

Office of Personnel Management

Policy

Policy Title: Lump Sum Termination Pay	Policy Number: 20.28
Citation: Arkansas Code Annotated § 19-4-1613; § 21-4-205; § 21-4-404	Forms: None

Definition

Retirement means an employee's withdrawal from the service of a public employer, with an annuity payable from funds of the employee's retirement system.

Specific Provisions

Upon termination, resignation, retirement, or other action by which a person ceases to be an active employee of the State, the amount due the employee from accrued and unused annual leave shall be paid to the employee in a lump sum unless the employee is beginning a period of active duty for military service and requests that such leave not be liquidated by a lump-sum payment but instead be held in escrow by the state and reinstated upon the employee's return to state employment. This lump sum must not exceed thirty (30) days of annual leave inclusive of holidays. Upon death, payment for the total of unused accumulated annual leave and holiday leave shall not exceed sixty (60) days.

No employee receiving such additional compensation shall return to State employment until the number of days for which they received the additional compensation has expired. However, the employee may reimburse the re-employment agency or institution for the number of days paid but not yet expired. Such reimbursement will result in the appropriate number of days being reinstated to the employee's accrued annual leave.

Upon retirement or death of an active employee of a state agency or institution, the amount of any accrued, unpaid sick leave incentive benefit due shall be paid to the employee, the employee's estate or authorized beneficiary. The lump sum for unused sick leave shall not exceed \$7,500.

If an employee receives compensation for unused sick leave at retirement and returns to state employment, the employee shall not be required to wait until the expiration of the number of days for which they received additional compensation before returning to state employment or to repay the amount of the compensation.

Payment for the additional compensation shall not be considered as exceeding the maximum for a position so authorized.

Revised March 30, 2015