

Office of Personnel Management

Policy

Policy Title: Demotion	Policy Number: 20.11
Citation: Arkansas Code Annotated § 21-5-214	Forms: None

Purpose

When an employee is demoted for cause or voluntarily solicits a demotion, his or her rate of pay shall be:

1. Fixed at the rate equal to ten percent (10%) less than the employee's rate of pay at the time of the demotion for demotions of one or more grades on the career service pay plan or on the professional and executive pay plan.
2. Fixed at a rate equal to twelve percent (12%) less than the employee's rate of pay at the time of demotion for demotions of one (1) or more grades from a position on the professional and executive pay plan to a position on the career service pay plan.

If the employee's salary falls below the entry pay level of the new grade upon demotion, their salary shall be adjusted to entry level for that grade.

An employee's rate of pay upon a demotion shall not exceed the amount provided by the maximum pay level of the grade assigned to the classification, unless the employee is eligible for career pay level of the career service pay plan.

An employee returning within twelve months after a promotion to a position or classification which they previously occupied is eligible for a rate of pay not greater than that for which the employee would have been eligible had they remained in the lower-graded classification.

An employee who is placed in a lower-graded position on either compensation plan because the original position has expired due to the lack of funding, program changes, or withdrawal of federal grant funds may continue to be paid at the same rate as the employee was being paid in the higher graded position upon approval of the Office of Personnel Management (OPM) after seeking the review of the Personnel Committee of the Legislative Council.

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When an employee demotes to a different agency or institution, the originating agency or institution must pay all accumulated compensatory time and overtime to the employee at time of transfer.

Non-exempt employees demoting to an exempt classification must have all accumulated compensatory time and overtime paid at the time of transfer.

May 10, 2011