there is a substantive increase in the scope and/or complexity of the job. Minor changes in duties and responsibilities should be addressed during the Annual Raise Process.
- d. **Temporary adjustment related to an increase in job duties or responsibilities; salary will revert when temporary duties cease.**
- e. **Retention**, when an employee has a documented job offer, or is in verifiable, active employment negotiations with an outside entity.
- f. **Equity**, used to address documented salary-equity issues when employees in the same position/job family/job level are performing very similar work with a similar level of competence and experience to those who have a higher pay rate and the pay discrepancy has no apparent justification. Justification for an increase due to internal-equity issues must identify the inequity and justify the rate of increase based on the relative job level, education, credentials, and/or experience of the affected employees.
- g. **Labor market**, used to address job equity in comparison to the market or “labor market,” which is defined as the area within which employers compete for labor. The market is composed of those institutions, businesses, and organizations from which University units recruit or would logically recruit job candidates. Justification for an increase due to the labor market and/or external-equity issues must be substantiated by market survey data if the position is not assigned to a job family/level in the EHRA Compensation Structure. For Postdoctoral Scholars/Fellows, labor market adjustments are based on years of relevant experience and will follow the NIH guidelines. Note: The proposed increase may not exceed the position’s assigned market reference rate.

## 2. Effective Date of Actions

- a. Salary increases that only require approval by the UNC EHRA HR Office can be retroactive to the first of the month in which the action was submitted to the EHRA HR Office. Salary increases that require UNC System Office approval can be retroactive to the first of the month in which the action was submitted to the System Office. Actions requiring UNC Board of Governors (BOG) approval or Board of Trustees (BOT) approval may not be effective until the day that the final approval is granted. For example, if the BOG or BOT meets on January 15, an action requiring BOG or BOT approval may not have an effective date earlier than January 15. Please take into account the BOG and BOT approval dates when determining the effective date for your proposed increases for actions that require this level of approval.

## EHRA Non-Faculty and Faculty Overload Payments:

### 1. Eligibility

- a. EHRA employees are eligible to receive overload payment for work that is outside the scope of their normal job functions. This compensation may be used only to address duties that are clearly exceptional to the employee’s regular position or, in the case of teaching duties, exceed what is classified as assigned teaching load. Supplemental pay is not used to compensate added duties on an hour-for-hour basis or duties which may be reasonably construed as incidental to an employee’s regular assignment, except in unusual

circumstances approved by the applicable central office. At the Chair or Program Director's discretion, an overload payment may be provided to an EHRA non-faculty or faculty employee for their teaching services above and beyond the normal scope of duties and expectations for the role. It is the philosophy of the UNC Eshelman School of Pharmacy that teaching in the PharmD curriculum and/or PhD program is considered to be within the normal scope of duties.

## 2. Required Parameters

- a. It is accomplished as a one-time lump sum payment in a fixed amount that compensates a specific piece of work.
- b. It is typically used to compensate added duties of a relatively short duration (e.g., less than 30 days) but may also be used for duties that extend over a longer period of time when compensated at a fixed dollar amount, such as teaching a class or providing a specific deliverable such as a special report or study.
- c. It is generally awarded for work performed external to an employee's base unit. It may be awarded within the base unit only in extraordinary circumstances, such as a faculty member teaching a class due to the unexpected absence of a colleague or in the case of a critical University business need that cannot be reasonably met through any other means.
- d. The total of a full-time employee's overload pay in any fiscal year may not exceed 20% of their July 1<sup>st</sup> base salary if in a 12-month appointment, unless an exception is granted by the applicable central office.
  - Exceptions should be non-routine and must be approved by the Office of Human Resources via your HR Consultant.
  - Blanket exceptions to a specified work unit may be granted by the Executive Vice Chancellor and Provost (for faculty) or the Vice Chancellor for Workforce Strategy, Equity, and Engagement (for non-faculty employees) when deemed necessary for the conduct of University business.
- e. The overload limits in Item D do not apply to a part-time employee until the combination of their part-time base salary and overload in any fiscal year equals their full-time equivalent (1.0 FTE) salary on an annualized basis. Once this threshold is reached, the normal overload limits noted in Item D above shall apply.
- f. Individuals who are in a paid or unpaid leave of absence status are not eligible for payment of overload.

## 3. Secondary Teaching Appointments

- a. Compensation for EHRA non-faculty employees to teach classes shall be accomplished using an overload payment under the provisions of this policy and is not delivered as part of an employee's base salary except in special circumstances approved by the applicable central office. EHRA non-faculty employees that are serving as the instructor of record or are awarding grades will also require a secondary non-salaried fixed-term faculty appointment. Please note that any teaching commitments and corresponding compensation should be communicated to the employee in writing via a contract letter prior to the beginning of the teaching semester.

## Other Increases and Adjustments:

1. Annual Faculty Academic Excellence Review
  - a. Division Chairs conduct annual performance evaluations focusing on teaching responsibilities, student evaluations, new teaching innovations, mentoring of graduate students, research activities and publications, staff management, service activities, and special awards and recognitions. The UNC Eshelman School of Pharmacy embraces a philosophy to acknowledge and reward exceptional faculty performance in the three primary areas of the mission of the School: Research, Teaching, and Service. The impact the School has on the state, nation, and world and the reputation that follows is based on the constant pursuit of excellence in these three areas. This is consistent with our School's mission and recognized within our Appointment, Reappointment, Promotion, and Tenure (ARPT) document that acknowledges the Scholarship of Discovery, Education, and Application as critical elements of the promotion process. The process facilitates the recognition of faculty that contribute to the mission of the School in potentially very different ways, as well as allowing leadership of the School to appreciate the richness of the talent of the faculty. Special consideration should be given to the faculty member's contribution to all Strategic Initiatives in the School's Strategic Plan. Based on the review process stated above, an annual academic excellence review is discussed with Division Chairs, in which they make recommendations to the Dean on one-time merit bonuses to be paid in August.
2. Leadership Team Bonuses
  - a. Dean's Council members that are not eligible to receive annual Academic Excellence awards, and Directors on the Finance, Administration, and Operation committee are eligible to receive an annual bonus in December, subject to the Office of Human Resources bonus policies and contingent on available funding. The purpose of this bonus is to recognize the staff members for their contributions to serving on these respective committees, as well as how these committees contribute to and enhance the mission of the School.
3. Faculty Promotions
  - a. The School considers a promotion of faculty to be any advancement of rank for permanent faculty, regardless of track. At the time of promotion, a 10% increase in salary will be granted for tenure-track and fixed-term clinical and teaching faculty members. For fixed-term research track faculty, the same philosophy applies, contingent on funding being available from the research faculty's lab/supervisor.

## Legislative Salary Increases and Annual Raise Process:

1. Legislative Salary Increases (LSI)
  - a. Legislative Salary Increases are state-mandated increases that are passed through the North Carolina State Budget. There is no guarantee that there will be an LSI in any given year, and there is no guarantee of what the increase will be, provided that there is an increase in the State's budget. The decision rests solely on the North Carolina State Budget provisions. When an LSI is passed through the budget, the UNC-System Office provides guidance to the University campuses. The UNC Office of Human Resources then provides guidance to the

individual Schools on any increases, including eligibility and exclusions. These increases are generally across-the-board, and funds are provided by the State of North Carolina.

2. Annual Raise Process (ARP)
  - a. The Annual Raise Process is a discretionary raise process in which the School receives guidance from UNC OHR or the System Office. The purpose of the ARP is to address highest priority personnel needs by working to recognize and retain top performers, address compression and equity issues, and make inroads in those areas most impacted by labor markets. Performance-based salary increases may also be addressed during the ARP. All guidance and limitations will be set forth by the UNC System Office. These increases are not intended to be across-the-board, and additional funding may not be provided from State resources.

## Communicating Salary Increases and Adjustments:

***No salary increases shall be communicated to the employee prior to receiving approval from all levels including full OHR approval.***

1. Staff Salary Communication
  - a. The ESOP Human Resources Office will provide the manager with a letter outlining the salary increase. The manager is responsible for signing the letter and providing it to the employee.
2. Faculty Salary Communication
  - a. If a salary increase is provided at the time of reappointment or promotion, the Division Executive Assistant is responsible for creating the fixed term appointment letter which will include the salary increase amount. The letter is sent to the ESOP Human Resources Office for review, and then sent to the Dean's Office for review and signature. The ESOP Human Resources Office sends the letter to the Faculty member with the Division Chair and Executive Assistant copied.
  - b. In situations where an off-cycle salary increase is granted, the ESOP Human Resources Office will create a letter. The letter is reviewed by the Dean's Office and the Chair, and is then sent to the faculty member with the Division Chair and Executive Assistant copied.

## Funding for Salaries and Salary Increases:

1. State-funded Positions
  - a. For state-funded positions and school-support positions, funding availability will be determined each fiscal year as part of the annual budget planning process. Planned new investments and initiatives should be included in the budget request for the fiscal year.
2. Research (non-state) Funded Positions
  - a. Funding availability is determined by the Principal Investigator/budget holder.



## Responsible Parties:

1. ESOP Human Resources Office
  - a. The ESOP Human Resources Office is responsible for submitting all salary increase requests to the UNC Office of Human Resources and ensuring salaries are equitable and in alignment with market data. The ESOP Human Resources Office will communicate approvals with managers.
2. Manager
  - a. The direct manager of the position is responsible for communicating to the ESOP Human Resources Office any proposed increase in salaries based on performance or job duties. The ESOP Human Resources Office will explore all possibilities with the manager on the best path forward on a case-by-case basis.
3. UNC Office of Human Resources
  - a. The UNC Office of Human Resources reviews all salary increase requests. There are times when OHR may return a salary increase request to ask for further information or clarification. In addition, certain requests may require external approval to the UNC System Office, Board of Trustees, Board of Governors, or the President. OHR will communicate all approvals with the ESOP Human Resources Office.