

Department of Finance and Administration
Office of Personnel Management

Policy Title: **Performance Evaluation and Merit Increases** Policy Number: **29**

Authority: **Ark. Code Ann. §§ 21-5-1101 and 21-5-1101** Revised: **July 1, 2017**

The Department of Finance and Administration is authorized to develop and establish a performance evaluation and merit increase pay system for employees of all state agencies, boards, and commissions covered by the Uniform Classification and Compensation Act. The merit increase pay system is reviewed by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

Merit Increase Pay System: A merit based system which incorporates pay and performance evaluation standards and establishes criteria for pay increases for employees who meet requisite performance categories.

Merit Increase Eligibility Date: The date which an employee is eligible for a merit increase.

The Office of Personnel Management (OPM) is currently revising the Performance Evaluation System, including merit increases. The merit increase eligibility date will most likely change to one date for all employees; therefore, an agency does not need to conduct a performance evaluation by an employee's merit increase eligibility date. However, supervisors are responsible for keeping thorough documentation regarding an employee's performance and are not prohibited from placing an employee on a performance improvement plan.

Supervisors of employees on extended military leave without pay will use the employee's most recent performance evaluation score to determine the amount of the merit increase. The increase will be awarded to the military member when they return to active pay status.