



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Special Rates of Pay

Policy Number: 35

Authority: Ark. Code Ann. § 21-5-214

Effective Date: December 8, 2025

A special rate of pay to compensate an employee at a higher salary rate may be approved by a Department Secretary, the Office of Personnel Management (OPM), and, in some cases, the Legislative Council or the Joint Budget Committee (JBC). **Departments should not offer or promise a higher salary level without first receiving OPM approval.**

A special rate of pay may be established for a classification or position for the following reasons:

1. Compensation rate adjustment;
2. The need to retain a trained, competent employee (Retention);
3. The assignment of additional duties as a result of the elimination of a position (Additional duties); or
4. To meet the requirements of state or federal law.

A special rate of pay is subject to the department's certification that it has available funding. A department is prohibited from using merit adjustment funds to establish a special rate of pay.

The Secretary of the Department of Shared Administrative Services (SAS) or the Governor may suspend discretionary special salary actions at any time.

Compensation Rate Adjustment

A department may request OPM approval to provide an application or employee a compensation rate adjustment. OPM is authorized to approve a compensation rate adjustment **up to 40% above the entry pay level** for the assigned grade.

A compensation rate adjustment **above 40% up to the maximum** pay level for the assigned grade requires OPM approval after approval by Legislative Council or JBC.

OPM maintains the list of classifications and positions that are approved for compensation rate adjustments and reports to the Legislative Council or JBC all compensation rate adjustments that were approved in the previous month.

Retention or Assignment of Additional Duties

OPM may approve a special rate of pay for one of the following reasons:

1. To retain a trained, competent employee; or
2. Due to an employee taking on significant additional duties, including an interim appointment.

The approval of a special rate of pay is subject to the following:

1. The assignment of additional duties **must be permanent and beyond the scope of the work currently being performed** by the employee;



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2. The same employee **may not receive** a special rate of pay for retention or additional duties **more than one time every 2 years**;
 3. **All increases must be approved by OPM**; and
 4. Only the Governor may initiate and approve a salary increase for a secretary or agency director as that term is defined in OPM Policy #1.

A department must agree to block or freeze a position as part of the request for a special rate of pay due to the assignment of additional duties. OPM may approve a request to not block or freeze a position if:

- The additional duties assignment is due to a newly established federal or state program or new requirements for an existing federal or state program; and
- The department agrees to not hire additional employees for the additional duties.

Interim appointment

1. The assignment of additional duties is short in duration;
2. An employee appointed on an interim basis is eligible to receive a special rate of pay up to 10% of their base salary only for the duration of the interim appointment, even if the employee received a special rate of pay for retention or additional duties within the previous two years;
3. The department is not required to block or freeze a position since the special rate of pay is effective only through the interim appointment; and
4. All increases must be approved by OPM.

OPM reports all special salary rates that were approved during the previous month as retention or additional duties.