



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Thomas A. Stith III*

*President*

**NUMBERED MEMO CC21- 060 (REVISED 12/21/2021)**

**TO:** Community College Presidents  
Chief Financial Officers, Business Officers, Personnel Officers

**FROM:** Elizabeth Grovenstein  
Vice President and Chief Financial Officer

**SUBJECT:** FY 2021-22 Salary Increase Guidance

**DATE:** January 7, 2022

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Session Law 2021-180 as amended by Session Law 2021-189 directs that a salary increase of 2.5% be provided to community college employees effective July 1, 2021. Section 39.17 directs that the amount of the legislative salary increases authorized for the period from July 1 to December 31, 2021, shall be paid in the form of a bonus (also being referred to as a “retro” or “catch up” payment) equal to the authorized legislative salary increase for those months worked. In addition, Section 39.12(d) requires that effective July 1, 2021, no State-funded community college employee shall earn less than \$13 per hour. With the exception of the college president, the minimum amount for a State-funded full-time employee is **\$27,040** and the maximum amount is **\$132,770** for FY 2021-22. No state-funded full-time employee shall earn less than \$27,040 per year. The minimum amount is the annual equivalent of the required \$13 per hour minimum. Funding provided in Session Law 2021-180 is for State-funded community college employees only and may only be used for this purpose. Salary increases for non-state funded employees must be funded from those non-state sources.

The minimum salaries for 9-month, full-time curriculum community college faculty for FY 2021-22 are:

<b>Education Level</b>	<b>2021-22 Minimum Salary (9-month contract)</b>	<b>Part-Time Faculty (Hourly Rate)</b>
Vocational Diploma/Certificate or Less	\$38,521	\$28.40
Associate Degree or Equivalent	\$39,056	\$28.79
Bachelor’s Degree	\$41,380	\$30.50
Master’s Degree or Education Specialist	\$43,442	\$32.02
Doctoral Degree	\$46,414	\$34.22

NOTE: The pro-rata hourly rate of the minimum salary for adjunct curriculum faculty is calculated by dividing the full-time minimum by 1560 hours and increasing that derived hourly rate by 15%.

No curriculum faculty, including adjuncts, shall be paid less than the amounts above for FY 2021-22 contracts. Therefore, any contract starting on or after July 1, 2021, shall be adjusted and a “retro” payment made to reflect minimum rates in the above table.

### **Who is eligible for the 2.5% increase?**

Employees must have been employed on **both June 30, 2021, and December 31, 2021.**

If the employee was employed on both of these dates, employees with permanent full-time, permanent part-time statuses including those with probationary and time-limited appointments are eligible, including those permanent full-time employees who work a 9-, 10-, or 11-month schedule, and employees on leave of absence with and without pay.

Temporary employees are not automatically entitled to the 2.5%. Colleges have the option to provide the 2.5% to temporary employees if funds are available.

Colleges should use their local policy regarding the definitions of permanent and temporary employees.

Under Section 39.17(a) of the Appropriations Act, an employee who was not employed continuously on a full-time basis since July 1, 2021, shall receive the bonus (“retro” salary increase) on a prorated and equitable basis. Therefore,

- Permanent part-time employees will receive the increase based upon the salary for the hours worked.
- An employee will receive the salary increase if employed on June 30, 2021, left employment, but then returned to employment on or before December 31, 2021. In this situation the “retro” amount will only be based upon the months the employee worked for the college.

Permanent full-time employees who work a 9-, 10-, or 11-month schedule are considered employed and are eligible for the “retro” salary increase if employed on June 30, 2021 and December 31, 2021 without a separation in service. The “retro” amount for these employees shall be the same calculation as for permanent full-time employees who work a 12 month schedule (if there is no separation of service); the “retro” amount shall be for the period from July 1 to December 31, 2021 which is half of the 2.5% annual salary increase.

If an employee was employed by an NC community college, the System Office, another State agency, the UNC System, or was a noncertified or central office NC public school employee on June 30, 2021 and transferred to a position at another NC community college, the System Office, another State agency, or the UNC System and continues to be employed on December 31, 2021, the employee is eligible. The current employer (NC community college) will need to contact the June 30, 2021, employer to determine that employee’s June 30, 2021 salary to determine the correct calculation of the 2.5% amount.

### **Salary to which the 2.5% is Applied?**

The 2.5% legislative increase will be calculated based upon the annual salary in effect on June 30, 2021. If an eligible State-funded community college employee is paid less than \$13 per hour, the employee shall receive the greater of the 2.5% OR the amount necessary to increase the eligible employee’s salary to \$13 per hour.

If the employee was employed on June 30, 2021 by another NC community college, the System Office, another State agency, the UNC System, or was a noncertified or central office NC public school employee and transferred to the community college and continues to be employed on December 31, 2021, the current employer (NC community college) will need to contact the June 30, 2021 employer to determine that employee's June 30, 2021 salary to determine the correct calculation of the 2.5% amount.

If an eligible employee was not continuously employed from July 1 – December 31, 2021, the "retro" pay amount shall be adjusted for the period of time the eligible employee did not work for an NC community college, the System Office, another State agency, the UNC System, or was a noncertified or central office NC public school employee.

#### Presidents' State Salary

The community college presidents' state salary has been revised to incorporate the 2.5% increase. The salary for each grade is noted below.

<u>Grade 1</u>	<u>Grade 2</u>	<u>Grade 3</u>
<u>145,590</u>	<u>155,423</u>	<u>165,939</u>

#### **Exception for \$13 per hour Minimum Salary**

While an employee must have been employed on both June 30, 2021 and December 31, 2021 to receive the 2.5% salary increase, if a State-funded community college employee, including all permanent, temporary, or student employees paid with state funds, is employed on December 31, 2021 regardless of their start date, that employee shall receive a "retro" payment of the difference between what the employee was actually paid in July – December 2021 and what would have been paid at the \$13 per hour minimum.

#### **Longevity**

If an eligible employee received a longevity payment in July – December 31, 2021, the community college shall pay a retroactive longevity payment of the difference between the longevity amount paid and the longevity amount after applying the 2.5% salary increase.

#### **Overtime**

If an eligible employee who is subject to the Fair Labor Standards Act received an overtime payment in July – December 31, 2021, the employee shall receive a retroactive overtime payment of the difference between the overtime amount paid and the overtime amount after applying the 2.5% salary increase.

#### **Retirement Contributions**

The salary increase (including the "retro" amount) is subject to employee 6% contribution and the 24.10% employer contribution.

#### **Timing of Retro Payments**

The Department of State Treasurer has confirmed that the “retro” payments may occur in January, February, or March 2022. The college shall use the pay period end date of December 31, 2021 when reporting the payment of the “retro” amounts to the Retirement System.

### Examples

Below are some examples of how to apply the above guidance.

A permanent FT employee was employed on June 30, 2021 and remains employed on December 31, 2021. The employee’s annual salary on June 30, 2021 was \$48,000 so the 2.5% salary increase is \$1,200 for the year or \$100 per month.

- If this employee worked July 1- December 31, 2021 the “retro” amount = \$600 and the employee’s January 2022 paycheck shall be increased by \$100.
- If this employee worked July – August, separated in September – October, and worked November – December, the “retro” amount = \$400 for the 4 months of work between July – December 31, 2021.
- If this employee received a promotion in July 2021 to an annual salary of \$55,000, the \$7,000 salary increase is NOT included in the 2.5% salary increase or “retro” calculation. The salary increase and “retro” is still based upon the salary in effect on June 30, 2021 of \$48,000 and the “retro” is only for the months worked between July 1 – December 31, 2021.

A permanent PT employee who works 50% of a FT employee schedule was employed on June 30, 2021 and remains employed on December 31, 2021. The employee’s annual salary on June 30, 2021 is \$24,000 or \$2,000 per month, so the 2.5% salary increase for the year is \$600 or \$50 per month.

A permanent PT State-funded employee who works 50% of a FT employee schedule was employed on June 30, 2021 and remains employed on December 31, 2021. The employee’s annual salary on June 30, 2021 is \$12,000 or \$1,000 per month. Since this employee’s salary is less than \$13 per hour, then the employee shall receive the higher of the 2.5% or the \$13 per hour amount. Since in this case the \$13 per hour is higher, then the employee’s increase shall be based upon the \$13 per hour.

A FT State-funded employee was employed on June 30, 2021 and remains employed on December 31, 2021. The employee’s annual salary on June 30, 2021 is \$24,000 or \$2,000 per month. Since this employee’s salary is less than \$13 per hour, then the employee shall receive the higher of the 2.5% or the \$13 per hour amount. Since in this case the \$13 per hour is higher, then the employee’s increase shall be based upon the \$13 per hour.

- If this same State-funded employee started work at the college on October 1, 2021 and remains employed on December 31, 2021, the employee shall receive the \$13 per hour due to the minimum \$13 per hour exception regarding start date. The “retro” amount for this position shall be based upon the months worked between July 1-December 31, 2021.

### Who is NOT eligible for the increase?

Employees who separated from service before December 31, 2021 will not receive the salary increase or “retro” amount per Section 39.17(a).

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Employees newly hired after June 30, 2021 are not eligible UNLESS the employee was employed on June 30, 2021 by another NC community college, the System Office, another State agency, the UNC System, or was a noncertified or central office NC public school employee and transferred to the community college and continues to be employed on December 31, 2021.

NOTE: Reference the [NC Department of Public Instruction Employee Salary and Benefits Manual](#) for definitions of central office and noncertified personnel.