

## Compensation Plan FAQs

### 1. What is a salary range and is it part of the compensation plan?

A salary range includes the lowest and highest salaries of all returning,<sup>1</sup> full-time bargaining unit members, **not including** increases or ISTRF contributions for the current contract period. A clear statement of the salary range must be included in the compensation plan.

Effective July 1, 2025, the compensation plan must clearly demonstrate that all full-time classroom teachers are earning at least \$45,000.

*Example:* The salary range is \$43,000 - \$80,000 prior to any increases for the current contract period. After salary increases have been awarded through the compensation plan, the salary range for full-time teachers is \$45,000 to \$82,000.

### 2. How many factors are there and what are they?

There are five factors on which a salary increase may be based:

- a. Number of years of experience ("experience")
- b. Possession of an additional content area degree or credit hours beyond the requirements for employment ("education")
- c. The results of an evaluation ("evaluation rating")
- d. Assignment of instructional leadership roles ("instructional leadership")
- e. Academic needs of students in the corporation ("academic needs") which may, but is not required to be, defined as the need to retain teachers employed in a high need area as identified by the school employer.

While not a factor, compensation plans are required to differentiate salary increases for teachers who possess the literacy endorsement (see # 11 and 12 below).

### 3. Do we have to use all five factors in our compensation plan?

No, but you must include an increase of at least 10% of the maximum possible salary increase that is attributable to the academic needs factor. In addition, you must use at least two of the five factors.

### 4. Are there any additional requirements or restrictions on using the factors?

Yes. In addition to the 10% academic needs requirement identified in #3 above, the combination of "experience" and "education" (including academic needs, evaluation, and instructional leadership factor increases based on teachers' education or experience) cannot account for more than one-half (50%) of the total possible salary increase. If the compensation plan uses a salary increase to reduce the gap or includes a teacher retention catch-up increase, that particular increase is not included in the education/experience portion of the 50% cap calculation. (See the 2025 CBA Compliance Rubric for more information.) In addition, salary increases for education must be limited to additional content area<sup>2</sup> degrees credit hours beyond those required for employment.

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<sup>1</sup> "Returning" bargaining unit member means a teacher not newly hired for the current school year; a teacher who was employed by the corporation in the prior school year who has returned as full-time for the current school year.

<sup>2</sup> "Content area" means the subject matter an applicant is licensed to teach; or administrative or service function an applicant is licensed to provide. 511 IAC 10.1-1-1(9)

**5. Can we create our own factors?**

No. However, the parties have some flexibility in defining the factors, consistent with statutory requirements. Parties have the greatest flexibility in defining the instructional leadership and academic needs factors (see # 6 below).

**6. How are the instructional leadership and academic needs factors defined?**

The statute does not specifically define either of these factors. To the extent that these factors are used in the compensation plan, the parties bargain the definitions. However, if the definition of either factor includes experience and/or possession of an additional content area degree or credit hours as criteria within the factor or as the manner for distributing or differentiating factor increases, it will be included in the calculation of the 50% cap unless an exception applies (see # 4 above).

**7. Can a teacher rated ineffective or improvement necessary receive a salary increase?**

Yes. The statutory eligibility requirement was repealed, effective July 1, 2025. Parties may bargain to include an evaluation rating-based eligibility statement, or other eligibility criteria, but are no longer required to do so.

**8. Are stipends subject to the same requirements as salary increases?**

No. Stipends do not have to comply with Ind. Code § 20-28-9-1.5 (eligibility, factors, 50% cap, redistribution, etc.), although most stipends must still be bargained. All bargained stipends must be included in the CBA, and those issued to a majority of teachers should be included in the compensation plan. Stipends should be clearly identified to prevent them from being mistaken for a salary increase.

**9. With the 2025 legislative changes, do we still need to have a redistribution plan in our compensation plan?**

No. The redistribution requirement has been repealed, effective July 1, 2025, and this is no longer a required component of the compensation plan. However, parties are not prohibited from bargaining a redistribution plan to supplement any optional eligibility criteria that they bargain.

**10. Do we have to have a compensation plan if we are not giving any salary increases?**

No. However, your CBA **must** include a salary range and a clear statement that you have bargained no salary increases for the current contract period. If a two-year CBA includes salary increases for only one of the two years in the biennium, the compensation plan should include a clear statement to that effect, specifying the school year for which there will be no base salary increase or increment. If you bargain that there will be no increases, but include a compensation plan, no findings of noncompliance will be made regarding the suspended language.

**11. Are we required to differentiate salary for teachers who possess a literacy endorsement?**

Yes. Parties must bargain a salary increase differential for all teachers who have added the literacy endorsement to their license.

**12. How do we include increases for teachers who possess the literacy endorsement in the compensation plan?**

A salary increase based on possession of a literacy endorsement should be attributed to one of the 5 statutory factors. Because there is no statutory definition for the assignment of instructional leadership roles or academic needs factors, IEERB recommends defining either factor as possession of a teaching license with a literacy endorsement. However, failure to attribute the literacy endorsement increase to one of the five factors will not render the compensation plan noncompliant.

It is permissible for parties to bargain differentiation based on either initial possession (attainment) or continued possession of the literacy endorsement. If parties bargain salary differentiation based on initial possession (attainment) of the literacy endorsement, this one-time increase must be such an amount as to constitute a meaningful increase. The newly revised 2025 Model Compensation Plans include increases for teachers who possess the literacy endorsement.

**13. Can we still bargain a “catch-up” to bring teachers up to the new minimum salary?**

Yes. Parties may bargain a “catch-up” increase using a salary increase differential. However, if the parties use a salary increase differential based on educational attainment or experience without specifically identifying it as either a salary increase to reduce the gap or a teacher retention catch up increase, the salary increase is subject to the 50% limitation (i.e., the requirement that the combination of education and experience cannot account for more than 50% of the maximum available increase). See #4 above and the 2025 CBA Compliance Rubric for additional information regarding salary increases to reduce the gap, teacher retention catch up increases, and the exemption from the 50% limitation.

**14. Where can we get additional information on compensation plans?**

- [Compensation Plan section in the 2025 CBA Compliance Rubric](#)
- [Guide to CBA Compliance](#)
- [2025 Model Compensation Plans](#)
- [Indiana Code § 20-28-9-1.5](#)
- Compensation plans in past and current CBAs available on [Gateway](#).