



## 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, 2025

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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 job series; or 5) demoting within the same pay table or job series.

Employees must be compensated based on the below criteria without regard to the employees' race, color, religion, sex, age, national origin, disability, or genetic information.

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). More information about Proof of Prior Service can be found at [OPM Policy #11](#).

**Upon hire, employees in Miscellaneous Federal Grant (MFG) positions must certify in writing that they have been notified that the position is subject to the availability of funding, and, if funding ceases, the position will not be continued.** More information about MFGs can be found at [OPM Policy #43](#).

### New Hire Employees

For purposes of determining salary eligibility, a new hire is an individual who has never been employed by a department, state agency, constitutional office, or any other eligible state entity. Generally, a newly hired 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. **Departments should not offer or promise a salary level above the entry pay level without first receiving OPM approval.** More information about Special Rates of Pay can be found at [OPM Policy #35](#).

### Rehired Employees

An employee who has been separated (or termed) from state employment for more than thirty (30) working days and who returns to state service is eligible, not entitled, to receive their last rate of pay so long as it does not exceed the maximum pay level of the new position. 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.

### Transferring Employees

A transfer is the change in the duty assignment of an employee from one position to another position in the same classification or same grade or between pay tables. A change to another classification on a different pay table is not considered a transfer if the new title is part of a job series career-path.



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An employee transferring positions from one pay table to another pay table, either within the same department or a different department, may receive a change in pay only if the employee's salary is below the entry pay level of the new grade, then the employee's salary will be adjusted to the entry pay level. A special rate of pay for employees transferring to another department or state agency should not be requested.

The rate of pay after transferring cannot exceed the maximum unless otherwise authorized.

When an employee transfers to another department, the originating department must pay the employee for all accumulated compensatory time and overtime accrued at the time of transfer. More information about compensatory time can be found at [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 or the same job series. An employee who is promoted is eligible, not entitled, to receive up to a 10% salary increase. If the current salary falls below the entry pay level after the promotion increase, the employee's 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 a promotion, 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 or same job series.

Employees demoting to a lower grade within the same pay table shall receive a 10% decrease in salary. A department 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 department 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.