



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Establishing an Employee's Salary

Policy Number: 25

Authority: Ark. Code Ann. § 21-5-214

Effective Date: July 1, 2021

The rate of pay a state employee is eligible to receive depends on the employee's status with the department. Employees will fall into one of five categories: 1) new hire, 2) rehired with the same or different department, 3) transferring positions between pay tables, 4) promoting within the same pay table or 5) demoting within the same pay table.

Employees must be compensated on the basis of the below criteria without regard to the employees' race, color, religion, gender, age, national origin, disability, or political affiliation.

The Office of Personnel Management (OPM) will accept an employee's prior state service with a department, agency, board, commission, bureau, and institution of higher education. The hiring department or agency may require a [Proof of Prior Service form](#) to prove an employee's previous state employment, including salary eligibility, service credit, leave balances, and retirement system information, if the employee worked for an eligible state entity or institution that is not part of the Arkansas Administrative Statewide Information System (AASIS). See [OPM Policy #11](#).

New Hire Employees

For purposes of determining pay, a new hire is an individual who has never been employed by a department, state agency, board, or constitutional office. Generally, a new hire employee will be paid at the entry pay level for the grade assigned to the classification unless a special rate of pay above the entry pay level is approved by the Department Secretary, OPM and/or Legislative Council. See [OPM Policy #35](#).

Rehired Employees

An employee who has been separated from state employment for more than thirty (30) working days and returns to state service is eligible, not entitled, to receive the employee's last rate of pay not to exceed the maximum pay level. If the employee's last rate of pay falls below the entry pay level of the new position, the employee's salary will be adjusted to the entry pay level.

A Department Secretary must receive approval from OPM prior to extending an offer of employment to a retiree. See [OPM Policy #65](#).

Transferring Employees

A transfer is the change in the duty assignment of an employee from one agency to another agency in the same classification or between pay tables.

An employee transferring positions from one pay table to another pay table, either within the same agency or a different agency, may receive a change in pay if one of the following occurs:

1. The employee's salary falls below the entry pay level of the new grade then the employee's salary will be adjusted to the entry pay level; or



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2. A special rate of pay has been established.

The rate of pay must not exceed the maximum unless otherwise authorized.

When an employee transfers to another department or agency, the originating agency must pay the employee for all accumulated compensatory time and overtime accrued at the time of transfer. See [OPM Policy #28](#).

Promotion

A promotion is a change from one position to another position with a higher pay level on the same pay table. Generally, an employee who is promoted receives up to a 10% salary increase, or if the current salary falls below the entry pay level, the salary is adjusted to the entry pay level. An employee's rate of pay after promoting cannot exceed the maximum pay level of the grade.

Within 12 months after promoting, an employee may return to a position in the classification the employee last occupied and will be eligible for a rate of pay no greater than what the employee would have been eligible had the employee remained in the lower-graded position.

Demotion

A change in duty assignment of an employee from a position in one classification to a position in another classification of a lower pay grade within the same pay table.

Employees demoting to a lower grade within the same pay table shall receive a 10% decrease in salary. A state agency must submit a request and receive prior approval from OPM to decrease an employee's rate of pay less than 10%. An employee may voluntarily accept a decrease that exceeds 10%.

An employee's rate of pay after demoting cannot exceed the maximum pay level of the grade. If the employee's rate of pay falls below the entry pay level after demoting, the salary will be adjusted to the entry pay level of the grade.

A state agency must submit a request and receive prior approval from OPM to continue an employee's current rate of pay if their position has been reclassified to a lower-graded position or to a position on a different pay table.