

Department of Finance and Administration Office of Personnel Management

Policy Title: **Salary Administration Grids**

Policy Number: **32**

Authority: Ark. Code Ann. § 21-5-222

Revised: July 1, 2017

A state agency may implement a salary grid for specific classifications or positions to allow employees to be paid above the entry pay level.

The agency must submit the proposed grid to the Office of Personnel Management (OPM) and include the following:

1. A documented need for the salary administration grid for specified positions or classifications;
2. How the terms and conditions of the grid will address the needs of the targeted positions; and
3. Documentation that the cost of implementing and maintaining the salary administration grid is within the agency's existing appropriation and the implementation of the grid will not use funds specifically set aside for other programs within the agency.

The Chief Fiscal Officer of the State (CFO) may approve a grid up to the midpoint pay level. The CFO may approve a grid above the midpoint pay level only after it has been reviewed by Legislative Council or the Joint Budget Committee. An agency may request a special rate of pay up to the maximum pay level authorized for the grade assigned for specific classifications only.

The approved salary administration grid will be used to establish a starting salary for an employee in an individual position. A person hired above the entry pay level must meet or exceed the minimum qualifications for the job classification. Subsequent salary determinations within a salary administration grid will be based on the employee's qualifications, relevant competitive rates of pay in the labor market, professional or educational achievements, and internal equity with the agency.

The hiring of a new employee under the salary grid shall not affect the salary level or salary eligibility of any existing employee within the agency.

An agency may use compensation differentials in its salary grid plan and the differentials must not exceed the rates established for compensation differentials.

An approved salary administration grid may be amended only upon approval of OPM after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee (JBC). All salary grids must be reauthorized each biennium by the OPM after review by the Legislative Council or, if the General Assembly is in session, JBC.