



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Leave Transfer and Leave Payout

Policy Number: 54

Authority: Ark. Code Ann. §§ 21-4-204 – 207; § 21-4-404; § 21-4-501 – 505

Effective Date: September 10, 2021

Transfer of Leave

Employees transferring between state agencies without a break in service retain their annual, holiday, birthday, and sick leave benefits upon transferring to their new department. The state agency the employee is transferring from is responsible for paying the balance of any unpaid overtime or unused compensatory time in a lump sum payment. Refer to [OPM Policy #28](#) for more information about overtime and compensatory time.

When an employee of a state office or agency excluded from the provisions of the Uniform Attendance and Leave Act leaves employment of the excluded office or agency and becomes employed by a state agency that is subject to the Uniform Attendance and Leave Act, the period of employment with the excluded office or agency shall be included as state employee service for the purpose of determining the rate at which the employee earns paid annual leave.

Upon return to state employment, the hiring agency may need to request a Proof of Prior Service from each non-AASIS participating agency or institution of higher education where the employee has previously worked. The employee's rate of annual leave accrual is determined by considering all past state employment.

Leave Payout

When an employee separates employment from a state agency (whether by termination, resignation, death, or retirement), the accrued, unused leave to his or her credit may be paid out as a lump sum. If an employee separates from a state agency and is paid for their annual leave upon separation, the employee is not allowed to return to state employment until he or she has exhausted the number of days for which they were paid annual leave. If the employee has been separated from state government for 30 working days or less, they have the option of purchasing their unexpired leave balance from the hiring state entity.

Termination/Resignation

1. Annual leave

For a regular state employee, a maximum of 30 working days or 240 hours, including holidays and birthdays, is paid out. For a fire and emergency service employee of the State Military Department or a critical-need employee, a maximum of 45 working days or 360 hours, including holidays and birthdays. Refer to [OPM Policy #45](#) for more information about a critical-need employee.

2. Sick leave

No sick leave is paid out.

Death

A voucher is prepared and payable to either the deceased's estate or designated beneficiary. No payment is made until it has been determined that the deceased employee was not indebted to the state.



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1. Annual leave

A maximum of 480 hours or 60 working days, including holidays and birthdays.

2. Sick leave

Sick Leave Incentive Payout – An employee or beneficiary cannot receive an amount that exceeds \$7,500. The amount of sick leave paid out is calculated as follows:

- If the employee has accumulated at least 50 days but fewer than 60 days of sick leave, the employee shall receive an amount equal to 50% of the number of accrued sick leave days rounded to the nearest day multiplied by 50% of the employee's daily salary.
- If the employee has accumulated at least 60 days but fewer than 70 days of sick leave, the employee shall receive an amount equal to 60% of the number of accrued sick leave days rounded to the nearest day multiplied by 60% of the employee's daily salary.
- If the employee has accumulated at least 70 days but fewer than 80 days of sick leave, the employee shall receive an amount equal to 70% of the number of accrued sick days rounded to the nearest day multiplied by 70% of the employee's daily salary.
- If the employee has accumulated at least 80 or more days of sick leave, the employee shall receive an amount equal to 80% of the number of accrued sick leave days rounded to the nearest day multiplied by 80% of the employee's daily salary.

The daily salary is determined by dividing the annual salary by 260.

Paid sick leave taken under the Family and Medical Leave Act of 1993 will be added to the employee's final sick leave balance for the purpose of qualifying for the incentive payout; however, the amount paid out is based on the unused sick leave balance at the time of death.

Retirement

1. Annual leave

For a regular state employee, a maximum of 240 hours or 30 working days, including holidays and birthdays. For a fire and emergency service employee of the State Military Department or a critical-need employee, a maximum of 360 hours or 45 working days, including holidays and birthdays. Refer to [OPM Policy #45](#) for more information about a critical-need employee.

2. Sick leave

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

Sick Leave Incentive Payout – An employee or beneficiary cannot receive an amount that exceeds \$7,500. The amount of sick leave paid out is calculated as follows:



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- If the employee has accumulated at least 70 days but fewer than 80 days of sick leave, the employee shall receive an amount equal to 70% of the number of accrued sick days rounded to the nearest day multiplied by 70% of the employee's daily salary.
- If the employee has accumulated at least 80 or more days of sick leave, the employee shall receive an amount equal to 80% of the number of accrued sick leave days rounded to the nearest day multiplied by 80% of the employee's daily salary.

The daily salary is determined by dividing the annual salary by 260.

Paid sick leave taken under the Family and Medical Leave Act of 1993 will be added to the employee's final sick leave balance for the purpose of qualifying for the incentive payout; however, the amount paid out is based on the unused sick leave balance at the time of retirement.

Upon retirement or death, if the balance of the employee's sick leave does not meet the criteria for a Sick Leave Incentive Payout, the employee or their beneficiary may donate their sick leave to the Catastrophic Leave Program.

When an employee receives a payout for unused sick leave at retirement or death, hours used to calculate the maximum payout of \$7,500 cannot be donated to the Catastrophic Leave Bank. Once the calculation of the number of accrued hours needed to receive a payout has been made, any remaining hours may be donated to the Catastrophic Leave Bank.

When an employee is laid off because of budgetary reasons or curtailment of activities and he or she is reinstated within a period of 6 months, accumulated sick leave may be restored to his or her credit.