



**STATE OF NORTH CAROLINA
OFFICE OF STATE HUMAN RESOURCES**

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TO: Agency Heads
CC: OSHR Leadership, Agency Human Resources Directors
FROM: Staci Meyer, Director *SM*
RE: December 2025 State Human Resources Commission Recap

As you know, the N.C. Office of State Human Resources (OSHR) is undertaking policy changes to make HR easier, faster, and better. To keep you abreast of these changes, starting in 2026, I will be sending a summary of relevant policy changes following each of our State Human Resources Commission (SHRC) meetings. This communication covers the December 11 and 19, 2025, meetings and highlights adjustments to state employee pay plans, the learning and development policy, the voluntary separation incentive program, and military leave.

Update to Pay Plans

After thorough market analysis, OSHR recommended an adjustment to the state's six pay plans to the Commission. On December 11, 2025, the Commission approved a 3.87% increase in all six pay plans effective February 1. However, the minimum salary of \$31,200 for four pay grades will remain unchanged to align with Session Law 2018-5, Section 35.14(b). This change does not increase existing employee salaries, but some employees may now fall below the new minimum of the salary range.

On February 1, the [classification and compensation section](#) of OSHR's website will reflect the updated pay plans.

OSHR is working with agency HR directors to prepare your organization for the pay plan adjustments, including recommendations for updating ongoing vacancy announcements.

Learning and Development

The Commission has approved combining and updating the Academic Assistance Policy and the Employee Learning and Development Policy into a new, holistic policy focusing on workforce planning and employee development.

The new [Employee Learning and Development](#) Policy expands both employee eligibility for and allowable uses of learning and development financial assistance and eliminates the cap on reimbursements and on the number of credit hours that can be reimbursed. This policy revision grants agencies more flexibility, allowing more of your workforce to advance their knowledge and skills.

Voluntary Separation Incentive Program

The [Voluntary Separation Incentive Program](#) (VSIP) is a voluntary employee separation program which enables an agency to restructure or reorganize to gain financial and/or skill set efficiencies and increase effectiveness.

In the December 11, 2025, meeting, the Commission approved greater agency flexibility to the policy, including edits to reflect that agencies are no longer required to have a minimum of five positions to implement a VSIP. Further, if agencies do not receive enough volunteers, they may, rather than must, implement a Reduction in Force (RIF).

These changes build upon adjustments made in September that allow agencies to pay an incentive of up to \$10,000 or 10% of an employee's salary, whichever is greater, to participate in a VSIP. This incentive differentiates a VSIP payment from a typical RIF severance and makes the program more attractive to potential applicants.

The September changes also include removing the static amount for the employer share for employee health insurance. Now, this portion of the VSIP payment will be equal to the employer share of the State Health Plan premium at the time of the VSIP.

Military Leave

State employees may use [Military Leave](#) during certain periods of service in the uniformed services. Much of this leave is protected under federal law, the Uniformed Services Employment and Reemployment Rights Act (USERRA). The Commission approved a clarification that USERRA does not protect leave if the employee has exceeded the five years of cumulative service in the uniformed services that is protected under USERRA, during their employment with an agency, unless the requested leave is otherwise guaranteed under this policy or is excluded from the cumulative five-year limit.

Thank you for your ongoing support for OSHR as we work to elevate public service.