

Office of Personnel Management

Policy

Policy Title: Compensation Differentials	Policy Number: 20.05
Citation: Arkansas Code Annotated § 21-5-221	Forms: None

Purpose

Arkansas law allows for agencies and institutions to address employee compensation needs not otherwise addressed in the Uniform Classification and Compensation Act.

Specific Provisions

If an agency or institution can demonstrate a need for a compensation differential for specified positions or classifications, they may submit a plan to the Office of Personnel Management (OPM) with the terms and conditions of eligibility for the differential pay they are requesting. Included in the plan must be the cost associated with implementing and maintaining the compensation differential, how the cost will be covered in the agency's or institution's existing appropriation, and that the cost will not be implemented using funds specifically set aside for other programs within the agency or institution.

All agency's or institution's differential plans, with the exception of shift differential, must be approved by OPM after review by the Personnel Committee of the Legislative Council. The hazardous duty differential plan must be submitted to OPM for approval by the Chief Fiscal Officer of the State after review and approval by the Personnel Committee of the Legislative Council.

Any compensation differential authorized shall be renewed each fiscal year.

The cumulative total of any compensation differentials paid to an employee shall not exceed twenty-five percent (25%) of the employee's base rate of pay.

The types of compensation differentials include:

- A. Hazardous duty differentials may be authorized for employees that have an increased risk of personal physical injury due to an employee occupying a certain identified high risk position;

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B. Professional certification differentials may be authorized for positions or specific classifications when the employee holds a professional certification above the certification required in the minimum qualifications and the certification relates directly to the job functions and duties the employee is performing;

C. Educational differentials may be authorized when an employee attains additional education that relates directly to the job functions and duties they are performing;

D. Geographic area differentials may be authorized for an employee or classification when the agency or institution can demonstrate the inability to recruit and/or retain qualified employees;

E. Second language differentials may be authorized for an employee who has demonstrated the ability and skill to communicate in a language other than English, including American Sign Language, and that the skill is determined by the agency or institution to be directly related to the effective performance of the job duties for the position occupied by the employee; and

F. On-call duty or standby duty differentials be authorized for an employee whose job requires them to provide services on nights, weekends, holidays, or other situations when the agency or institution does not have regularly scheduled staff coverage.

January 13, 2011