

**Department of Finance and Administration
Office of Personnel Management**

Policy Title: Proportionate Pay for Military Members

Policy Number: 30

Authority: Ark. Code Ann. § 21-5-1202

Revised: July 1, 2017

When an employee of a state agency is called to active duty after September 11, 2001, as a member of the armed forces of this state or any other state, including without limitation the armed forces of this state or any other state, including without limitation the National Guard or a reserve component of the armed forces, by order of the President or the Governor of an emergency nature or contingency for more than thirty (30) consecutive days, the employee is eligible for continued proportionate salary payments.

The payments, when combined with the employee's active duty pay, incentives, and allowances, except for uniform and clothing allowances, equals the amount that the employee would have otherwise received but for the employee's required active duty under the order of the President or the Governor.

Differential payments will be calculated as of September 11, 2001, and payable to current active State employees only.

Terminated employees are not eligible for payments. However, if an employee's service terminated as a result of a disability incurred while on active duty, the employee is entitled to the payment.

If an employee died while on active duty, the employee's beneficiary is entitled to the payment.

Payments dating back to September 11, 2001, to the present are to be paid as a onetime lump sum payment. Thereafter, if the employee is still on active duty, payments will be made on a bi-weekly basis.

Employees must provide a Leave and Earning Statement showing the employees' military pay or Form DD214 which indicates the date the employee was called to active duty and the date released from active duty.

Leave and Earning Statements for those currently on active duty, after the initial submission to payroll, need only be submitted thereafter when a pay change occurs. The payments will be subject to state and federal taxes.

Proportionate payments for military members will not be retirement eligible earnings at the time of payment and will not be reported to APERS, thus there will be no matching paid to APERS. When the employee returns to State service as an active state employee, the retirement service will be purchased for them by the agency and the retirement matching will be paid at that time. If the employee is a member of the APERS contributory plan, he/she will pay their contributions to APERS by personal payment. These contributions will not be tax deferred.