



STATE OF ARKANSAS
**Department of Finance
and Administration**

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TO: All State Agency Directors, Boards, Commissions, Presidents/Chancellors of state supported institutions of Higher Education and Personnel/Payroll Representatives

FROM: Larry W. Walther, Director *LWW*

SUBJECT: Merit Lump Sum Payments

DATE: April 27, 2016

Governor Hutchinson has determined that employee performance merit bonuses will be awarded for Fiscal Year 2016. Agency salary savings along with sufficient funds in the Merit Adjustment fund allow for these bonuses.

Merit bonuses will be awarded to employees based on the following percentages for each of the performance categories:

Exceeds Standards	4.5%
Above Average	3.0%
Satisfactory	1.5%

Merit payments will be awarded to all eligible employees, including those in the Career Service, Professional/Executive, and Unclassified positions. All evaluations must be completed and entered in to the AASIS system by June 16, 2016 and employees will receive these bonuses in their June 24th paycheck.

Governor Hutchinson has also ordered the Department of Finance and Administration – Office of Personnel Management to conduct a comprehensive review of current pay plans and personnel policies. This review will result in the development of new, more-competitive pay plans and streamlined policies which will be implemented by July 2017 for the 2018 fiscal year. More competitive and efficient pay plans will lead to better compensation for state employees while also improving overall efficiency of operations and the quality of service provided to the citizens of Arkansas.

If you have any questions, please feel free to contact Kay Barnhill at 501.682.5077 or at kay.barnhill@dfa.arkansas.gov or your Personnel Representative at 682-1753.