

UMW June 2025 Compensation FAQs

2025 Compensation Changes Authorized by Chapter 725, 2025 Virginia Acts of Assembly

Section 1: June 10, 2025, 3% Base Salary Adjustment FAQ:

Employee Eligibility

1. Who is subject to the June 10, 2025, 3% base salary adjustment?

*All **Classified** and **Administrative & Professional Faculty (A/P)** employees who were employed in salaried positions as of March 10, 2025, and who received a minimum overall rating of “Contributor” (or equivalent) on their last performance evaluation or more recent interim evaluation are eligible to receive the 3% base salary adjustment effective **June 10, 2025**. Employees who have not yet received a performance evaluation are assumed to be performing at a satisfactory level unless otherwise documented in a formal Performance Improvement Plan (PIP).*

*All **Wage** employees who were employed with UMW as of March 10, 2025, and remain employed on June 10, 2025, will receive the 3% pay increase effective **June 16, 2025**.*

*All full-time **Teaching Faculty** who were employed with UMW as of March 10, 2025, and remain employed on June 10, 2025, will receive the 3% pay increase effective **August 16, 2025**.*

Adjunct rate increases will be reflected in their Fall letters.

2. Who is NOT subject to the 3% base salary adjustment?

Employees who received an overall rating of “Below Contributor” (or equivalent) on their last performance evaluation or more recent interim evaluation; and employees currently on a Performance Improvement Plan are not eligible to receive the 3% base pay adjustment on June 10, 2025. Employees hired between March 11 and June 9, 2025, will receive the increase 90 days after their hire date, assuming there are no performance issues.

3. Why was March 10, 2025, selected as the cutoff employment date for the base salary adjustments?

The base salary adjustments are performance dependent increases. A three-month period provides a reasonable time for an agency to assess the probationary progress of a new employee, therefore three months employment is required to be eligible for the performance driven increase.

4. Can written notices under the Standards of Conduct policy be used to deny any of the components of the June 10, 2025 salary adjustment?

No. Written Notices were not included in the eligibility criteria approved by the Governor and General Assembly. For this reason, and because written notices are issued for a wide range of infractions, they should not be used exclusively to deny the increase – an interim performance evaluation is also needed. If an employee's performance has declined to the extent that it is at the "Below Contributor" level, the supervisor should conduct an interim performance evaluation and work with HR on a Performance Improvement Plan (Note: as always, a written notice may be considered as documentation of performance during the interim performance evaluation process).

5. How should agencies treat employees whose performance has changed significantly since their last evaluation so that their eligibility for the June 10, 2025 salary increases cannot reasonably be based on that evaluation?

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who receive the increase or unsatisfactory performance for employees who are denied an increase. This documentation could include: interim evaluations; probationary progress review forms; and notice of sub-standard performance forms.

6. Are employees whose positions are funded entirely by federal grants or other special funding sources subject to the June 10, 2025 salary changes?

Yes. As with other general, performance, role specific, or across-the-board increases that are funded in the state budget, the increases apply to employees whose positions are funded by grants or other special funding sources in addition to those funded by the General Fund.

7. Will the salary adjustments apply to their leave payments or other benefits for employees separating effective June 10, 2025?

No. The last day worked for an employee separating effective June 10, 2025, is June 9, 2025. Therefore, the employee is not employed on June 10, 2025, and is not eligible for the salary increases.

Effect on Employees' Compensation

8. How will this change affect my “take-home pay”?

Each employee's situation is somewhat unique, depending on their salary and the deductions that are taken from their paycheck. The higher annual salary will result in an increase in all payroll tax withholdings and other salary-based withholdings like Optional Life Insurance. Therefore, it is likely that the change in take-home amounts may vary somewhat among employees as a result of payroll deductions. Note: Optional Group Life withholding only changes on January 1 of each year, regardless of salary changes during the year.

9. When will I see the changes in my paycheck?

For classified and A/P faculty employees, the June 10, 2025 salary adjustments will appear in the July 1, 2025 paycheck.

For wage employees, the June 16, 2025 hourly rate increase will appear in the July 11, 2025 paycheck.

For teaching faculty, the salary adjustment will appear in the August 29, 2025 paycheck. Adjuncts will see the salary adjustment in their first Fall paycheck.

10. Can all or part of the June 10, 2025 salary adjustments be deposited into Deferred Compensation?

Yes. The salary adjustments become part of an employee's new regular salary. As such, all or part of the increase may be deferred, subject to VRS Defined Contribution Plan guidelines and limitations. See plan information at <https://dcp.varetire.org/457> for instructions.

What is the process for contributing the salary adjustment to the 457 Deferred Compensation Plan?

- *Employees currently enrolled and new participants may contribute part or all their salary adjustment to the 457 Plan by logging into their account and selecting the new deferral amount or by calling the toll-free Plan Support Line at 1-877-327-5261 on or before June 27, 2025, to be effective July 16.*

What is the process of contributing the salary adjustment to a 403(b) Pre-tax Annuity Plan?

- *Employees currently enrolled with a tax deferred annuity provider may contribute all or part of their salary adjustment by completing the 403(b) Salary Reduction Agreement (SRA) form on or before June 5, 2025. Participants are responsible for ensuring any additional contribution does not cause their total calendar year 403(b) contributions to exceed IRS limits. The SRA Salary Reduction Agreement form (403(b) SRA Form), found on the UMW Payroll website, must be submitted to Payroll or HR by close of business on June 5, 2025. Employees not currently enrolled in a 403(b) annuity plan may contact Denise Frye, Benefits Manager, in the Human Resources Office to obtain information regarding plan vendors.*

The [SRA Salary Reduction Agreement form](#) (403(b) SRA Form), found on the UMW Payroll website, must be submitted to Payroll or HR by close of business on June 5, 2025.

Employees not currently enrolled in a 403(b) annuity plan may contact Denise Frye, Benefits Manager, in the Human Resources Office to obtain information regarding plan vendors.

11. How will the June 10, 2025 salary adjustments affect my retirement benefit calculation?

The salary adjustments will increase employees' creditable compensation. Any future salary increases will be applied to this higher salary. Therefore, any months beginning July, 2025, that are included in an employee's Average Final Compensation (AFC) will increase the employee's retirement benefit accordingly.

12. Will the June 10, 2025 salary adjustments affect my other benefits?

The salary increase amount is subject to payroll deductions for Social Security and Medicare as well as federal and state income taxes. This may result in an increase in an employee's future Social Security entitlement depending on their individual situation. It will also affect the rate used in calculating payments for accrued leave hours and will increase state life insurance benefits which are based on gross salary.

Calculating the Salary Adjustments

13. How will my increase be calculated?

If an employee is employed 100% (40 hours per week for 12 months), the calculation will multiply the employee's current annual salary (including cents if there are any) by the appropriate percentage and the result will be rounded to the nearest dollar (.50 and above rounds up).

If the employee is employed for less than 100% and 12 months, the salary increase will be prorated based on the employee's percent of full time hours with the calculated result being rounded to the nearest cent, just as part-time salaries are currently prorated in calculations.

14. Do “non-state salary” supplements count toward the calculation of the salary adjustments?

No. The amounts of non-state salary supplements are determined by non-state entities. Therefore, the amounts will not be adjusted automatically.

15. Does Temporary Pay count toward the calculation of the salary adjustments?

No. Temporary Pay is paid when an agency assigns an employee to perform different key (essential) duties on an interim basis, for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher-level position. Because these assignments are temporary, the additional pay associated with them is not creditable for retirement purposes. Therefore, these amounts will not be automatically adjusted effective June 10, 2025.

16. What happens to employees on leave? Note: These rules are based on policies that apply to classified employees.

- a) Otherwise-qualified employees who are on short-term disability or other paid leave will receive the salary adjustments on the respective effective dates.*
- b) Employees on long-term disability-working will also have the salary adjustments applied to their current rates of pay. The adjustments do not apply to individuals who are on long-term disability-non-working.*
- c) Employees on leave without pay are not eligible for the salary adjustments until they return to work or paid leave.*

17. What happens to employees working fewer than 12 months annually who are in an off-contract period as of June 10th?

These employees will not receive their annual increase on June 10, 2025. Their increases will be effective their first day back on-contract.

18. Will the Commonwealth's Classified Salary Structure be adjusted?

The Department of Human Resource Management shall increase the minimums and maximums of the [state classified salary plans](#) (Statewide and NOVA) by three percent on June 10, 2025.

Section 2: May 25, 2025, 1.5% One-Time Bonus FAQ:

Employee Eligibility

19. Who is subject to the May 25, 2025 one-time bonus?

All full-time and quasi Classified or A/P Faculty employees, full-time Teaching Faculty, and Wage employees who were employed on or before February 25, 2025, remained employed until at least May 25, 2025, and are actively employed on June 16, 2025, are eligible to receive the bonus.

20. Who is NOT subject to the May 25, 2025 one-time bonus?

Employees who were hired or rehired after February 25, 2025, and employees who are not actively employed on June 16, 2025.

21. Will individuals that were employed February 25, 2025, through May 25, 2025, but are no longer employed as of June 16, 2025 still be eligible for the one-time bonus?

No. Employees must meet all criteria and be actively employed on June 16, 2025 to be eligible to receive the one-time bonus.

22. When will I see the bonus in my paycheck?

For classified and A/P faculty employees, the bonus will be paid out in the June 16, 2025 paycheck.

For wage employees, the bonus will be paid out in the June 27, 2025 paycheck.

For teaching faculty, the bonus will be paid out in the June 16, 2025 paycheck.

23. Can all or part of the May 25, 2025 one-time bonus be deposited into Deferred Compensation?

A bonus can be deferred if an employee submits a one-time [deferral form](#) to the HR/Payroll office by May 30, 2025.

Note: Deferred compensation is subject to Social Security and Medicare taxes. Federal Income Tax and State Income Tax may also apply.

What is the process of contributing the bonus to a 403(b) Pre-tax Annuity Plan?

- *Employees currently enrolled with a tax deferred annuity provider may contribute all or part of their bonus by completing the 403(b) Salary Reduction Agreement (SRA) form on or before May 21, 2025. Participants are responsible for ensuring any additional contribution does not cause their total calendar year 403(b) contributions to exceed IRS limits. The SRA Salary Reduction Agreement form (403(b) SRA Form), found on the UMW Payroll website, must be submitted to Payroll or HR by close of business on May 21, 2025. Employees not currently enrolled in a 403(b) annuity plan may contact Denise Frye, Benefits Manager, in the Human Resources Office to obtain information regarding plan vendors.*

The [SRA Salary Reduction Agreement form](#) (403(b) SRA Form), found on the UMW Payroll website, must be submitted to Payroll or HR by close of business on May 21, 2025.

Employees not currently enrolled in a 403(b) annuity plan may contact Denise Frye, Benefits Manager, in the Human Resources Office to obtain information regarding plan vendors.

24. How will the employee's one-time bonus be calculated?

If an employee is employed 100% (40 hours per week for 12 months) the employee's current annual salary as of May 25, 2025 (including cents if there are any) will be multiplied by the 1.5 percent one-time bonus and the result will be rounded to the nearest dollar (.5 and above rounds up). This includes Teaching Faculty and full-time A/P Faculty and Staff employees.

If the employee is employed for less than 100% and 12 months, the one-time bonus will be based on the employee's annual salary in effect as of May 25, 2025, and rounded to the nearest cent. This includes Quasi employees.

Wage employee bonuses will be calculated using the average hours worked in a pay period for the year prior to February 25, 2025. The result will be rounded to the nearest cent.