

## **SUBCHAPTER 01D - COMPENSATION**

### **SECTION .0100 - ADMINISTRATION OF THE PAY PLAN**

#### **25 NCAC 01D .0101 COMPENSATION PLAN**

The State Human Resources Commission shall maintain a compensation plan by providing a salary rate structure or structures adequate to appropriately compensate all positions subject to the State Human Resources Act. This structure or structures may be revised in response to labor market trends and to legislative actions affecting salaries; provided that such action is dependent on the availability of funds. "Appropriate compensation" shall mean compensation that encourages exceptional performance and maintains labor market competitiveness within the limits of financial resources.

*History Note: Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.*

#### **25 NCAC 01D .0102 SALARY STRUCTURES**

(a) The salary structures in the compensation plan maintained pursuant to Rule .0101 of this Section shall include all positions subject to the State Human Resources Act. Each such position shall be assigned to a pay grade with an associated salary range based on similar employment in the defined labor market. Each pay grade shall be assigned a minimum, midpoint, and maximum salary rate that is competitive with rates in the external labor market, consistent with the state's ability to pay and the hierarchy within state government employment. The minimum and maximum salary rates shall be the lowest and highest salary rates paid for a job assigned to that pay grade.

(b) Based on labor market demands, salary rates for some classifications may be approved above the standard rates. When a higher salary range (i.e., both the minimums and maximums are raised) is needed to recruit employees to certain areas of the state, the higher range(s) will be known as geographic differentials. When only the entry rates (and not the maximums) need to be higher, the higher rates will be known as special entry rates. Special entry rates may be approved on a geographic basis also.

(c) When geographic differentials are in effect, all salary administration policies are applied as if the classification were at the higher grade. Provisions for applying special entry rates are included in each policy.

*History Note: Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.*

#### **25 NCAC 01D .0103 STATE SALARY SCHEDULE**

*History Note: Authority G.S. 126-4(2); 150B-14(c);  
Eff. September 1, 1976;  
Amended Eff. January 1, 1990; October 1, 1984; June 1, 1984; September 1, 1983;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

#### **25 NCAC 01D .0104 APPENDICES TO STATE SALARY SCHEDULE**

*History Note: Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1983; October 1, 1983; September 1, 1983; August 1, 1983;  
Repealed Eff. December 1, 1984.*

#### **25 NCAC 01D .0105 PAY STATUS**

(a) An employee shall be deemed to be in pay status when working, when on paid leave, when exhausting vacation or sick leave, or when on workers' compensation leave. Lump sum payment of vacation leave upon separation shall not constitute paid leave status.

(b) An employee shall not be deemed to be in pay status after the last day of work if separated because of resignation, dismissal, death, retirement, reduction in force, or in accordance with any rule.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. October 1, 1983; July 1, 1983;  
Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire on June 29, 1989;  
Amended Eff. March 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

#### **25 NCAC 01D .0106 TOTAL COMPENSATION AND TOTAL EMPLOYMENT**

An employee being paid for full-time employment shall not receive additional compensation for additional work performed for the state except as provided under the dual employment policy and under the overtime policies. Under the dual employment policy, an agency may secure the services of an employee in another agency on a part-time, consulting or contractual basis when the demand for an employee with special skills and abilities is required for efficient operation of a program.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

#### **25 NCAC 01D .0107 CROSS HIRING**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Repealed Eff. July 1, 2012.

#### **25 NCAC 01D .0108 AVAILABILITY OF FUNDS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Repealed Eff. January 1, 1990.

#### **25 NCAC 01D .0109 COMPENSATION FOR POSITIONS EXEMPT EXCEPT AS TO SALARY**

*History Note:* Authority G.S. 126-4; 126-5(b)(3);  
Eff. July 1, 1977;  
Repealed Eff. October 1, 1977.

#### **25 NCAC 01D .0110 POLICY**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1985;  
Repealed Eff. March 1, 1988.

#### **25 NCAC 01D .0111 TECHNICAL ADJUSTMENTS TO THE PAY PLAN**

(a) Technical adjustments to the pay plan are refinements to the pay system approved by the State Human Resources Commission that include, but are not limited to, such actions as establishing special pay plans, renumbering salary ranges, changing the length of salary ranges, and adding or deleting salary ranges. This type of change is not directly related to current labor market fluctuations, and therefore is not defined as a Salary Range

Revision. Neither are technical changes related to position classification changes, and therefore are not Reallocations.

(b) Technical adjustments to the pay plan do not create entitlement or authorization to change individual employee salaries.

*History Note: Authority G.S. 126-4;  
Eff. January 1, 1991;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

## **25 NCAC 01D .0112 TOTAL STATE SERVICE DEFINED**

(a) Total state service shall mean the time of full-time or part-time (half-time or over) employment of an employee with a permanent, probationary, or time-limited appointment, whether subject to or exempt from the State Human Resources Act. If an employee is in pay status, on authorized military leave in accordance with 25 NCAC 01E .0800, or on workers' compensation leave for at least one-half of the regularly scheduled workdays and holidays in a pay period, credit toward total state service shall be given for the entire pay period.

(b) If an employee's work schedule is less than 12 months and the employee works all the months scheduled, such as a school year, credit toward total state service shall be given for the full year; however, if the employee works less than the scheduled time, credit toward total state service shall be given on a month-for-month basis for the actual months worked.

(c) Credit toward total state service shall be given for:

- (1) Employment with other governmental units which are now North Carolina State agencies, such as county highway maintenance forces, War Manpower Commission, and judicial system;
- (2) Employment with the North Carolina county agricultural extension service;
- (3) Employment with the Community College system and the public school system of North Carolina;
- (4) Employment with a local mental health, public health, social services, or emergency management agency in North Carolina if such employment is subject to the State Human Resources Act; and
- (5) Employment with the General Assembly of North Carolina, except for participants in the Legislative Intern Program and pages, including all of the time, both permanent and temporary, of the employees and the full legislative terms of the members.

*History Note: Authority G.S. 126-4(5),(10);  
Eff. February 1, 1976;  
Amended Eff. July 1, 1983;  
Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire June 29, 1989;  
Amended Eff. August 1, 1995; July 1, 1989; March 1, 1989;  
Recodified from 25 NCAC 01D .1204(g) Eff. December 29, 2003;  
Amended Eff. August 1, 2009;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.*

## **25 NCAC 01D .0113 PAYMENT OF SALARY TO EMPLOYEES**

(a) Every state agency shall pay every employee all wages earned and accruing to that employee on the regular payday for that agency. If the date of separation precludes payment on the regularly scheduled payday, then payment shall be made as soon as possible, but not later than the next scheduled payday. This Rule shall not be construed to require agencies to compensate FLSA exempt employees for compensatory time earned and accrued in accordance with 25 NCAC 1E .1006.

(b) Employees who separate from employment with the state shall be paid all salary due no later than the next scheduled payday. If the date of separation precludes payment on that date, then payment shall be made in accordance with Rule .2201 of this Section.

(c) No money shall be withheld from a final payment to a separated employee except for reasons set forth in this Rule or as otherwise provided for by law or the rules of the Office of State Budget.

(d) The employing agency may withhold money from a final salary payment to a separated employee to recover the cost of state property, equipment, uniforms, tools or other items owned by the state and not returned to the employing agency by the separated employee.

- (e) The employing agency shall withhold money from a final salary payment to a separated employee to pay for overdrawn vacation or sick leave or other financial obligation to the employing agency arising out of the employment relationship outstanding at the time of the employee's separation.
- (f) Failure by the separated employee to perform one or more job responsibilities or other work-related acts prior to separation shall not be cause for withholding of any salary due to the employee at separation.
- (g) An employee shall be notified in advance in writing of any deductions to be made from his final payment of salary pursuant to this Rule. The notice shall specify what amounts are being deducted, and the reasons for the deductions.
- (h) Provisions of this Section shall be posted prominently at least in every agency and university personnel office and elsewhere as the employing agency deems necessary.

*History Note:* Authority G.S. 126-4(10);  
Eff. November 1, 1989;  
Recodified from 25 NCAC 01D .2201-.2203 Eff. December 29, 2003;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

#### **25 NCAC 01D .0114 BREAK IN SERVICE**

A break in service shall be deemed to occur when an employee is not in pay status, as defined in 25 NCAC 01D .0105, for more than 31 calendar days. Periods of leave without pay, as defined in 25 NCAC 01E .1100, shall not constitute a break in service.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire on June 29, 1989;  
Amended Eff. March 1, 1989;  
Recodified from 25 NCAC 01D .1003 Eff. December 29, 2003;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

#### **25 NCAC 01D .0115 SUPPLEMENTAL SALARY**

- (a) Supplemental salary is any compensation from an affiliated public charity, foundation or other private source paid to a state employee for services that are part of the employee's regular job and is in addition to the employee's base salary paid by the state and any other compensation authorized by this Chapter.
- (b) Receipt of supplements shall be subject to the approval of the agency head with final approval by the State Human Resources Commission. Requests shall be submitted to the Office of State Human Resources and shall include documentation of relevant labor market information and any other information that the agency head believes justifies a salary supplement. The documentation shall also include why the payment of the supplement will not result in any conflict of interest. In the absence of a conflict of interest, the State Human Resources Commission shall base its decision on documented labor market information submitted by the agency and any additional information of prevailing practices in the applicable labor market supplied by the Office of State Human Resources.
- (c) Salary supplements in existence on the effective date of this Rule shall be submitted for review and approval within 90 days.
- (d) Any proposed changes in the amount of a salary supplement shall be resubmitted to the Office of State Human Resources with documented labor market information and shall be subject to final approval by the State Human Resources Commission. The State Human Resources Commission shall base its decision on documented labor market information submitted by the agency and any additional information of prevailing practices in the applicable labor market supplied by the Office of State Human Resources.

*History Note:* Authority G.S. 126-4;  
Eff. September 1, 2006;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

#### **25 NCAC 01D .0116 SIGN-ON BONUS**

*History Note:* Authority G.S. 126-4; S.L. 2008-107, s. 26.12B.(a);  
Eff. March 1, 2009;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

## **SECTION .0200 - EMPLOYEE SUGGESTION SYSTEM**

### **25 NCAC 01D .0201 INITIAL EMPLOYMENT**

(a) A new hire is the initial employment of an individual to a position in State government. A new hire shall possess the minimum-qualifications for the position, or their equivalent, as set forth in the class specification. A new hire shall begin work on any scheduled workday in a pay period. When the first day of a pay period does not fall on a workday and the new hire begins work on the first workday of a pay period, the date to begin work shall be shown as the first day of the pay period.

(b) An employee entering into state service in a permanent or time-limited position shall be given a probationary appointment in accordance with G.S. 126-1.1. The probationary appointment period shall serve as an extension of the selection process to determine whether the person meets satisfactory performance standards for the work for which employed. The employee shall earn all the benefits of an employee with a permanent appointment during this probationary period.

(c) The conditions of the probationary appointment shall be conveyed to the applicant prior to appointment. During the probationary period, the supervisor shall work with the employee in coaching and assisting the employee to achieve a satisfactory performance level; progress of the employee shall be reviewed during documented feedback discussions between the employee and the supervisor in accordance with 25 NCAC 01O .0207.

(d) Following the probationary period, the employee shall be given a permanent appointment when the supervisor, in consultation with other appropriate administrators, determines the employee's performance indicated capability to become a satisfactory performer and merits retention in the position. If the employee's performance indicates that the employee is not suited for the position and does not meet acceptable performance standards, the employee shall be separated from that position. Employees may be separated during a probationary appointment for causes related to performance of duties or unacceptable personal conduct.

*History Note:* Authority G.S. 126-1.1; 126-4; 126-34.01; 126-34.02;  
Eff. February 1, 1976;  
Amended Eff. August 1, 1995; December 1, 1988; January 1, 1979; December 1, 1978;  
Temporary Amendment Eff. May 23, 2014;  
Amended Eff. April 1, 2015;  
Readopted Eff. April 1, 2017.

### **25 NCAC 01D .0202 HIRING RATE** **25 NCAC 01D .0203 JUSTIFICATION** **25 NCAC 01D .0204 TEMPORARY OR PART-TIME EMPLOYEES**

*History Note:* Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire on June 29, 1989;  
Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. May 1, 1989; March 1, 1989; November 1, 1988; June 1, 1983;  
Repealed Eff. January 1, 1990.

### **25 NCAC 01D .0205 EFFECTIVE DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire June 29, 1989;  
Amended Eff. August 1, 1995; March 1, 1994; March 1, 1989;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0206      PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:*     Authority G.S. 126-4;  
                          Eff. February 1, 1976;  
                          Amended Eff. August 1, 1982; July 1, 1980; August 1, 1978;  
                          Repealed Eff. March 1, 1989.

**25 NCAC 01D .0207      QUALIFICATIONS  
25 NCAC 01D .0208      TRAINEE APPOINTMENTS  
25 NCAC 01D .0209      TRAINEE SALARIES  
25 NCAC 01D .0210      TRAINEE SALARY ADJUSTMENTS**

*History Note:*     Authority G.S. 126-4;  
                          Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire June  
                          29, 1989;  
                          Eff. February 1, 1976;  
                          Amended Eff. August 1, 1995; January 1, 1990; March 1, 1989; January 1, 1989; July 1, 1980;  
                          August 1, 1978;  
                          Expired Eff. January 1, 2016 pursuant to G.S. 150B 21.3A.

**25 NCAC 01D .0211      SALARY RATE  
25 NCAC 01D .0212      JUSTIFICATION  
25 NCAC 01D .0213      TEMPORARY AND PART-TIME EMPLOYEES**

*History Note:*     Authority G.S. 126-4; 126-4(2);  
                          Eff. January 1, 1990;  
                          Amended Eff. August 1, 1995; March 1, 1994; September 1, 1991; January 1, 1991;  
                          Expired Eff. January 1, 2016 pursuant to G.S. 150B 21.3A.

**SECTION .0300 - PROMOTION**

**25 NCAC 01D .0301      PROMOTION**

(a) Promotion is an advancement from one position to another with a higher pay grade as described in 25 NCAC 01D .0102, within the same pay plan, or an advancement from one position to another with a higher market rate in a different pay plan. For a promotion, an employee shall possess at least the minimum qualifications for the position, or their equivalent, as set forth in the class specification. "Market rate" means the average market value for a particular job.

(b) When it is practical and feasible, a vacancy shall be filled from among eligible employees; a vacancy shall be filled by an applying employee if required by 25 NCAC 01H .0801.

*History Note:*     Authority G.S. 126-4; 126-7.1;  
                          Eff. February 1, 1976;  
                          Amended Eff. December 1, 1993; July 1, 1989;  
                          Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December  
                          20, 2015;  
                          Amended Eff. April 1, 2017.

**25 NCAC 01D .0302      SALARY RATE**

*History Note:*     Authority G.S. 126-4;  
                          Eff. February 1, 1976;  
                          Amended Eff. July 1, 1989; January 1, 1989; December 1, 1984; April 1, 1984;  
                          Repealed Eff. January 1, 1990.

**25 NCAC 01D .0303      EFFECTIVE DATE OF PROMOTIONS FOR GRADED POSITIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. July 1, 2012; March 1, 1992; July 1, 1990; January 1, 1990; December 1, 1983;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0304 PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1983; December 1, 1980; July 1, 1980; December 1, 1978;  
Repealed Eff. January 1, 1990.

**25 NCAC 01D .0305 QUALIFICATIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1985; December 1, 1983; January 1, 1979; October 1, 1977;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0306 NON-COMPETITIVE PROMOTION UNDER COMPETITIVE SERVICE**  
**25 NCAC 01D .0307 PROMOTION DURING PROBATIONARY OR TRAINEE PERIOD**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. June 1, 1983; January 1, 1979; December 1, 1978;  
Repealed Eff. December 1, 1985.

**25 NCAC 01D .0308 SALARY INCREASES FOR PROMOTIONS FOR GRADED POSITIONS**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1990;  
Amended Eff. July 1, 2012; March 1, 1992; September 1, 1991; July 1, 1990;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**SECTION .0400 - DEMOTION OR REASSIGNMENT**

**25 NCAC 01D .0401 DEMOTION AND REASSIGNMENT**

(a) Demotion shall mean an assignment to a position with a lower pay grade or a salary reduction in an employee's current position, caused by unsatisfactory performance or a disciplinary action in accordance with 25 NCAC 01J .0604. A career state employee, as defined in G.S. 126-1.1, shall have the right to appeal a demotion through their agency's internal grievance procedure.

(b) Reassignment shall mean an assignment to a position with a lower pay grade within the same pay plan or a lower market rate, as defined in 25 NCAC 01D .0301, if assigned to a different pay plan, resulting from a mutual agreement between the employee and employer. A reassignment shall not be deemed the result of disciplinary action.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1995; March 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

**25 NCAC 01D .0402 SALARY RATE**

*History Note:* Authority G.S. 126-4;

*Eff. February 1, 1976;*  
*Amended Eff. December 1, 1978; April 1, 1978; August 1, 1977;*  
*Repealed Eff. January 1, 1990.*

**25 NCAC 01D .0403      EFFECTIVE DATE**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. March 1, 1994;*  
*Repealed Eff. July 1, 2012.*

**25 NCAC 01D .0404      PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. July 1, 1980; December 1, 1978;*  
*Repealed Eff. January 1, 1990.*

**25 NCAC 01D .0405      QUALIFICATIONS**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. March 1, 1994; December 1, 1985; December 1, 1978;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**25 NCAC 01D .0406      SALARY RATE**

*History Note:      Authority G.S. 126-4;*  
*Eff. January 1, 1990;*  
*Amended Eff. December 1, 1995; July 1, 1990;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**SECTION .0500 - SEPARATION**

**25 NCAC 01D .0501      DEFINED**

*History Note:      Authority G.S. 126-4; 126-5(c);*  
*Eff. February 1, 1976;*  
*Amended Eff. May 1, 1989; October 1, 1977;*  
*Recodified to 25 NCAC 01C .1001 Eff. December 29, 2003.*

**25 NCAC 01D .0502      RESIGNATION**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. November 1, 1988; February 1, 1983;*  
*Recodified to 25 NCAC 01C .1002 Eff. December 29, 2003.*

**25 NCAC 01D .0503      RETIREMENT**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. November 1, 1988; February 1, 1983;*  
*Recodified to 25 NCAC 01C .1003 Eff. December 29, 2003.*

**25 NCAC 01D .0504      REDUCTION IN FORCE**



*History Note:* Authority G.S. 126-4(2);  
Eff. February 1, 1976;  
Amended Eff. May 1, 1980; January 1, 1980;  
Emergency Amendment (a) Eff. March 16, 1981 for a Period of 77 Days to Expire on June 1, 1981;  
Emergency Amendment (a) Made Permanent with Change Eff. April 8, 1981;  
Amended Eff. December 1, 1995; March 1, 1994; November 1, 1990; March 1, 1987;  
Recodified to 25 NCAC 01C .1004 Eff. December 29, 2003.

**25 NCAC 01D .0505      DISMISSAL**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1989;  
Recodified to 25 NCAC 01C .1005 Eff. December 29, 2003.

**25 NCAC 01D .0506      CLOSING OF A STATE INSTITUTION**

*History Note:* Authority G.S. 126-4; 143-27.2;  
Eff. July 1, 1979;  
Repealed Eff. October 1, 1984.

**25 NCAC 01D .0507      PRIORITY REEMPLOYMENT CONSIDERATION**

*History Note:* Authority G.S. 126-5(e);  
Eff. June 1, 1985;  
Repealed Eff. March 1, 1987.

**25 NCAC 01D .0508      PRIORITY REEMPLOYMENT CONSIDERATION: (EFF. JULY 1, 1985)**

*History Note:* Authority G.S. 126-5(e);  
Eff. October 1, 1985;  
Repealed Eff. March 1, 1987.

**25 NCAC 01D .0509      SEVERANCE SALARY CONTINUATION**

*History Note:* Authority G.S. 126-4(10); 143-27.2;  
Eff. October 1, 1985;  
Amended Eff. October 1, 1995; September 1, 1991; November 1, 1990; November 1, 1988;  
Recodified to 25 NCAC 01D .2701 Eff. December 29, 2003.

**25 NCAC 01D .0510      PRIORITY REEMPLOYMENT CONSIDERATION**

*History Note:* Authority G.S. 126-1A; 126-5(c)(2); 126-5(d)(1); 126-7.1;  
Eff. March 1, 1987;  
Amended Eff. December 1, 1995; March 1, 1994; June 1, 1992; March 1, 199;  
Recodified to 25 NCAC 01H .0901 Eff. December 29, 2003.

**25 NCAC 01D .0511      REDUCTION IN FORCE PRIORITY CONSIDERATION**

*History Note:* Authority G.S. 126-4(6),(10);  
Eff. March 1, 1987;  
Amended Eff. December 1, 1995; April 1, 1993; June 1, 1992; January 1, 1990;  
Recodified to 25 NCAC 01H .0902 Eff. December 29, 2003.

**25 NCAC 01D .0512      POLICY-MAKING/CONFIDENTIAL EXEMPT PRIORITY CONSIDERATION**

*History Note:*    Authority G.S. 126-1A; 126-5;  
                          Eff. March 1, 1987;  
                          Amended Eff. June 1, 1994; June 1, 1992; November 1, 1988;  
                          Recodified to 25 NCAC 01H .1001 Eff. December 29, 2003.

**25 NCAC 01D .0513      CUMULATIVE STATE SERVICE**

*History Note:*    Authority G.S. 126-4(6),(10);  
                          Eff. March 1, 1987;  
                          Recodified to 25 NCAC 01H .1002 Eff. December 29, 2003.

**25 NCAC 01D .0514      REEMPLOYMENT AFTER PRIORITY EXPIRATION**

*History Note:*    Authority G.S. 126-4(6),(10);  
                          Eff. March 1, 1987  
                          Recodified to 25 NCAC 01H .0903 Eff. December 29, 2003.

**25 NCAC 01D .0515      AGENCY RESPONSIBILITIES**

*History Note:*    Authority G.S. 126-4(6),(10);  
                          Eff. March 1, 1987;  
                          Amended Eff. December 1, 1995; June 1, 1992; November 1, 1988;  
                          Recodified to 25 NCAC 01H .0904 Eff. December 29, 2003.

**25 NCAC 01D .0516      OFFICE OF STATE PERSONNEL RESPONSIBILITY**

*History Note:*    Authority G.S. 126-4(6),(10);  
                          Eff. March 1, 1987;  
                          Recodified to 25 NCAC 01H .0905 Eff. December 29, 2003.

**25 NCAC 01D .0517      LEAVE**

*History Note:*    Authority G.S. 126-4(6),(10);  
                          Eff. March 1, 1987;  
                          Amended Eff. November 1, 1990;  
                          Repealed Eff. December 1, 2008.

**25 NCAC 01D .0518      VOLUNTARY RESIGNATION WITHOUT NOTICE**

*History Note:*    Authority G.S. 126-4(7a);  
                          Eff. November 1, 1989;  
                          Recodified to 25 NCAC 01C .1006 Eff. December 29, 2003.

**25 NCAC 01D .0519      UNAVAILABILITY WHEN LEAVE IS EXHAUSTED**

*History Note:*    Authority G.S. 126-4(7a); 126-35;  
                          Eff. November 1, 1989;  
                          Recodified to 25 NCAC 01C .1007 Eff. December 29, 2003.

**25 NCAC 01D .0520      APPOINTMENT ENDED**

*History Note:*    Authority G.S. 126-4; 126-5;  
                          Eff. March 1, 1996;  
                          Recodified to 25 NCAC 01C .1008 Eff. December 29, 2003.

## SECTION .0600 - REALLOCATION

**25 NCAC 01D .0601 REALLOCATION DEFINED**  
**25 NCAC 01D .0602 ASSIGNMENT TO HIGHER GRADE**  
**25 NCAC 01D .0603 ASSIGNMENT TO A LOWER GRADE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. April 1, 1984; August 1, 1980; July 1, 1980; January 1, 1979;  
Repealed Eff. January 1, 1990.

**25 NCAC 01D .0604 ASSIGNMENT TO SAME GRADE**  
**25 NCAC 01D .0605 EFFECTIVE DATE OF REALLOCATIONS FOR GRADED POSITIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. July 1, 2012; July 1, 1990; January 1, 1990;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0606 PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. July 1, 1980; December 1, 1978;  
Repealed Eff. January 1, 1990.

**25 NCAC 01D .0607 QUALIFICATIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1985;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0608 REALLOCATION**

Reallocation shall mean the reclassification of a position that may warrant a new job title and job description. Reallocation of a position shall be documented through data collection and analysis approved by the State Human Resources Director or designee if there is an approved delegation of authority in accordance with 25 NCAC 01A .0106.

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

**25 NCAC 01D .0609 REALLOCATION TO A HIGHER GRADE**  
**25 NCAC 01D .0610 REALLOCATION TO A LOWER GRADE**

*History Note:* Authority G.S. 126-4(2);  
Eff. January 1, 1990;  
Amended Eff. November 1, 1990;  
Repealed Eff. January 1, 1991.

**25 NCAC 01D .0611 REALLOCATION/SALARY RATE FOR GRADED POSITIONS**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1991;  
Amended Eff. July 1, 2012; March 1, 1994; April 1, 1992; September 1, 1991;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

## **SECTION .0700 - SALARY RANGE REVISION**

### **25 NCAC 01D .0701 DEFINITION**

(a) Salary range revision is any change in a salary range approved by the State Human Resources Commission and resulting from changes in the labor market.

(b) The primary purpose of a range revision is to provide current and competitive salary rates for the use of managers with recruitment responsibilities. Revisions resulting from upward changes in the labor market serve another purpose in helping reduce the vulnerability of employees to external job offers when their salaries are below the market average as reflected by the mid-point of the salary range.

(c) Salary increases as a result of salary range revision are not rewards for job performance or assumption of greater responsibility. Increases provided by this policy are for maintenance of labor market competitive pay levels for affected employees. For employees below the midpoint, management is encouraged to increase salaries. Factors that influence the amount of increase include current salary relationship to the minimum and midpoint rates, salary equity among affected employees and satisfactory job performance.

*History Note:* Authority G.S. 126-4(2);  
Eff. February 1, 1976;  
Amended Eff. January 1, 1991;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

### **25 NCAC 01D .0702 ASSIGNMENT TO HIGHER GRADE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1980; July 1, 1980; August 1, 1978;  
Repealed Eff. January 1, 1990.

### **25 NCAC 01D .0703 ASSIGNMENT TO A LOWER GRADE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .0704 PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1980; July 1, 1980; December 1, 1978;  
Repealed Eff. January 1, 1990.

### **25 NCAC 01D .0705 CLASSES DETERMINED NOT LABOR-MARKET-COMPETITIVE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1985;  
Amended Eff. January 1, 1990;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .0706 ASSIGNMENT TO A HIGHER GRADE**

### **25 NCAC 01D .0707 EFFECTIVE DATE**

**25 NCAC 01D .0708      SPECIAL ENTRY RATES**  
**25 NCAC 01D .0709      GEOGRAPHIC DIFFERENTIAL**  
**25 NCAC 01D .0710      AVOIDANCE OF SALARY INEQUITIES**

*History Note:*    Authority G.S. 126-4(2);  
                         Eff. January 1, 1990;  
                         Amended Eff. March 1, 1991; September 1, 1991; January 1, 1991; July 1, 1990;  
                         Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**SECTION .0800 - INITIAL CLASSIFICATION**

**25 NCAC 01D .0801      POLICY**

*History Note:*    Authority G.S. 126-4;  
                         Eff. February 1, 1976;  
                         Amended Eff. January 1, 1990;  
                         Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0802      RATE BELOW MINIMUM**  
**25 NCAC 01D .0803      RATE WITHIN ASSIGNED RANGE**

*History Note:*    Authority G.S. 126-4;  
                         Eff. February 1, 1976;  
                         Amended Eff. May 1, 1989; July 1, 1980; August 1, 1978;  
                         Repealed Eff. January 1, 1990.

**25 NCAC 01D .0804      CHANGE OF DUTIES**  
**25 NCAC 01D .0805      RATE ABOVE THE MAXIMUM**

*History Note:*    Authority G.S. 126-4;  
                         Eff. February 1, 1976;  
                         Amended Eff. May 1, 1989; August 1, 1978;  
                         Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0806      PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:*    Authority G.S. 126-4;  
                         Eff. February 1, 1976;  
                         Amended Eff. July 1, 1980; August 1, 1978;  
                         Repealed Eff. January 1, 1990.

**25 NCAC 01D .0807      QUALIFICATIONS**

*History Note:*    Authority G.S. 126-4;  
                         Eff. February 1, 1976;  
                         Amended Eff. May 1, 1989; December 1, 1985; December 1, 1978;  
                         Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .0808      SALARY RATE UPON INITIAL CLASSIFICATION INTO THE GRADED  
   CLASSIFICATION/PAY SYSTEM**

*History Note:*    Authority G.S. 126-4;  
                         Eff. January 1, 1990;  
                         Amended Eff. July 1, 2012; August 1, 1995;  
                         Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

## SECTION .0900 - TRANSFER

### **25 NCAC 01D .0901 TRANSFER**

A transfer shall mean the movement of an employee between positions having the same pay grade within the same pay plan or movement to a different pay plan with the same market rate, as defined in 25 NCAC 01D .0301, without a break in service as defined in 25 NCAC 01D .0114.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1990; November 1, 1988; December 1, 1985; December 1, 1978;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

### **25 NCAC 01D .0902 TRANSFER TO COMPETITIVE SERVICE POSITION**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Repealed Eff. December 1, 1985.

### **25 NCAC 01D .0903 REPORTING DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1978;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .0904 SALARY RATE: PERFORMANCE INCREASE ANNIVERSARY DATE 25 NCAC 01D .0905 BENEFITS TRANSFERRED**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. June 1, 1983; August 1, 1981; July 1, 1980; December 1, 1978;  
Repealed Eff. January 1, 1990.

### **25 NCAC 01D .0906 DETERMINING DATE OF TRANSFER 25 NCAC 01D .0907 PAYMENT FOR VACATION LEAVE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1990; November 1, 1988; June 1, 1983; December 1, 1978;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .0908 JOB QUALIFICATIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1990; November 1, 1988; December 1, 1978;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .0909 ADDITIONAL PROVISIONS FOR COMPETITIVE SERVICE POSITIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1978;  
Repealed Eff. December 1, 1985.

## **25 NCAC 01D .0910 SALARY RATE**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1990;  
Amended Eff. December 1, 1995;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

## **25 NCAC 01D .0911 BENEFITS AND RECORDS TRANSFERRED**

(a) When an employee transfers to another agency, all unused sick and vacation leave shall be transferred. If the employee transfers to an exempt position in which leave will not be credited the same as for employees subject to the Personnel Act, accumulated vacation shall be paid for in a lump sum. Accumulated sick leave will be transferred.

(b) The personnel file, as defined by statute, shall be transferred to the receiving agency.

*History Note:* Authority G.S. 126-4; 126-22;  
Eff. January 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

## **25 NCAC 01D .0912 REDEPLOYMENT**

(a) A redeployment is the movement of an employee, without a break in service, from one position to another position within the same agency or the movement of an employee, or an employee and a position, from one agency to another when the move is due to an enterprise-wide project that results in the need to utilize an employee's competencies for greater effectiveness in another area of an agency or in another agency. The following shall apply:

(1) The employee's salary rate shall not be reduced. When necessary, management may maintain the employee's current class by working the employee against the position; and

(2) The redeployment of an employee is not a grievable issue under G.S.126-34.

(b) The receiving agency does not have to post a vacant position to accommodate a redeployment arrangement.

*History Note:* Authority 126-4;  
Eff. January 1, 2007;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

## **25 NCAC 01D .0913 SALARY RATE**

(a) If an employee transfers to a position having the same salary grade, the salary may be increased as long as the increase does not create internal salary inequity. For the purposes of this Rule, "internal salary inequity" exists when an employee's salary is 10 percent above or below that of others in similar classification having similar duties and responsibilities and with similar knowledge, skills, abilities, education and training, experience, and performance. The salary may be reduced if there is a lack of sufficient funds or if it results in the creation of internal salary inequity. A reduction shall not occur when applied to employees with reduction-in-force priority consideration in which case the salary shall remain unchanged, unless the employee voluntarily offers or agrees to accept a lower salary rate by waiver obtained in the pre-screening phase of the selection process. If the employee is being reinstated to a higher class, the rules of Section .0300 of this Subchapter shall apply.

(b) When the transfer is to a higher class and results in a promotion, the rules in Section .0300 of this Subchapter shall apply.

(c) If the transfer is to a lower class and results in a demotion or reassignment, then the rules in Section .0400 of this Subchapter shall apply.

(d) If an employee is in an agency not utilizing a special entry rate and transfers to an agency that does, the special entry rate cannot be used as justification for a salary increase if both work stations are within the same geographic area.

(e) If an employee is receiving a higher rate of pay by virtue of working in a position where a geographic differential applies and transfers to a position where a geographic differential does not apply, whether in the same geographic area to a position without a differential, or to the same job in a geographic area without a differential, the employee's pay rate shall be reduced by the amount of the differential the employee had been receiving.

*History Note:* Authority G.S. 126-4;  
Eff. March 1, 2019.

## **SECTION .1000 - REINSTATEMENT**

### **25 NCAC 01D .1001 REINSTATEMENT**

Reinstatement shall mean the return to state employment from an extended leave of absence or after a break in service as defined in 25 NCAC 01D .0114 from a state agency. Employees who are reinstated shall meet the minimum qualifications, or their equivalent, as set forth in the class specification of the position to which they are reinstated. If reinstatement is from leave without pay as defined in 25 NCAC 01E .1100, the employee shall be automatically qualified provided that employment is in the same classification or in a lower classification in the same field of work.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1995; August 1, 1995; March 1, 1992; October 1, 1978;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015;  
Amended Eff. April 1, 2017.

### **25 NCAC 01D .1002 POLICY**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Repealed Eff. October 1, 1977.

### **25 NCAC 01D .1003 BREAK IN SERVICE**

*History Note:* Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire on June 29, 1989;  
Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. March 1, 1989;  
Recodified to 25 NCAC 01D .0114 Eff. December 29, 2003.

### **25 NCAC 01D .1004 SALARY RATE UPON REINSTATEMENT**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. February 1, 1983; August 1, 1978;  
Repealed Eff. March 1, 1992.

### **25 NCAC 01D .1005 EFFECTIVE DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. February 1, 1983; December 1, 1978;  
Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire June 29, 1989;  
Amended Eff. December 1, 1995; March 1, 1989;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

### **25 NCAC 01D .1006 BENEFITS REINSTATED**

(a) Sick leave shall be reinstated when an employee returns from authorized leave without pay or when reinstated within five years from any type of separation.



(b) Employees who enter the armed services or who engage in active military service and who return to state employment within a period of two years after being separated or released, or becoming entitled to be separated or released, from active military service under other than dishonorable conditions shall be entitled to full retirement membership service credit for the period of such active service in the armed services. Under this provision, credit is received for such service upon furnishing an acceptable copy of a military discharge to the Teachers' and State Employees' Retirement System.

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. March 1, 1992; February 1, 1983; July 1, 1980; December 1, 1978;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

**25 NCAC 01D .1007 PERFORMANCE INCREASE ANNIVERSARY DATE**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. July 1, 1980; August 1, 1978;  
Repealed Eff. March 1, 1992.

**25 NCAC 01D .1008 QUALIFICATIONS**  
**25 NCAC 01D .1009 VETERANS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. December 1, 1995; August 1, 1995; December 1, 1985; June 1, 1983; December 1, 1978;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1010 SALARY RATE UPON REINSTATEMENT**

*History Note:* Authority G.S. 126-4;  
Eff. March 1, 1992;  
Amended Eff. December 1, 1995;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**SECTION .1100 - PERFORMANCE SALARY INCREASES**

**25 NCAC 01D .1101 POLICY**  
**25 NCAC 01D .1102 PERFORMANCE SALARY INCREASES BELOW THE THIRD STEP**  
**25 NCAC 01D .1103 PERFORMANCE SALARY INCREASES AT THIRD STEP OR ABOVE**  
**25 NCAC 01D .1104 EMPLOYEES ON FLAT RATE**  
**25 NCAC 01D .1105 SPECIAL SALARY INCREASES**  
**25 NCAC 01D .1106 BASIS FOR AWARDED INCREASE**

*History Note:* Authority G.S. 126-4; 126-7;  
Eff. February 1, 1976;  
Amended Eff. November 1, 1988; August 1, 1985; June 1, 1983; August 1, 1980;  
Repealed Eff. January 1, 1990.

**25 NCAC 01D .1107 EFFECTIVE DATE OF ANNUAL INCREASES**

*History Note:* Authority G.S. 126-4; 126-7;  
Eff. February 1, 1976;  
Amended Eff. August 1, 1978;



**25 NCAC 01D .1121 PAYMENT DATES**

*History Note:* Authority G.S. 126-4; 126-7;  
Eff. July 1, 1980;  
Amended Eff. January 1, 1982;  
Repealed Eff. August 1, 1985.

- 25 NCAC 01D .1122 ANNUAL PERFORMANCE PAY COMPENSATION SURVEY**
- 25 NCAC 01D .1123 ELIGIBLE EMPLOYEES**
- 25 NCAC 01D .1124 BASIS FOR AWARDING INCREASES**
- 25 NCAC 01D .1125 AMOUNT OF INCREASE**
- 25 NCAC 01D .1126 PERFORMANCE SALARY INCREASE EFFECTIVE DATES**
- 25 NCAC 01D .1127 LIMITATION ON FUNDS FOR PERFORMANCE INCREASE**
- 25 NCAC 01D .1128 SALARY INCREASE FUNDS BECOME PART OF BASE SALARY**

*History Note:* Authority G.S. 126-4(2); 126-7;  
Eff. January 1, 1990;  
Amended Eff. July 1, 1991; January 1, 1991;  
Repealed Eff. June 1, 1994.

**SECTION .1200 - LONGEVITY PAY**

- 25 NCAC 01D .1201 PURPOSE**
- 25 NCAC 01D .1202 TIME AND METHOD OF PAY**
- 25 NCAC 01D .1203 AMOUNT OF LONGEVITY PAY**
- 25 NCAC 01D .1204 ELIGIBILITY REQUIREMENTS**

*History Note:* Authority G.S. 126-4; 126-4(5),(10);  
Eff. February 1, 1976;  
Amended Eff. May 1, 1980; July 1, 1977;  
Filed as a Temporary Amendment Eff. January 1, 1989 for a Period of 180 Days to Expire June 29, 1989;  
Amended Eff. August 1, 1995; July 1, 1989; March 1, 1989;  
Recodified 25 NCAC 01D .1204(g) to 25 NCAC 01D .0112 Eff. December 29, 2003;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1205 AGENCY RESPONSIBILITY**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Amended Eff. May 1, 1989;  
Repealed Eff. July 1, 2012.

**25 NCAC 01D .1206 EFFECT OF LONGEVITY PAY**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1976;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**SECTION .1300 - HOLIDAY PREMIUM PAY**

- 25 NCAC 01D .1301 POLICY**
- 25 NCAC 01D .1302 CONTINUANCE OF EQUAL TIME OFF POLICY**

*History Note:* Authority G.S. 126-4;

*Eff. February 1, 1976;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A*

**SECTION .1400 - SHIFT PREMIUM PAY**

**25 NCAC 01D .1401      PURPOSE**  
**25 NCAC 01D .1402      APPLICATION**

*History Note:      Authority G.S. 126-4; S.L. 1987, c. 738, s. 9; S.L. 1988, c. 1086, s. 100;*  
*Eff. February 1, 1976;*  
*Amended Eff. July 1, 1981;*  
*Temporary Amendment Eff. September 21, 1988 for a Period of 180 Days to Expire on March 20,*  
*1989;*  
*Amended Eff. September 1, 2004; August 1, 2004; August 1, 1995; January 1, 1991; January 1,*  
*1989; October 1, 1979;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**SECTION .1500 – ON-CALL/EMERGENCY CALL-BACK PAY COMPENSATION**

**25 NCAC 01D .1501      POLICY**  
**25 NCAC 01D .1502      APPLICATION**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. August 1, 2004; November 1, 1988; August 1, 1984;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**25 NCAC 01D .1503      ADMINISTRATIVE OR EXECUTIVE EMPLOYEES**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Repealed Eff. August 1, 2004.*

**25 NCAC 01D .1504      COMPENSATORY TIME AND CASH PAYMENT: INCLUDING OVERTIME**

*History Note:      Authority G.S. 126-4;*  
*Eff. February 1, 1976;*  
*Amended Eff. August 1, 2004; November 1, 1988; August 1, 1984;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**SECTION .1600 - FOREIGN SERVICE PAY**

**25 NCAC 01D .1601      DEFINITION OF FOREIGN SERVICE EMPLOYEE**  
**25 NCAC 01D .1602      FOREIGN SERVICE COMPENSATION**  
**25 NCAC 01D .1603      BENEFIT PLANS**

*History Note:      Authority G.S. 126-4;*  
*Eff. September 1, 1976;*  
*Amended Eff. February 1, 1989; January 1, 1989; February 1, 1983; May 1, 1980; January 1,*  
*1978;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**SECTION .1700 - OVERTIME COMPENSATION**

**25 NCAC 01D .1701      MINIMUM WAGE**

25 NCAC 01D .1702	OVERTIME COMPENSATION
25 NCAC 01D .1703	EXEMPT EMPLOYEES
25 NCAC 01D .1704	SALARY
25 NCAC 01D .1705	THE WORKWEEK
25 NCAC 01D .1706	HOURS WORKED
25 NCAC 01D .1707	SPECIAL TYPES OF HOURS WORKED
25 NCAC 01D .1708	EQUAL PAY
25 NCAC 01D .1709	RECORDKEEPING
25 NCAC 01D .1710	ENFORCEMENT
25 NCAC 01D .1711	EXEMPTIONS
25 NCAC 01D .1712	EXECUTIVE EMPLOYEES
25 NCAC 01D .1713	ADMINISTRATIVE EMPLOYEES
25 NCAC 01D .1714	PROFESSIONAL EMPLOYEES
25 NCAC 01D .1715	SPECIAL PROVISIONS

*History Note:* Authority G.S. 126-4; 126-4(5);  
 Eff. December 1, 1976;  
 Amended Eff. August 1, 1984; April 1, 1983; February 1, 1983; October 1, 1982;  
 Repealed Eff. August 1, 1985.

**SECTION .1800 - EMPLOYMENT OF MEDICAL PERSONNEL EXTENDED DUTY**

25 NCAC 01D .1801	PURPOSE
25 NCAC 01D .1802	PAYMENT

*History Note:* Authority G.S. 126-4;  
 Eff. August 1, 1978;  
 Amended Eff. August 1, 1995;  
 Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**SECTION .1900 - HOURS OF WORK AND OVERTIME COMPENSATION**

25 NCAC 01D .1901	MINIMUM WAGE
25 NCAC 01D .1902	OVERTIME COMPENSATION
25 NCAC 01D .1903	EXEMPT EMPLOYEES
25 NCAC 01D .1904	SALARY
25 NCAC 01D .1905	COMPENSATION
25 NCAC 01D .1906	HOURLY RATE OF PAY
25 NCAC 01D .1907	NON-OVERTIME WORKWEEKS
25 NCAC 01D .1908	THE WORKWEEK
25 NCAC 01D .1909	HOURS WORKED
25 NCAC 01D .1910	UNAUTHORIZED WORK
25 NCAC 01D .1911	ON CALL
25 NCAC 01D .1912	VACATION: SICK LEAVE: HOLIDAYS
25 NCAC 01D .1913	MEAL PERIOD
25 NCAC 01D .1914	GRIEVANCE TIME
25 NCAC 01D .1915	TRAINING TIME
25 NCAC 01D .1916	TRAVEL TIME
25 NCAC 01D .1917	RECORDKEEPING
25 NCAC 01D .1918	ENFORCEMENT
25 NCAC 01D .1919	EXECUTIVE: ADMINISTRATIVE: PROFESSIONAL EMPLOYEES
25 NCAC 01D .1920	EXECUTIVE EMPLOYEES
25 NCAC 01D .1921	ADMINISTRATIVE EMPLOYEES
25 NCAC 01D .1922	PROFESSIONAL EMPLOYEES
25 NCAC 01D .1923	SPECIAL PROVISIONS

*History Note:* Authority G.S. 126-4;  
Eff. August 1, 1985;  
Repealed Eff. January 1, 1989.

**25 NCAC 01D .1924 STATE EMPLOYEES SUBJECT TO THE FAIR LABOR STANDARDS ACT**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Amended Eff. April 1, 2005;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1925 OVERTIME COMPENSATION**

- (a) Employees shall be paid a premium rate of time and one-half in the form of monetary compensation or time off for hours worked in excess of 40 within a work week, with exception of employees exempt from the Fair Labor Standards Act.
- (b) Agency heads and supervisors shall prohibit employees from working more than a 40-hour workweek except in those cases where excess hours of work are necessary because of weather conditions, necessary seasonal activity or emergencies.
- (c) The practice of overtime work is subject to review by the Office of State Human Resources. The review shall take into consideration organizational structure, scheduling of work, position complement, and personnel classifications.

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Amended Eff. March 1, 2005;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

**25 NCAC 01D .1926 EXEMPT EMPLOYEES**

**25 NCAC 01D .1927 SALARY**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1928 COMPENSATION – NON-EXEMPT**

- (a) The State of North Carolina shall, whenever possible, give compensatory time off, in lieu of monetary compensation for hours worked in excess of 40 hours per work week. The decision as to whether to give compensatory time off, rather than monetary compensation, for overtime worked is solely within the discretion of management. Compensatory time off shall be scheduled by management, although reasonable effort shall be made to accommodate the employee as to such scheduling.
- (b) An employee shall be given compensatory time off on the basis of one and one-half times the amount of time worked beyond 40 hours during a week. Compensatory time may be accumulated up to a maximum of 240 hours (160 hours straight time) and shall be taken within 12 months from the date the overtime is performed. If compensatory time off is not given by the end of the 12-month period, the overtime pay shall be included in the employee's next regular paycheck. Any overtime worked above this amount shall be paid in the employee's next regular paycheck. Overtime worked shall be recorded and compensated in units of one-tenth of an hour. This Paragraph is not applicable to persons in law enforcement or fire protection activities and in residence employees.
- (c) Prior to employment, each successful candidate for state employment in a position subject to hours of work and overtime pay standards must sign a form acknowledging that it has been explained to him that it is the state's policy to give time off in lieu of monetary compensation, wherever possible, for hours worked beyond 40 in a work week. Agreement to this is a condition of employment with the state; failure or refusal to sign such agreement shall prevent employment of that person. This signed form shall be a part of the employee's personnel file; it must be kept for at least three years following that person's separation from state employment.

(d) Upon transfer to another agency or termination of employment, an employee shall be paid for unused compensatory time off at a rate of compensation not less than either the average regular rate received by such employee during the last three years of the employee's employment or the final regular rate received by such employee, whichever is higher.

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Amended Eff. March 1, 2005; December 1, 1995; March 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

**25 NCAC 01D .1929 HOURLY RATE OF PAY**

(a) An employee's hourly rate of pay is obtained by dividing the annual salary by 2080 hours (52 weeks multiplied by 40 hours per week).

(b) The rate that must be used in computing overtime is referred to as the regular hourly rate. The regular hourly rate must include all remuneration for employment paid to, or on behalf of, the employee, except payments specifically excluded by the Federal Fair Labor Standards Act.

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Amended Eff. March 1, 2005;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

**25 NCAC 01D .1930 NON-OVERTIME WORKWEEKS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1931 THE WORKWEEK**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1932 HOURS WORKED**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1933 UNAUTHORIZED WORK  
25 NCAC 01D .1934 ON CALL**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1935 VACATION: SICK LEAVE AND HOLIDAYS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1989;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1936 MEAL PERIOD**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1937 GRIEVANCE TIME**

The time an employee spends during a regular work schedule in adjusting a grievance under the state procedure on Employee Appeals and Grievances is work time. Such time spent outside the employee's regular work schedule is work time only if the employee's attendance is required by the agency or the state.

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

**25 NCAC 01D .1938 TRAINING TIME**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1939 TRAVEL TIME**

**25 NCAC 01D .1940 RECORDKEEPING**

**25 NCAC 01D .1941 EXECUTIVE: ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1942 EXECUTIVE EMPLOYEES**

**25 NCAC 01D .1943 ADMINISTRATIVE EMPLOYEES**

**25 NCAC 01D .1944 PROFESSIONAL EMPLOYEES**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1945 SPECIAL PROVISIONS**

*History Note:* Authority G.S. 126-4;  
Eff. February 1, 1989;  
Amended Eff. March 1, 2005; August 1, 2004;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

**25 NCAC 01D .1946 OT/COMP TIME OFF OPT/LAW ENF: FIRE PROT/EMGCY RESP PERS**

**25 NCAC 01D .1947 TOUR OF DUTY AND COMPENSABLE HOURS OF WORK**

**25 NCAC 01D .1948 OCCASIONAL OR SPORADIC EMPLOYMENT//DIFFERENT CAPACITY**

**25 NCAC 01D .1949 SUBSTITUTION**

**25 NCAC 01D .1950 VOLUNTEERS**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1989;  
Repealed Eff. March 1, 2005.

**25 NCAC 01D .1951 OVERTIME COMPENSATION PROHIBITED: EXEMPT EMPLOYEES**

*History Note:* Authority G.S. 126-4(5), (10);



*Eff. September 1, 1989;*  
*Amended Eff. August 1, 2004;*  
*Repealed Eff. March 1, 2005.*

## **SECTION .2000 - UNEMPLOYMENT INSURANCE**

### **25 NCAC 01D .2001      COVERAGE**

*History Note:      Authority G.S. 96-8(6)j; 96-8(6)i;*  
*Eff. January 1, 1989;*  
*Repealed Eff. August 8, 1995.*

### **25 NCAC 01D .2002      POLICY**

*History Note:      Authority G.S. 96-8(6)j.; 96-8(6)i.;*  
*Eff. January 1, 1989;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

### **25 NCAC 01D .2003      ADMINISTRATION**

(a) The Office of State Human Resources shall design, effect, and maintain a centralized unemployment insurance cost management program, which shall have as its goal effective claims administration and the control of benefit costs. This goal shall be accomplished by improved communications and agency training on unemployment insurance issues and procedure, conscientious monitoring and administration of individual claims and benefit charges, examination of payment options, the creation and maintenance of a comprehensive unemployment insurance database, and related efforts. When it is determined advantageous and cost effective, the Office of State Human Resources may engage the services of a qualified service firm to provide claims administration support.

(b) The Office of State Human Resources shall designate an UI Coordinator, whose responsibility it shall be to coordinate the overall program. The duties of the UI Coordinator shall include:

- (1) Development and distribution of a UI Cost Management Procedures Manual.
- (2) Contract oversight to assure the delivery of services, where a third party firm is engaged to establish and carry out a centralized claims administration system.
- (3) Action as an intermediary between state agencies and the claims services firm, if such a firm is retained.
- (4) Development and delivery of agency training programs on UI administration.
- (5) Service as a technical resource to the agencies on UI matters.
- (6) Assimilation of a comprehensive UI data base, which accurately records claims activity and benefit charges to state accounts, and provides the basis for sound reports that can be used to guide management decisions on the UI Program.
- (7) Initiation of studies, recommendations, and reports relevant to UI cost management.
- (8) Recommendations concerning the design and cost effectiveness of the centralized UI Program.
- (9) Coordination with the Office of State Budget where there is a need to examine costing methods or financial aspects.
- (10) The monitoring of legislative actions concerning UI law and benefits, and service as spokesperson before legislative committees when it is within program interests.
- (11) Coordination with the Employment Security Commission on relevant questions and issues.

*History Note:      Authority G.S. 96-8(6)j.; 96-8(6)i.;*  
*Eff. January 1, 1989;*  
*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

### **25 NCAC 01D .2004      AGENCY RESPONSIBILITIES**

Each agency and institution shall designate an employee, preferably with working knowledge of the unemployment insurance function, to coordinate the flow of necessary information between the agency, the Office of State Human

Resources and any claims administrator retained by the Office of State Human Resources. The specific responsibilities of the Agency UI Coordinator are as follows:

- (1) Participate in the UI training opportunities offered by the Office of State Human Resources or its designated claims administration firm. Develop a working knowledge of the procedures outlined in the Procedures Manual for the centralized cost control program.
- (2) Ensure that agency hiring authorities maintain adequate documentation to provide and support the separation information required by the ESC on individual claims.
- (3) Provide detailed and timely wage and separation information, as necessary for the ESC to properly adjudicate an individual's claim for benefits, and to protect the state's interests against undue benefits.
- (4) Work with the Office of State Human Resources or its designated claims administrator to coordinate attendance of necessary witnesses and to assure the availability of documentation for UI hearings.
- (5) Communicate to the Office of State Human Resources or its designee any agency issue or action which may affect an individual's benefit entitlement.
- (6) Act as agency liaison for obtaining other information which may become relevant and valuable to the interests of the central UI cost management program.

*History Note:* Authority G.S. 96-8(6)j.; 96-8(6)i.;  
Eff. January 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

#### **SECTION .2100 - SPECIAL SALARY ADJUSTMENTS**

**25 NCAC 01D .2101      DEFINITION AND POLICY**  
**25 NCAC 01D .2102      APPLICABILITY**  
**25 NCAC 01D .2103      JUSTIFICATION**  
**25 NCAC 01D .2104      RESPONSIBILITY OF THE STATE PERSONNEL DIRECTOR**

*History Note:* Authority G.S. 126-4;  
Eff. March 1, 1989;  
Repealed Eff. January 1, 1992.

**25 NCAC 01D .2105      INTRODUCTION**  
**25 NCAC 01D .2106      PURPOSE**  
**25 NCAC 01D .2107      POLICY**  
**25 NCAC 01D .2108      CRITERIA**

*History Note:* Authority G.S. 126-4;  
Eff. January 1, 1992;  
Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.

#### **SECTION .2200 - PAYMENT OF SALARY**

**25 NCAC 01D .2201      PAYMENT OF SALARY TO EMPLOYEES**

*History Note:* Authority G.S. 126-4(10);  
Eff. November 1, 1989;  
Recodified to 25 NCAC 01D .0113(a) Eff. December 29, 2003.

**25 NCAC 01D .2202      PAYMENT TO SEPARATED EMPLOYEES**

*History Note:* Authority G.S. 126-4(10);  
Eff. November 1, 1989;

*Recodified to 25 NCAC 01D .011(b)-(g)3 Eff. December 29, 2003.*

**25 NCAC 01D .2203 POSTING OF NOTICE**

*History Note: Authority G.S. 126-4(10);  
Eff. November 1, 1989;  
Recodified to 25 NCAC 01D .0113(h) Eff. December 29, 2003.*

**SECTION .2300 - ACCELERATED PAY PLAN**

- 25 NCAC 01D .2301 POLICY**
- 25 NCAC 01D .2302 ELIGIBILITY FOR THE PLAN**
- 25 NCAC 01D .2303 ELIGIBILITY FOR ACCELERATED PAY INCREASES**
- 25 NCAC 01D .2304 ADMINISTRATION**
- 25 NCAC 01D .2305 DOCUMENTATION**

*History Note: Authority G.S. S.L. 1990, c. 1066, s. 37;  
Eff. January 1, 1991;  
Repealed Eff. March 1, 1996.*

**SECTION .2400 - ON CALL COMPENSATION**

- 25 NCAC 01D .2401 ELIGIBLE EMPLOYEES**
- 25 NCAC 01D .2402 RATE OF PAY/COMPENSATORY TIME**
- 25 NCAC 01D .2403 EMERGENCY CALL-BACK PAY**
- 25 NCAC 01D .2404 OVERTIME**

*History Note: Authority G.S. 126-4; 126-4(5);  
Eff. December 1, 1993;  
Repealed Eff. August 1, 2004.*

**SECTION .2500 - COMPREHENSIVE COMPENSATION SYSTEM**

- 25 NCAC 01D .2501 CAREER GROWTH RECOGNITION AWARD**
- 25 NCAC 01D .2502 AMOUNT OF CAREER GROWTH RECOGNITION AWARD**
- 25 NCAC 01D .2503 EMPLOYEES ELIGIBLE FOR CAREER GROWTH RECOGNITION AWARD**
- 25 NCAC 01D .2504 EFFECTIVE DATE OF CAREER GROWTH RECOGNITION AWARD**
- 25 NCAC 01D .2505 COST-OF-LIVING ADJUSTMENT**
- 25 NCAC 01D .2506 AMOUNT OF COST-OF-LIVING ADJUSTMENT**
- 25 NCAC 01D .2507 EMPLOYEES ELIGIBLE FOR COST-OF-LIVING ADJUSTMENT**
- 25 NCAC 01D .2508 EFFECTIVE DATE OF COST-OF-LIVING ADJUSTMENT**
- 25 NCAC 01D .2509 PERFORMANCE BONUS**
- 25 NCAC 01D .2510 AMOUNT OF PERFORMANCE BONUS**
- 25 NCAC 01D .2511 EMPLOYEES ELIGIBLE FOR PERFORMANCE BONUS**
- 25 NCAC 01D .2512 EFFECTIVE DATE OF PERFORMANCE BONUS**
- 25 NCAC 01D .2513 BASES FOR AWARDED INCREASES**
- 25 NCAC 01D .2514 FINAL DISCIPLINARY PROCEDURE**
- 25 NCAC 01D .2515 PAY DISPUTE RESOLUTION PROCEDURE**

*History Note: Authority G.S. 126-7;  
Eff. June 1, 1994;  
Temporary Amendment Eff. July 1, 1994 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner (Rule .2513);  
Temporary Amendment Expired (Rule .2513);  
Temporary Amendment Eff. September 1, 1996;*

*Amended Eff. March 1, 2005; August 1, 1998;*  
*Repealed Eff. February 21, 2014 pursuant to G.S. 150B-21.7.*

**25 NCAC 01D .2516 ELIGIBILITY FOR SEPTEMBER 1, 1996 LEGISLATIVE SALARY INCREASES**

*History Note: Authority G.S. 126-4; S.L. 1995, c. 507, s. 7.14;*  
*Temporary Adoption Eff. September 1, 1996;*  
*Temporary Adoption Expired June 28, 1997.*

**25 NCAC 01D .2517 ELIGIBILITY FOR JULY 1, 1997 LEGISLATIVE SALARY INCREASES**

*History Note: Authority G.S. 126-4; S.L. 1997-443;*  
*Temporary Adoption Eff. October 2, 1997;*  
*Temporary Adoption Expired July 31, 1998.*

**SECTION .2600 – IN-RANGE SALARY ADJUSTMENT**

- 25 NCAC 01D .2601 PURPOSE**
- 25 NCAC 01D .2602 AGENCY RESPONSIBILITIES**
- 25 NCAC 01D .2603 OFFICE OF STATE HUMAN RESOURCES RESPONSIBILITIES**
- 25 NCAC 01D .2604 STATE HUMAN RESOURCES COMMISSION RESPONSIBILITIES**

*History Note: Authority G.S. 126-4;*  
*Eff. December 1, 1995;*  
*Expired Eff. January 1, 2016 pursuant to G.S. 150B-21.3A.*

**SECTION .2700 - SEVERANCE SALARY CONTINUATION**

**25 NCAC 01D .2701 SEVERANCE SALARY CONTINUATION POLICY**

In accordance with G.S. 126-8.5, severance salary continuation shall be paid to eligible employees as defined in 25 NCAC 01D .2702 in accordance with the rules in this Section. Severance pay shall be subject to available funding and approval by the Office of State Budget and Management.

*History Note: Authority G.S. 126-4(10); 126-8.5;*  
*Eff. October 1, 1985;*  
*Amended Eff. October 1, 1995; September 1, 1991; November 1, 1990; November 1, 1988;*  
*Recodified from 25 NCAC 01D .0509 Eff. December 29, 2003;*  
*Amended Eff. February 1, 2016; March 1, 2009.*  
*Readopted Eff. April 1, 2017.*

**25 NCAC 01D .2702 SEVERANCE SALARY CONTINUATION ELIGIBILITY**

(a) The following type of employee who has been reduced in force and who does not obtain employment in another position in State government or any other position that is funded in whole or in part by the State by the effective date of the separation shall be eligible for severance salary continuation:

- (1) full-time and part-time (half-time or more) permanent employees;
- (2) employees in trainee classifications with 12 or more months of continuous State service;
- (3) time-limited employees with 36 or more months of continuous State service; and
- (4) employees in exempt policymaking or exempt managerial positions as defined in G.S. 126-5(b) are eligible for severance salary continuation if the position is abolished as result of a reduction in force.

(b) Time-limited employees with less than 36 continuous months of service, probationary, and temporary employees shall not be eligible for severance salary continuation.

(c) An employee who is separated or who has received written notification of separation due to reduction in force, and who applies for or begins receiving retirement benefits based on early retirement, service retirement, long term disability, or a discontinued service retirement as provided by G.S. 126-8.5, shall not be eligible for severance salary

continuation. An employee who is eligible for early or service retirement may elect to delay retirement and receive severance salary continuation.

(d) An employee who is reemployed from any retired status with the State and who is subsequently terminated as a result of reduction in force shall be eligible for severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of this Rule.

(e) An employee who is receiving workers' compensation or short-term disability payments is eligible for severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of the Rule.

(f) An employee on leave with or without pay shall be separated on the effective date of the reduction in force and shall be eligible to receive severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of this Rule.

*History Note:* Authority G.S. 126-4(10); 126-8.5;  
Eff. February 1, 2016;  
Amended Eff. April 1, 2017.

**25 NCAC 01D .2703 EFFECTS OF REEMPLOYMENT ON SEVERANCE PAY**

(a) An employee who is reemployed in any position with the State, or any other position that is funded in whole or in part by the State, while receiving severance salary continuation, shall not be eligible for severance salary continuation effective the date of reemployment.

(b) An eligible employee who is offered employment in any position with the State and declines to accept the employment offer, either prior to or following separation, shall not be eligible for severance salary continuation effective on the date that the offer is declined.

(c) The agency offering employment or reemployment is responsible for determining if an employee is receiving severance salary continuation payments and shall notify the separating agency of the date severance salary continuation shall be terminated.

*History Note:* Authority G.S. 126-4(10); 126-8.5;  
Eff. February 1, 2016.

**25 NCAC 01D .2704 AMOUNT AND METHOD OF PAYMENTS FOR SEVERANCE**

(a) In accordance with G.S. 126-8.5, severance salary continuation shall be based on total State service as defined in Rule .0112 of this Subchapter and supplemented by an age adjustment factor as follows:

(1) Amount of Severance Salary Continuation:

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Years of Service	Payment
Less than 1 year	2 weeks
1 but less than 2 years	1 month
2 but less than 5 years	1 month
5 but less than 10 years	2 months
10 but less than 20 years	3 months
20 or more years	4 months

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(2) An employee qualifies for the age adjustment factor at 40 years of age. To compute the amount of the adjustment, 2.5 percent of the annual base salary shall be added for each full year over 39 years of age. However, the total age adjustment factor payment shall be limited by the service payment and cannot exceed the total service payment.

(b) Severance salary continuation shall be paid on a pay period basis.

(c) Any period covered by severance salary continuation shall not be credited as a period of State service.

(d) If an employee dies while receiving severance salary continuation, the balance of the severance salary continuation shall be made to the deceased employee's death benefit beneficiary as designated with the Teachers' and State Employees' Retirement System in a lump sum payment.

*History Note:* Authority G.S. 126-4(10); 126-8.5;  
Eff. February 1, 2016.