

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: June, 2025

The University of Iowa utilizes a July 1st salary cycle for all organizations (org). The focus in FY26 will be base salary increases. For FY26, **annual merit salary increase averages for each org should be between 2% and 3%**. If an org is recommending an average increase that is 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](#).
- Postdoctoral Scholars & Fellows – current and new must meet minimum NIH/NRSA (\$62,232) as of July 1, 2025 – [Postdoctoral Scholars Salary Web Site](#).
- Colleges and divisions with employees funded by multiple orgs should coordinate with the appropriate business officers to finalize salary decisions.
- The org average will be calculated based on total salary budget impact for July 1.
- July 1 proposed salary increases for faculty and non-organized 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 19th at 8 a.m. through May 30th at 8 p.m. IPLAN will continue to be available until June 11th at 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.

- As a general guide, it is recommended that individual merit increases should fall in the range of 1% to 5%. However, units will have latitude with faculty pay adjustments based upon individual circumstances and performance (described below).
- Salary increases for individual faculty will be merit-based. There is also the opportunity to address market needs. Individual salary increases may range from 0.1% to 7.0%. Written justifications for individual faculty salary increments at 0% and greater than 7.0% must be submitted for prior approval to the Associate Provost for Faculty.
- Collegiate units will be allowed to provide promotional increases, counter offers and market adjustments to retain highly valued faculty and similar critical adjustments on a case-by-case basis.
- Promotional increases are administered using the HR Transaction System and will not be factored into the calculation of the org average.
- Market or retention increases, on a case-by-case basis, will be administered using the Salary Application. A separate field has been added to the salary application that will be used to identify this portion of the increase. Market or retention increases for a given college should not exceed 20% of the college's total Faculty population headcount. These increases will take effect on July 1.

Promotion increments are in addition to performance increments and to any other salary adjustment authorized for the promoted faculty member (a promotion involves a change in rank). Promotion increases for FY26 are set at the following levels:

- For tenure- and clinical-track faculty: promotion to Associate Professor \$4,000; promotion to Full Professor \$6,000.
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 on July 1 or by approval of the Provost and CHRO if a later date is requested. 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: Once per fiscal year payable on July 1st or approved alternate date.
- Review: The faculty batch file must be sent to lois-geist@uiowa.edu by June 11 for July 1 payroll. Payments made after the July 1 payroll must be processed using the HR Transaction System.

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 FY26 P&S salary scales have been recalibrated based on market data, and midpoints have increased an average of approximately 2.0%. The July 1 rates are available on the [Pay Plans Directory](#).

HR transactions for P&S classification changes, career advancements and market adjustments are discouraged from having an effective date of July 1.

The University's Board approved compensation plan provides a framework for making salary decisions that include personal performance and competitive marketplace conditions. Individual salary increases for eligible employees may range from 0.1% to 7.0%. Written justifications for individual salary adjustments at 0% and greater than 7.0% must be submitted for prior approval to trevor-glanz@uiowa.edu. Pay policies based on individual circumstances are as follows.

If the current salary is **below the new 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 their responsibilities to the extent that funding allows. All staff must be at least at the minimum of the market range unless there is a business rationale.

If the current salary is **within or above the new median zone**:

- Eligible for base salary adjustment on July 1 based on performance and market.

If the current salary is **above the new market range maximum**:

- Normally are not eligible for a base increase unless there is a business justification which 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:

- Staff 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.
- Staff 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 greater than 7%, justification is required (e.g., exceedingly high performer, market 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 on July 1 or by approval of the Provost and CHRO if a later date is requested. 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 P&S 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 employed in 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: Once per fiscal year payable on July 1st or approved alternate date.
- Review: The P&S batch file must be sent to Comp/Class by June 13 for July 1 payroll. Payments made after the July 1 payroll must be processed using the HR Transaction System.

Appendix C

SEIU, Merit and COGS Information

SEIU Staff

There is a 3% contractual increase on July 1, 2025. All staff who are a part of the bargaining unit prior to May 1 will receive the increase.

Merit Staff

There is a 2% contractual increase on July 1, 2025. 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. The number of annual hours for CY25 and CY26 is 2088.

- The merit increase percentage for regular Merit staff at the University of Iowa will be 1% and will 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.

Merit Public Safety Bargaining Unit Staff

There is a 3% contractual increase on July 1, 2025. All staff who are in a regular Merit position prior to July 1 will receive the increase. Merit Exempt certified officers are expected to follow the same increase and pay practices. The Merit step value for this bargaining unit is 4.5% in FY26.

COGS Graduate Assistants

There is a 3% contractual increase on July 1, 2025. All Graduate Assistants who are a part of the bargaining unit prior to July 1 will receive the increase.

Appendix D
Salary Increase and Non-Recurring Payment Options Table

Employee Category	Salary Increase Administration	Non-Recurring Payment Options
Faculty	Performance increase on 7/1	Faculty Discretionary Merit Pay; Spot Award
P&S	Performance increase on 7/1	P&S Lump Sum (Non-Recurring) Salary Policy Payment; Exceptional Performance Award; Spot Award
SEIU	Contractual increase on 7/1	Exceptional Performance Award; Spot Award
Merit	Contractual increase on 7/1	Merit Extra-meritorious Pay Award; Spot Award
Post Docs	Performance increase on 7/1 based on NIH guidelines	Spot Award
COGS	Contractual increase on 7/1	Spot Award

Appendix E

Professional and Scientific Proposed Pay Plans

Methodology: The FY26 P&S salary scales have been recalibrated based on a combination of external market data and other considerations (i.e collective bargaining agreements). The pay levels are adjusted individually based on the data used in the analysis.

Structure A				
Pay Level	Market Range Minimum	Median Zone Low	Median Zone High	Market Range Maximum
2A	\$38,755	\$42,152	\$54,750	\$68,438
3A	\$42,392	\$49,968	\$64,900	\$81,125
4A	\$46,450	\$59,921	\$77,829	\$97,286
5A	\$55,613	\$74,150	\$96,310	\$120,388
6A	\$67,573	\$90,097	\$117,023	\$146,279
7A	\$88,545	\$118,060	\$153,342	\$191,678
8A	\$114,904	\$153,205	\$198,991	\$248,739
9	Open			
10	Open			

Structure B				
Pay Level	Market Range Minimum	Median Zone Low	Median Zone High	Market Range Maximum
2B	\$40,475	\$53,966	\$61,470	\$73,764
3B	\$46,943	\$62,590	\$71,292	\$85,550
4B	\$57,749	\$76,999	\$87,705	\$105,246
5B	\$68,678	\$91,570	\$110,794	\$132,953
6B	\$86,152	\$114,869	\$138,985	\$166,782
7B	\$103,984	\$138,645	\$167,753	\$201,304
8B	\$134,968	\$179,957	\$217,737	\$261,284
9	Open			
10	Open			