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2026 Guide to Compensating Teachers for Graduate Degrees and Credit Hours

This Guide is intended to help the parties understand the nuances of compensating teachers for graduate degrees and credit hours. This Guide is not legal advice and does not bind IEERB in any way. For more information, see IC 20-28-9-1.5 and www.in.gov/ieerb. If you have any questions, contact IEERB at 317-233-6620 or Questions@ieerb.in.gov. This is not an exhaustive guide on compliance or compensation. For more information on compliance, please see IEERB's [Compliance Guides](#).

1. Base Salary Increases Bargained Through the Compensation Plan

- The parties may bargain a base salary increase for the possession of an additional content area degree or credit hours beyond the requirements for employment.
- This increase must be bargained and must be in the CBA's compensation plan.
- The amount of increase based on education combined with any increase based on experience cannot be more than 50% of the total available increase.
- Note: The 50% limitation on increases for education and experience excludes any specified increases to reduce-the-gap (IC 20-28-9-1.5(d)(1)) or to implement a teacher retention catch-up (IC 20-28-9-1.5(d)(2)). For more information see the [2026 Guide to CBA Compliance](#).

2. Non-Bargained Supplemental Payments¹

- A school corporation may provide a supplemental payment under IC 20-28-9-1.5(a) that is a discretionary payment to a teacher in excess of the salary specified in the compensation plan.
- Effective July 1, 2022, supplemental payments maybe be made when doing so is in the best interest of students and are **no longer limited to specific categories of teachers**. Supplemental payments are not subject to collective bargaining.
- Supplemental payments may not be in a CBA unless there is a clear statement that the payments were not bargained and are listed for informational purposes only. Supplemental payments may never be used as a required component of a bargained compensation plan.

3. Bargained Stipends

- A stipend is a payment that is non-recurring. Recurring stipends may be treated as a base salary increase.
- Stipends are not subject to content area restrictions or caps. Nor are there minimum evaluation rating requirements for the prior year. However, the parties may bargain such additional restrictions.

¹ Supplemental payments under I.C. 20-28-9-1.5(a) are not the same as compensation for a supplemental service contract pursuant to I.C. 20-28-6-7.

- Stipends that are not supplemental payments or teacher appreciation grants must be bargained and must be included in the CBA.
- Stipends must be clearly labeled as stipends. If the compensation is not identified as a stipend, it may be assumed to be a salary increase and may be found to be noncompliant.

4. Reimbursement

- Parties can bargain reimbursement for costs paid by a teacher for a graduate degree or credit hours.
- The parties are not limited to certain degrees or credit hours.
- This reimbursement, like all fringe benefits, must be bargained and included in the CBA.

FAQs

1. Does the law state what form (stipend or base increase) a supplemental payment under IC 20-28-9-1.5(a) must take?
 - No.
2. What about professional growth points (PGPs) or other similar professional development?
 - Payment for professional development that is not a degree or credit hour must be bargained.
 - Compensation for PGPs or similar professional development activities cannot be part of the education² factor of the compensation plan. However, such compensation may be bargained under the academic needs or assignment of instructional leadership factors or may be paid as a stipend.
3. Can we define the education factor more narrowly than the statute?
 - Yes. The parties can define the education factor more narrowly than the statute (e.g., attainment of a math degree beyond the requirements for employment). However, the parties cannot define education more broadly than the statute (e.g., any degree; content area beyond the Indiana State Board of Education definition).³
4. What about prior raises?
 - Compensation attributable to additional degrees or graduate credits earned before the effective date of a local compensation plan created before July 1, 2015, shall continue for school years beginning after June 30, 2015.
5. Do the supplemental payments have to be paid at the same time as the bargained compensation?
 - No, there are no statutory restrictions on when these payments are paid.

² Although generally described as the “education” factor, it is more specifically stated as possession of a content area degree or credit hours beyond those needed for employment. See IC 20-28-9-1.5(b)(1)(B).

³ “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)

6. Can we provide more than one form of compensation to teachers for graduate credits and hours?
- Yes. The parties can use these forms of compensation for teachers' graduate degrees and credit hours singularly or in combination.

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