

SHRA to EHRA Voluntary Conversion FAQs

UNC Charlotte

1. Why are some SHRA employees being given an option to become EHRA employees?

The North Carolina General Assembly expanded the exemptions under the North Carolina Human Resources Act to include positions that are both exempt and non-exempt from the minimum wage and overtime provisions of the federal Fair Labor Standards Act (FLSA). This change in the law means that these positions will become EHRA non-faculty positions (“EHRA”) and be governed by the University’s human resources policies rather than be subject to the NC Human Resources Act (“SHRA” employees). The UNC System sought this flexibility with respect to certain compensation and leave matters to facilitate enhanced competitiveness within the context of a highly dynamic labor market.

2. Who is affected by this change?

Individual employees currently in eligible SHRA FLSA exempt and non-exempt positions will be offered an opportunity to convert from SHRA to EHRA non-faculty status. Eligible FLSA exempt and non-exempt employees (those who are paid hourly and subject to overtime) will have the opportunity to change to EHRA (with no change in FLSA designation). SHRA FLSA exempt and non-exempt employees who do not choose to convert to EHRA status will continue as SHRA employees as long as they remain in their current position.

3. What is the difference between being SHRA and EHRA?

Some human resources policies, such as sick leave and holidays, are the same for SHRA and EHRA employees. Others are different, such as policies for salary ranges, salary adjustments, leave accruals, terms of appointment, separation, and grievance rights. SHRA policies are set by the State Human Resources Commission through the Office of State Human Resources whereas EHRA policies are set by the UNC Board of Governors through the UNC System Office. Eligible employees will receive details explaining the differences between EHRA and SHRA employment to render a well-informed decision regarding this opportunity.

4. Will affected employees be required to convert to EHRA status?

Eligible employees will have the option to convert to EHRA status or to stay SHRA for as long as they remain in their current position. **No employee is compelled or required to change his/her status.**

5. I am a SHRA non-exempt employee. If I elect to convert to EHRA designation, will my FLSA status change to Exempt (no timesheets)?

No. SHRA non-exempt employees who elect to convert to EHRA designation will retain FLSA non-exempt status and will still be required to complete weekly timesheets.

6. When and how will this change take effect?

If electing to convert to EHRA designation by November 30, 2026, the effective date of the change is January 1, 2027.

7. Will employees have other opportunities to choose to convert, or do they have to make up their minds when this is first implemented?

Once implementation begins, eligible employees will have a 60-day election period to decide whether to convert to EHRA or remain SHRA. If the employee does not elect to convert to EHRA status by the end of the election period, his/her position will retain SHRA designation.

8. If I choose to change to EHRA status, can I reverse my decision later?

No, once you elect to convert to EHRA status, you maintain EHRA designation for the duration of your employment in your current position.

9. Will I be told what my salary would be before I decide to convert to EHRA status?

Yes, at the time employees are given the option to convert to EHRA status, employees will be notified of his/her expected EHRA position classification title and initial salary. An employee's initial EHRA salary will be the same as his/her current SHRA salary unless inclusive of longevity.

10. Will institutions be required to adjust the salaries of employees who may fall below the proposed minimum of the salary range for their classification?

No, the institutions will not be required to adjust salaries to reach any new minimum. It is expected that this issue will be addressed over time using regular salary adjustment processes.

11. If I move to EHRA status, will I lose my longevity pay?

Employees who become EHRA are no longer eligible to receive longevity pay. You will be informed at the time you are given the option to elect EHRA status of any change to your base salary amount associated with longevity pay.

12. What about longevity for the current year if I convert to EHRA?

Eligible employees will receive a final, pro-rated longevity payment at the time he/she converts to EHRA status to cover the time period since their most recent longevity check.

13. If I move to EHRA status, what will happen to my current leave balances and leave accruals?

Your current sick leave, vacation leave, and bonus leave, etc. balances will transfer with you to EHRA status. (All vacation leave will transfer; it is not capped at 240 hours.) Sick leave accruals remain 8 hours per month (pro-rated for part-time) as an EHRA employee. With respect to annual (vacation) leave, all EHRA non-faculty employees receive 24 days per calendar year (2 days per month) regardless of their length of state service.

14. What if I already earn 26 vacation days per year as a long-term SHRA employee?

SHRA employees who currently earn 26 days of vacation leave per calendar year will retain their annual accrual of 26 days of vacation leave per year as an EHRA employee regardless of conversion option to personal leave. This applies only to those who are earning 26 days of vacation leave at the time they convert to EHRA status (20+ years of state service).

15. If I choose to remain SHRA and my position is eligible for a competency level change or reallocation, will it be converted to EHRA designation?

No. For SHRA employees who do not convert to an EHRA status position, their position will remain in the SHRA career banding classification system. However, once the employee leaves the position, the position will be converted to EHRA status.

16. If I choose to remain SHRA and apply for an EHRA position, can I remain SHRA if I am selected for the position?

No. If an SHRA employee is hired into an EHRA position, then the SHRA employee must become an EHRA employee.

17. If I move to EHRA status, will my benefits change?

Other than vacation leave and longevity, EHRA employees enjoy benefits programs comparable to those of SHRA employees.

18. Do employees who choose to convert to EHRA status need to sign a new terms and conditions of employment document?

Each eligible employee will be asked to complete an election form to indicate whether he/she chooses to convert to EHRA status or to retain SHRA designation. For those who choose to convert to EHRA, UNC Charlotte will provide an employment agreement (AA-26).

19. How will equity be addressed if two employees are doing similar work, but one converts to EHRA status and the other remains SHRA?

Pay equity will be determined based on the salary rules relevant to each employee group, so it is possible that available EHRA salary increase and salary range options as compared to SHRA employees may result in greater differences in employee salaries, even when performing similar work. Over time, there will be increasingly fewer SHRA positions in these classifications due to conversion of vacant positions or employees choosing to convert to EHRA status, which will minimize equity differences.

20. What happens if an employee converts to EHRA and their supervisor remains SHRA? Is there an issue with an SHRA employee supervising an EHRA employee?

There are no restrictions that prevent a SHRA employee from supervising an EHRA employee.

21. What happens if the salary of an SHRA supervisor is lower than the EHRA employee?

Management may pursue a market or equity adjustment, under existing rules, if warranted, based on the totality of the circumstances and the scope of duties of the affected employees. The issue can be considered during the salary review process for the conversion implementation. There is no rule that prevents a SHRA supervisor from having a salary lower than a subordinate EHRA employee as the respective salary levels are determined within the assigned classification salary ranges and related salary administration rules.

22. What happens when an EHRA employee is discontinued (termination of employment)?

EHRA employees must receive written notice of discontinuation. The minimum notice period for discontinuation is based on the employee's years of service: employees in the first year of service receive at least a 30-day notice; employees in the second or third year of service receive at least a 60-day notice; and employees in the fourth and subsequent years of service receive at least a 90-day notice. Management may provide an employee with an equivalent payout in lieu of a working notice, or some combination of the two. At separation from state employment, vacation and bonus leave are paid out and any sick leave is retained for five years as it is with SHRA employees.

23. What happens when a layoff (reduction-in-force) action occurs for an EHRA employee? Do the same rules apply as they do for SHRA employees?

No, the RIF and RIF Reemployment Priority policies apply only to SHRA career status employees. For an EHRA layoff, the employee must receive the regular advance written notice of discontinuation.

24. Is SHRA service included in determining whether a discontinuation notice is for 30, 60, or 90 days?

Yes, for the purposes of this implementation, the University will consider SHRA service for notice/ payment amount.

25. What other incentives are being provided to employees to convert to EHRA status?

This implementation is not designed to be an incentive program to make all current SHRA employees convert to EHRA status. Current SHRA employees are free to remain in SHRA status for the duration of employment in his/her current position. Employees will need to determine for themselves if converting to EHRA status is appropriate based on their own personal circumstances.

26. Other than possibly getting more vacation leave or a slightly higher salary, how does making this change benefit an employee?

This will vary with each employee's personal situation. We encourage employees to carefully review the differences between converting to EHRA status and remaining in SHRA status. For some employees, particularly those who are further along in their careers with the state, it may be advantageous to remain in SHRA status. For those newer to service with the state, the greater annual leave rates and possible salary growth considerations, such as the annual raise process for EHRA employees, may be a more significant factor in making a decision to convert. Conversion may also provide some current SHRA employees the opportunity to move from TSERS to the ORP. Because the UNC System retains authority for EHRA classifications and salary administration, the UNC System has greater flexibility with EHRA positions than it does with SHRA positions to update salary ranges and classifications. The Office of State Human Resources has the authority over any changes to SHRA classifications and salary ranges.

27. Are there plans for other policy changes coming up that may affect us if we stay SHRA or convert to EHRA status?

The UNC System is pursuing additional revisions to all EHRA salary ranges and classification groups separate from the conversion of current SHRA FLSA exempt or non-exempt positions. These will be communicated once they are available to show any impact on possible EHRA elections by existing employees. As with any policy, there is always a possibility for future changes based on legislative action or changes made by the Office of State Human Resources for SHRA employees and by the Board of Governors for EHRA employees. Any changes would affect either all SHRA or all EHRA employees, not just those in these particular EHRA positions.

28. I am not sure I want to convert to EHRA right now. Will I have any opportunities in the future to convert?

UNC Charlotte will provide additional opportunities for employees to elect to convert from SHRA to EHRA. These opportunities will also provide an employee with 60 or 90 calendar days from the date of notification to render a conversion decision.