MEMORANDUM

TO: Deans, Directors, and Departmental Executive Officers

FROM: Kevin Kregel, Executive Vice President & Provost
       Cheryl Reardon, CHRO & Associate Vice President

RE: July 1 Compensation Guidelines

DATE: TBD

The campus will be returning to a July 1st salary cycle for all organizations. To ensure a smooth transition, the FY 23 salary process will allow Deans/VP’s flexibility as the campus returns to one cycle.

For FY 23, merit increases for each org should fall in the range of 2% to 4%. This average will be calculated using the Jan 1, 2022, recurring base salary adjustments, added to July 1, 2022, recurring base salary adjustments. If an org is recommending an average increase outside of this range, additional business justification will need to be provided to the Office of the Provost and University Human Resources.

Important guidelines associated with this announcement

- Salary increases will take effect July 1 and be recognized on the August paycheck.
- Fringe Benefit Pool Rates are available on the Fringe Benefit Rates site.
- HR transactions for classification changes, career advancements and market adjustments are discouraged from having an effective date on July 1.
- Postdoctoral Scholars & Fellows – current and new must meet minimum NIH/NRSA ($54,835) as of July 1, 2022 – Postdoctoral Scholars Salary Web Site.
- Colleges and units with employees funded by multiple orgs should coordinate with the appropriate business officers as early as possible to finalize budget-related decisions.
- July 1 proposed salary increases for faculty and nonorganized staff are not considered final until approval by the Board of Regents during the August meeting.

Salaries on Sponsored Research

- Costs of compensation are allowable on grant funded research to the extent that they satisfy the specific federal requirements of OMB Uniform Guidance, and that the total compensation for individual employees:
  - (1) Is reasonable for the services rendered and conforms to the established written policy of the institution consistently applied to both Federal and non-Federal activities; and
  - (2) Follows an appointment made in accordance with the institution rules or written policies and meets the requirements of Federal statute, where applicable.
- Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity.
- Funds 500/510 (Current Restricted Non-Federal/Current Restricted Federal) cannot be used to fund any non-recurring payments.
HR Salary Setting Application
The HR Salary Setting Application is expected to be available in Self Service to administrative offices from May 23rd at 8 a.m. through June 3rd at 8 p.m. IPLAN will continue to be available until June 15 @ 5 p.m. to finalize salary budgets.

Employee Communications
Individuals who are eligible for a July 1 adjustment should be informed of their salary prior to the end of June, subject to individual pay increases being within the established guidelines or explicitly approved by the Office of the Provost or University Human Resources. Senior HR Leaders within each org are available to suggest best practices for salary increase communications.
Appendix A
Faculty Information

Collegiate units will have the opportunity to provide merit increases to faculty. Provost Kregel encourages units to keep the University’s faculty salaries competitive with our peers. General guidelines are listed below to help prepare for salary adjustments and non-recurring payments.

- Consistent with practices employed over the past few years, colleges will have autonomy in determining target merit increases for faculty in their unit.
- As a general guide, it is recommended that these merit increases should fall in the range of 2% to 4%. However, units will have latitude with individual faculty pay adjustments based upon individual circumstances and performance.
- Salary increases for individual faculty should reward performance and address any competitive market conditions. Collegiate units will be allowed to provide promotional increases, counter offers and market/equity adjustments to retain highly valued faculty and similar critical adjustments on a case-by-case basis.
- If a merit/equity increase for an individual faculty member is intended to be 7% or greater, a justification is required (e.g., very high performer, equity adjustment). These justifications should be sent directly to lois-geist@uiowa.edu.

Promotional increases are as follows.

- For tenure- and clinical-track faculty: promotion to Associate Professor $4,000; promotion to Full Professor $6,000. The Provost Office will process a recurring transfer to the colleges in FY22 to support the Provost Office’s portion of the increase (for tenure-track only). This will be the last year for Provost Office support although previous recurring transfers will continue.
- For research- and instructional-track faculty: promotion to Associate Professor $2,500; promotion to Full Professor $3,500. Please note that colleges have the option to apply the same promotion increases listed above ($4,000 and $6,000) for research- and instructional-track promotions.

Colleges/Divisions have the option to award a non-recurring payment to faculty in lieu of or in addition to an adjustment to their base salary. The special compensation “Faculty Discretionary Merit Pay” workflow form type is available in the HR transaction system. There is also a batch process available for faculty payments administered by University HR and IMHR. Funds 500/510 cannot be used to fund non-recurring payments. The Faculty Discretionary Merit Pay guidelines are as follows.

- Eligibility: All regular faculty and institutional officers
- Justification:
  - Brief description required in the Remarks section on the workflow form
  - Individual justifications are not required for the batch process file, but orgs should have an overall plan that is available upon request
- Frequency: July 1st or an alternative date (once per fiscal year)
- Review: Must be sent to lois-geist@uiowa.edu prior to initiating the transaction.
Appendix B
Non-Bargaining Professional & Scientific (P&S) Staff Information

Salary increases for non-bargaining P&S staff should reward performance and address any competitive market conditions. The practices described below are in accordance with P&S Compensation Practices. The FY23 P&S salary scales have been recalibrated based on market data and increased an average of 2.5%. The July 1 rates are available on the Pay Plans Directory. Pay policies based on individual circumstances are as follows.

If current salary is below the median zone:
- Eligible for base salary adjustment July 1 based on performance and market. A long-term goal is to give additional consideration and resources to individuals who are fully proficient in the full range of their responsibilities to the extent that funding resources allow. All staff must be at least at the minimum of the market range unless there is a business justification.

If current salary is within or above the median zone:
- Eligible for base salary adjustment on July 1 based on performance and market.

If current salary is above the market range maximum:
- Normally are not eligible for a base increase unless there is a business justification which generally includes market data to support.

If there are documented performance issues within the current review cycle:
- Colleges/Divisions will determine eligibility for those with performance issues.
- May be eligible for a base salary adjustment but the expectation is that the increase would be less than the increase for employees with fully competent performance.

If a classification is in Pay Level 9 or 10:
- Eligible for base salary adjustment on July 1 that is consistent with performance and job specific market data.

Salary increase guidelines for staff who were recently hired or transferred into a new position:
- Employees hired or transferred into the org after April 30 are not eligible for a fiscal year salary increase or non-recurring payment unless a business justification is provided.
- Employees hired prior to May 1 will be eligible for a salary increase and/or non-recurring payment, unless stated otherwise in their offer letter.

If a salary increase for a P&S staff is intended to be 7% or greater, a justification is required (e.g., very high performer, equity adjustment). These justifications should be sent directly to trevor-glanz@uiowa.edu.

Colleges/Divisions will have the option to award a non-recurring payment to P&S staff in lieu of or in addition to a base salary increase. The special compensation “P&S Lump Sum (non-recurring) Salary Policy Payment” workflow form type is available in the HR transaction system. There is also a batch process available for faculty payments administered by University HR and IMHR. The P&S non-recurring Salary Policy Payment guidelines are as follows.
- Eligibility: All regular P&S staff hired into the org prior to May 1
- Justification:
  - Brief description required in the Remarks section on the workflow form
  - Individual justifications are not required for the batch process file, but orgs should have an overall plan that is available upon request
- Frequency: July 1st or an alternative date (no more than twice per fiscal year)
Appendix C
SEIU, Merit and COGS Information

SEIU Staff

There is a 1.3% contractual increase on July 1, 2022. All staff who are a part of the bargaining unit prior to May 1 will receive the increase. Additional discretionary adjustments may be available up to 2.7%.

Merit Staff

There is a 1.1% contractual increase on July 1, 2022. All staff who are in a regular Merit position prior to July 1 will receive the increase. Merit Exempt and Confidential staff are expected to follow the same increase and pay practices. Additional discretionary adjustments may be available. The number of annual hours for CY22 and CY23 is 2080

There will also be an up to 2% merit increase for regular Merit staff to be provided on their next increase date. This will apply to anyone with at least a “meets expectations” performance rating and the new salary cannot exceed the pay grade maximum. Any staff currently at their pay grade maximum are not eligible.

COGS Graduate Assistants

There is a 1.3% contractual increase on July 1, 2022. All Graduate Assistants who are a part of the bargaining unit prior to July 1 will receive the increase. Additional discretionary adjustments may be available up to 0.7%
# Appendix D

## Salary Increase and Non-Recurring Payment Options Table

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>Salary Increase Administration</th>
<th>Non-Recurring Payment Options</th>
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<td>Performance increase on 7/1</td>
<td>Faculty Discretionary Merit Pay</td>
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<td>P&amp;S</td>
<td>Performance increase on 7/1</td>
<td>P&amp;S Lump Sum (Non-Recurring) Salary Policy Payment; Exceptional Performance Award; Spot Award</td>
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<td>Contractual increase on 7/1</td>
<td>Exceptional Performance Award; Spot Award</td>
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<td>Merit</td>
<td>Contractual increase on 7/1</td>
<td>Merit Extra-meritorious Pay Award; Spot Award</td>
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