FAQ - Fiscal Year 2026-2027 Legislative Salary Increase and Bonus

1. **Who is eligible to receive the 3% legislative salary increase to their base salary?** Current employee groups: Senior Academic and Administrative Officers (SAAO), Faculty, Exempt Professional Staff (EPS), Employees Subject to the State Human Resources Act (SHRA), and Temporary hourly employees are eligible for the mandatory 3% recurring salary increase. Employees whose last workday is prior to 6/20/26, due to resignation, retirement, dismissal, reduction in force, or death are not eligible for the salary increase. The employees who separated on or prior to 6/30/26 are NOT eligible for the legislative salary increase (LSI), as they must have been actively employed on *both June 30 and July 1*. However, individuals whose last workday was 6/30/26 and were in an active pay status on 6/30/26 ARE eligible to receive their corresponding one-time bonus. The salary increase will be calculated on the employee's 6/30/26, recurring base salary and will be paid on 7/31/26 paycheck.

2. **Are temporary employees supposed to get the LSI and the Bonus?**

    - As of 7/16/2026, Office of State Human Resources (OSHR) and Office of State Budget and Management (OSBM) are working with the General Assembly to determine whether stipend-based or flat-rate temporary employees are eligible for the LSI. They are also working to confirm applicability to regular temporary employees. More information will be provided as soon as we receive this determination.
    - Temporary employees are NOT eligible to receive the one-time Bonus, which is expressly allocated for permanent employees only.
    - Student employees are NOT covered by the legislation and are not due to receive the LSI.

3. **Who is eligible to receive the 13% legislative increase to their base salary?** Sworn Law Enforcement personnel at UNC System Constituent institutions are subject to separate legislative compensation provisions and are excluded from the standard 3% recurring salary increase. Sworn Law Enforcement personnel will receive a 13% increase to each employee's recurring base salary, as of 6/20/26, rather than the across-the-board 3% increase applied to other employee groups. This increase is effective on 7/1/26 and will be paid in the 7/31/26 paycheck.

    Non-sworn public safety personnel and support staff should receive the standard 3% increase on their recurring base salary.

4. **Who is eligible for the one-time nonrecurring legislative bonus?** The one-time nonrecurring legislative bonus must be paid for all permanent employees who were employed as of 6/30/26, even if they separate before the bonuses are paid. Permanent part-time employees shall receive a prorated bonus on their FTE. Temporary employees are NOT eligible to receive the one-time bonus. Bonus payments will be processed separately

from recurring salary increases and are exempt from inclusion in retirement compensation calculations. Sworn Law Enforcement personnel will receive either a $1,000.00 or $1,750.00 bonus that is in line with all other permanent university employees.

5. **What is the one-time nonrecurring legislative bonus amount?** A one-time nonrecurring compensation bonus for eligible permanent employees is based on the employee's annual base salary as of 6/30/26.

    - Annual salary of $65,000.00 or less will receive a $1,750.00 bonus
    - Annual salary greater than $65,000.00 will receive $1,000.00 bonus

6. **When will the one-time nonrecurring legislative bonus be paid?** The one-time nonrecurring bonus will be paid as close as practicable to 10/15/26. The one-time nonrecurring bonus is NOT considered compensation for the purposes of any State retirement system (inclusive of TSERS or ORP), does not become part of the employee's annual base salary, and is subject to proper federal and State payroll tax withholding. Further communication will be provided at a later date regarding when the bonus will be paid.

7. **Will longevity payments be adjusted to reflect this increase?** Yes, eligible employees who should receive longevity pay on or after 7/1/26 will receive an adjustment to reflect the 3% updated recurring salary. This adjustment will be reflected in the 7/31/26 paycheck.

8. **Should differential payments that are based on base salary (e.g., shift differential, holiday premium pay, etc.) be included in any possible retro payment, like longevity?** Yes, they should be included in the retro process as well.

9. **Will employees who receive a salary increase after June 30 be eligible for the LSI?**

    - The 3% LSI, as calculated using the 6/30/26 salary, may be added on top of any salary increase that happened after 6/30/26, at the institution's discretion. We understand that some employees may have been offered a new role or salary that already incorporates fair market pay, making an LSI potentially redundant.
    - When an employee takes on a new position, they are no longer entitled to the LSI tied to their former position.
    - Any salary requests approved that have an effective date of July 1 or later will be limited to the newly approved amount. Institutions may not apply an additional 3% to these requests on top of the amount requested without submitting a new request.

10. **Are faculty members in the phased retirement program eligible for the increase?** Subject to any limitations imposed under the State Retirement System and the legislative appropriations process, faculty members who entered the Phased Retirement Program on 7/1/26 or later are not eligible for the mandatory 2026-2027 legislative salary increase, as the phased retirement salary was established upon entry into the program. Faculty

members who entered the Phased Retirement Program prior to 7/1/25 or prior years are eligible for the mandatory legislative increase.

11. **Are employees who transferred to UNCG from another state agency eligible?** Yes. Any SHRA employee who transfers from eligible UNC institutions or state agencies with an effective date of 7/1/26 or later is eligible to receive the legislative increase based on their 6/30/26, salary. Newly hired EPS employees from eligible UNC institutions or state agencies will be treated the same as SHRA transfers. Community College transfers are governed by different statutory provisions. The University will evaluate these situations individually.

12. **How should we handle new hire employees who terminated a prior State role after July 1? Will their previous (UNC or State agency) employer be required to pay any portion that happened during that employment period**

    - For employees who are hired at the University from another campus or state agency with a start date on July 1, the employee is eligible for the 3% increase.
    - If employees change positions after July 1, then the employees are NOT entitled to the dollar amount increase once they move to their new position. LSI-eligible employees who fully separate from the State of North Carolina – meaning employees who did not transfer to another campus or state agency – after 6/30/26, but prior to the payroll implementation of the mandatory 3% LSI are due a pro-rated LSI payment, retroactive to July 1, payable by the active employer between June 30 and the separation date.
    - Similarly, bonus-eligible employees who separate from the State after 6/30/26, but prior to the payout of the legislative Bonus are due to receive the appropriate Bonus amount, based on their salary as of 6/30/26.

13. **Are employees who are currently on a leave of absence eligible to receive the legislative increase?**

    - Employees currently on disability or who are on a leave of absence (paid or unpaid) are eligible for the mandatory legislative increase upon their return if they satisfy all other criteria as set forth in the ARP instructions.
    - Institutions are not required to process payments for employees on leave without pay until the employee returns, and those payments are to be made on a current basis, not retroactive.

15. **Is LSI eligibility based on a performance rating of at least "meets expectations"? What about employees facing disciplinary action?**

    - LSI eligibility this year is not based on performance ratings and does include all active employees, including those facing disciplinary action.

16. **Are Student Employees eligible for the legislative salary increase?** Student Employees are not subject to the mandatory legislative salary increase or bonus.

17. **Are Athletic Employees eligible for the legislative salary increase?** For coaches and athletics administrators whose employment contracts already include annual salary adjustment provisions, the University will review each contract to determine whether existing contractual provisions are covered. Otherwise, the University will administer legislative compensation consistent with other eligible employees.

18. **If I have questions about the amount I receive, who should I contact?** SHRA staff and EPS employees should contact the Operations Team in HR at hrops@uncg.edu; faculty members should contact the Faculty Personnel Services Team in the Provost Office at fps@uncg.edu.