

FAYETTEVILLE STATE UNIVERSITY

COMPENSATION AND PAY

- Authority:** Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
- Category:** Employment – General
- Applies to:** ●Administrators ●Faculty ●Staff
- History:** Revised – July 1, 2011
Revised – September 17, 2010
First Issued – March 21, 2001
- Related Policies:** ●*Overtime Compensation*
●*Additional Compensation for Professional Services*
●*Salary Administration* [State Personnel Manual, Section 4]
- Contact for Info:** Office of Human Resources (910) 672-1146
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I. PURPOSE

Fayetteville State University (University) adheres to a policy of equal pay for equal work. For Staff employees, the University administers the pay plan for employees subject to the State Personnel Act (SPA employees) within the State salary schedule and according to rules and policies adopted by the State Personnel Commission. EPA compensation is administered within the guidelines and regulations promulgated by the University of North Carolina Board of Governors. This policy describes the compensation rules that are used to determine salaries and the procedures used to pay employees.

II. PAYDAYS

All University employees are paid on the last working day of each month. All permanent employees, including nine, ten and eleven month employees, are paid over a twelve-month period.

III. DIRECT DEPOSIT

All faculty and staff, whether permanent or temporary, shall provide bank account information in order that their pay may be deposited directly. This information will be collected at new employee orientation or when temporary employees are initially hired.

IV. SPA COMPENSATION

A. Salary Schedule

The Office of State Personnel establishes salary schedules for SPA employees based upon the market rates for similar jobs. The University sets pay rates within the established pay ranges. In setting pay rates, the University must not create any salary inequities.

B. Salary Increases

1. Legislative Increases

Each year, the North Carolina General Assembly considers salary increases for State employees. If such an increase is approved by the General Assembly, the State salary schedule is revised as appropriate and the University implements increases based on rules established by the Office of State Personnel.

2. Within Grade or Band Adjustments

Under certain circumstances, the University may grant increases to employees based on market or equity concerns. Such increases for positions under the career banded system must comply with the Career Banding Plan.

3. Reallocations

Reallocation pay increases are granted when an employee's position is assigned to a different banded classification at a higher level to recognize higher level duties.

C. Additional Pay

Employees working under conditions that were not considered in establishing the State salary schedule may receive additional pay or compensation based on the particular work requirements. The following types of additional pay are provided:

1. Overtime (Non-Exempt Employees)

All employees who are subject to the Fair Labor Standards Act are limited to forty (40) hours of work within a work week at the regular rate of pay, regardless of where the employee may work on campus. Any hours worked in excess of this amount are considered overtime and must be paid or compensated at a rate of time and one-half for each overtime hour worked. All overtime should be approved in advance by the employee's

supervisor. Unless otherwise approved by the Chancellor or Vice Chancellor of the employee's unit, SPA employees shall receive compensatory time off (CTO) rather than paid overtime. Hours not worked (annual leave, sick leave, holidays) are not counted as hours worked in computing overtime. See the University's *Overtime Compensation* policy for further details.

2. Compensatory Time (Exempt Employees)

Employees (both EPA and SPA) whose positions are classified as "exempt" do not earn compensatory time when they work more than forty (40) hours in a work week. Such employees are accountable for their performance outcomes, rather than for time worked. Thus, compensatory time or paid overtime is not to be accumulated, tracked, used, or paid out for FLSA-exempt employees, except as specifically mandated by state and/or University or University of North Carolina policies (such as UNC Policy 300.2.15, which requires overtime pay or equivalent compensatory time for some FLSA-exempt EPA employees who are designated as mandatory during pandemic and communicable disease emergencies).

The University recognizes there may be situations where a work unit experiences extraordinary increases in work demand and where an FLSA exempt employee must commit exceptional time and effort beyond the employee's regular work schedule. In such situations, managers may extend the opportunity for scheduling flexibility at other times that are mutually agreeable between the employee and the manager. Scheduling flexibility is just that, flexibility, and has no specific time or hour implications, entitlements, or tracking.

3. Shift Premium Pay

The University provides additional compensation for employees regularly scheduled to work more than half of their shifts between 4:00 PM and 8:00 AM. An eligible employee receives shift premium pay for the entire shift. Eligible employees do not receive shift premium pay for hours not worked including such time periods as annual leave, holidays, sick leave, jury duty, and military leave. Shift premium pay is in addition to any other pay, such as holiday pay, to which they are entitled. Shift premium pay, although not considered part of the annual base salary, is included in the calculation of overtime compensation. Eligible employees receive shift premium pay of 10% of their hourly rate of pay.

4. Holiday Premium Pay

When an employee is required to work on a University holiday, the employee is given holiday premium pay equal to one-half the employee's

regular straight-time hourly rate in addition to regular pay for the hours worked on these holidays. In addition to holiday premium pay, employees required to work on a holiday are given equal time off, at the convenience of the department. However, the equal time off must be taken before the end of the calendar year. The supervisor of any employee required to work on a holiday shall submit advance written notice to Human Resources. After the holiday work is performed, the supervisor must certify that the employee worked the specific number of hours.

If an employee works on a shift that changes at a time other than midnight, the time of the shift closest to midnight will be used to set the holiday for purposes of computing holiday premium pay. *For example, if shifts change at 11:00 PM, the holiday period will begin at 11:00 PM the night before the holiday and end at 11:00 PM on the night of the holiday.*

5. Longevity Pay

Permanent full-time employees who have at least ten (10) years of aggregate service with the State are eligible for longevity pay. Payment is made annually in a lump sum in the pay period following the date the employee is eligible to receive the pay. Longevity pay amounts are computed by multiplying the employee's base rate by the appropriate percentage from the following table:

Yrs of State Service	Longevity Pay Rate
10 but less than 15	1.50 percent
15 but less than 20	2.25 percent
20 but less than 25	3.25 percent
25 or more years	4.50 percent

If an employee separates or otherwise loses eligibility for longevity pay, the employee receives a longevity payment computed on a pro rata basis. Periods of leave without pay in excess of one-half the workdays in the month (with the exception of military leave and worker's compensation leave) delay the longevity anniversary date on a month-for-month basis.

6. Emergency Callback Pay

The University provides additional compensation for employees who may be called back on an emergency basis in order to perform essential work at a time other than during the employee's regularly scheduled hours of work. Emergency callback may involve either coming back to work or responding via telephone or computer. Employees shall be notified in advance of being subject to emergency callback.

The Director of Human Resources shall submit a list of classes eligible for Emergency Callback Pay to OSP.

a. FLSA Non-exempt Employees

Employees returning to work shall receive a minimum of two hours compensation as time off or additional pay at the straight-time rate of pay for each occasion of callback. Employees responding via telephone or computer shall receive a minimum of 30 minutes as time off or additional pay for each occasion of callback. If more than one callback occurs within a given shift, total callback time cannot exceed two hours unless the work time exceeds two hours. If the time on callback is more than two hours, the employee shall be compensated for the actual time on callback. Time actually worked and travel to the worksite shall be included in hours worked for determining overtime hours. Shift pay, holiday pay and overtime pay shall be received in addition to emergency callback pay, if applicable. Time on callback is subtracted from on-call hours, if any.

b. FLSA Exempt Employees

Exempt employees normally do not receive additional compensation for emergency callback.

7. On Call Pay

On-Call Pay is provided when an employee must remain available to be called back to work on short notice if the need arises. The Director of Human Resources shall submit a list of classes eligible for On Call Pay to OSP. When a class is added or when a rate changes, a complete new list shall be submitted with the additions/changes specified. Employees shall be notified in advance of being subject to on-call.

Rates for on call are at least \$.94 per hour. Certain occupations may be approved for higher rates of on call pay.

a. FLSA Non-Exempt Employees

On-call compensation must be in the form of pay or compensatory time. If compensatory time is used (at the rate of 1 hour of compensatory time for every 8-hour shift), it may be accumulated to a maximum of 240 hours and shall be taken within twelve months from the date earned. If not taken within twelve-months, it shall be paid in the employee's next regular paycheck.

If an employee works overtime while receiving on-call, the on-call pay must be included in calculating the employee's regular hourly rate for overtime pay. The time in on-call status is not included for determining overtime hours unless the employee is called back to work.

b. FLSA Exempt Employees

On-call compensation for FLSA exempt employees is in the form of compensatory time at the rate of 1 hour of compensatory time for every 8-hour shift. Time off must be taken within twelve months.

V. EPA COMPENSATION

Salaries for EPA faculty and staff are set according to policies and regulations issued by the Board of Governors. Initial appointment letters establish initial salaries for all EPA employees. EPA employees may receive the following types of pay increases:

A. Annual Salary Increases

Each year the North Carolina General Assembly considers pay increases for State employees. If the General Assembly makes provisions for increases for University faculty and EPA Non-faculty, faculty and EPA non-faculty may be eligible for increases. Generally, these increases are done according to rules established by the Board of Governors. EPA employees who receive such increases will be notified in writing of the increases.

B. Out-of-Cycle Increases

The University may, in exceptional circumstances, grant pay raises to eligible EPA employees outside of the annual salary increase review cycle. Generally, these increases occur when an employee assumes additional duties or in order to retain a valuable employee who has received an employment offer from another employer. These increases must comply with rules established by the Board of Governors. Some increases require advance approval to the Board of Governors.

C. Non-Salary and Deferred Compensation

Any non-salary or deferred compensation offered to an EPA employee must comply with the terms of the University's Non-Salary and Deferred Compensation Policy.