

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

Policy Title: **Retroactive Pay Prohibited**

Policy Number: **31**

Authority: **Ark. Code Ann. § 19-4-1610**

Revised: **July 1, 2017**

In the event that a state employee is being paid less than the maximum provided for by law, and the head of the employee's agency provides for an increase in the rate of pay for the employee, the employee's rate of pay shall not exceed one-twelfth (1/12) of the annual maximum salary allowed for that grade, for the remainder of the annual period. In no case shall such payments be made for the preceding fiscal year.

No increase in the rate of pay, either by paying the full amount of the maximum salary or by placing an employee in a position calling for a greater salary, shall be construed as authorizing the payment of any retroactive salary to the employee. In no case shall such payments be made for the preceding fiscal year.

Salary payments made to correct an administrative error shall not be considered retroactive pay, nor shall such payment be construed as exceeding the employee's maximum authorized pay. Payments may be made to correct an administrative error for the preceding fiscal year if the payment is requested within twelve (12) months of the end of the preceding fiscal year and it is approved by the Chief Fiscal Officer of the State.