

Department of Finance and Administration

Office of Personnel Management

Policy Title: **Establishing an Employee's Salary**

Policy Number: **25**

Authority: **Ark. Code Ann. § 21-5-214**

Revised: **July 1, 2017**

The rate of pay a state employee is eligible to receive depends on the employee's status with the state agency. Employees will fall into one of five categories: 1) new hire, 2) rehired with the same or different state agency, 3) transferring positions between pay tables, 4) promoting within the same pay table or 5) demoting within the same pay table.

Employees must be compensated on the basis of the below criteria without regard to the employees' race, color, religion, gender, age, national origin, disability, or political affiliation.

The Office of Personnel Management (OPM) will accept an employee's prior state service with an agency, board, commission, bureau, and institution of higher education. A state agency must provide a Proof of Prior Service form to a requesting agency to prove an employee's current and/or previous state employment, including salary eligibility, service credit, leave balances, and retirement system information.

New Hire Employees

A person who has never been employed by any state agency, board, or constitutional office. Generally, a new hire employee will be paid at the entry pay level for the grade assigned to the classification unless a special rate of pay above the entry pay level is approved by the agency director, OPM and/or Legislative Council. See the Special Rates of Pay policy for more information.

Rehired Employees

An employee who has been separated from state employment for more than thirty (30) working days from state service and returns to state service is eligible, not entitled, to receive the employee's last rate of pay not to exceed the maximum pay level.

If the employee's last rate of pay falls below the entry pay level of the new position, the employee's salary will be adjusted to the entry pay level.

Transferring Employees

A transfer is the change in the duty assignment of an employee from one agency to another agency in the same classification or between pay tables.

An employee transferring positions from one pay table to another pay table, either within the same agency or a different agency, may receive a change in pay if one of the following occurs:

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1. The employee's salary falls below the entry pay level of the new grade then the employee's salary will be adjusted to the entry pay level; or
2. A special rate of pay has been established.

The rate of pay must not exceed the maximum unless otherwise authorized by the agency director.

When an employee transfers to another agency, the originating agency must pay the employee for all accumulated compensatory time and overtime accrued at the time of transfer. See the Overtime and Compensatory Time policy for more information.

Promotion

A promotion is a change from one position to another position with a higher pay level on the same pay table. Generally, an employee who is promoted receives up to a 10% percent salary increase or, if the current salary falls below the entry pay level, the salary is adjusted to the entry pay level. An employee's rate of pay after promoting cannot exceed the maximum pay level of the grade.

Demotion

A change in duty assignment of an employee from a position in one classification to a position in another classification of a lower pay grade within the same pay table. Employees demoting to a lower grade in the same pay table will receive a decrease in salary up to 10% percent. An employee's rate of pay after demoting cannot exceed the maximum pay level of the grade, and if the employee's rate of pay falls below the entry pay level after demoting, the salary will be adjusted to the entry pay level of the grade.

An employee may return to a position the employee formerly occupied within a 12 month period after promoting and will be eligible for a rate of pay no greater than what the employee would have been eligible had the employee remained in the lower-graded position.