

**Office of Personnel Management
Policy Directive**

Policy Title: Severance Payments	Policy Number: 20.17.01
Citation: Arkansas Code Annotated § 21-5-223	Forms: None

Specific Provisions

If an agency or institution director determines it necessary to implement the state workforce reduction policy due to agency or institution organization structure change, budgetary reductions, abolishment of positions or duties, loss of functional responsibility by the agency, or the loss of federal funding, grants, or other special funds, they may, upon the approval of the Chief Fiscal Officer of the State, authorize the payment of funds on a regular payroll schedule as severance pay to full-time, part-time, and job sharing classified or non-classified employees in a regular position on the basis of the following pro rata lump sum for completed years of services, including any formally implemented probationary period:

Years of Service	Amount of Severance Pay
Over one (1) year of service up to five (5) years of service	Eight hundred dollars (\$800)
Over five (5) years of service up to fifteen (15) years of service	One thousand, two hundred dollars (\$1,200)
Over fifteen (15) years of service	One thousand, six hundred dollars (\$1,600)

These payments shall be in addition to any lump-sum payment for annual or sick leave as described in the Uniform Attendance and Leave Policy.

The severance payment shall not exceed maximum salary.

The agency or institution director shall file a notice of the anticipated implementation of the workforce reduction policy and of the lump-sum severance payments to be made under the state workforce reduction policy with the Personnel Committee of the Legislative Council.

January 13, 2011