STATE OF ARKANSAS
Department of Finance and Administration

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MEMORANDUM

TO: All State Agency Directors, Boards, Commissions, Presidents/Chancellors of State Supported Institutions of Higher Education and Personnel/Payroll Representatives

FROM: Richard A. Weiss, Director

SUBJECT: Pay Plan Implementation Procedures for Fiscal Year 2014

DATE: May 13, 2013

Based on the authority vested in the Chief Fiscal Officer of the State pursuant to Arkansas Code 21-5-211 and Act 1321 of 2013 in its entirety, the following compensation procedures for the 2014 fiscal year shall apply:

FISCAL YEAR 2014 PAY PLANS

The 2014 fiscal year pay plans for Career Service and Professional – Executive employees are attached. There are no changes in the pay plans from FY13.

COST OF LIVING ADJUSTMENT IMPLEMENTATION

The fiscal year will begin with the first pay period June 23 – July 6, 2013. The maximum annual compensation rate for which an employee is eligible on June 23, 2013, shall be determined by increasing the employee's June 22, 2013, salary by two percent (2%).

The additional salary increase shall not allow an employee's compensation to exceed the maximum pay level amount established for the position unless the employee is eligible for the career pay level as established by Arkansas Code 21-5-214.

If an employee does not meet the service requirement in Arkansas Code 21-5-214, the increase shall be paid as a lump sum on the last pay period of the 2014 fiscal year. If the employee's salary is below the maximum pay level, the employee will receive a portion of the 2% COLA up to the maximum pay level; the remainder will be paid as a lump sum as described above.

If an employee is compensated at the highest pay level rate authorized for the grade assigned to the classification, the increase shall be paid as a lump sum on the last pay period of the 2014 fiscal year. This payment shall not be construed as exceeding the maximum salary. If the employee's salary is

below the highest pay level rate authorized, the employee will receive a portion of the 2% COLA up to the highest pay level rate; the remainder will be paid as a lump sum as described above.

Employees occupying unclassified positions will have their salaries raised to the FY 2014 line item maximum rates. It is at the discretion of the agency to reduce the salary to an amount below the FY 2014 line item maximum. Appropriate paperwork is required to reduce the employee's salary to less than the line item maximum rate.

Employees in extra-help positions will not automatically be adjusted by 2%. The decision to adjust extra-help employee salaries by 2% is at the discretion of each agency/institution head. Appropriate paperwork is required to implement the 2% COLA.

CAREER SERVICE PAYMENTS

Annual career service recognition payments may be awarded to eligible employees during the 2014 fiscal year on their career service date. The rates for each category of service are listed below and are retirement eligible.

10 – 14 years of state service	$600
15 – 19 years of state service	$700
20 – 24 years of state service	$800
25 or more years of state service	$900

MERIT INCREASE PAY

The award of merit increases has not been determined for FY14. Agencies, boards, commissions, and institutions of higher education must continue to comply with Arkansas Code 21-5-1101 regarding the establishment, maintenance, and conveyance of employee performance evaluations.

The decision to award merit increases will be determined at a later date and provided to you.

Further, detailed conversion instructions will be forthcoming from the Office of Personnel Management.

If you have any questions, please contact Kay Barnhill Terry, State Personnel Administrator, at 682-5077 or kay.terry@dfa.arkansas.gov, or Herb Scott, Deputy State Personnel Administrator, at 682-5122 or herb.scott@dfa.arkansas.gov.

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