

OPM 01-54

DATE: August 10, 2001

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., Administrator and
Cabinet Secretary of Human Resources

RE: **Emergency Amendment to Merit Rules of
Personnel Administration**

Attached is an emergency amendment to Merit Rule 530:10-7-1.2 which was approved by Governor Keating and became effective on August 3, 2001.

Prior to this emergency amendment, Merit Rule 530:10-7-1.2 limited the use of pay movement mechanisms in the unclassified service to skill-based pay adjustments, equity-based adjustments, and adjustments upon intra-agency lateral transfer. The emergency amendment eliminated this restriction. Section 840-2.17 of Title 74 of the Oklahoma Statutes authorizes the use of pay movement mechanisms in the unclassified service. According to Section 840-5.1 of Title 74 of the Oklahoma Statutes, use of pay movement mechanisms in the unclassified service is not subject to the Merit Rules. The use of pay movement mechanisms in the unclassified service is not subject to the approval of the Office of Personnel Management. Agencies are required by statute to report use of all pay movement mechanisms in the classified and unclassified service to the Office of Personnel Management annually. OPM requires that agencies submit the report no later than January 1st for the previous calendar year.

Please note that there is one pay movement mechanism that is limited to the classified service. Section 840-2.17(B)(12) of Title 74 of the Oklahoma Statutes authorizes salary adjustments for *probationary classified* employees achieving permanent status following the initial probationary period and *permanent classified* employees successfully completing trial periods after promotion. Pursuant to the above-cited statute, this pay movement mechanism may not be used in the unclassified service.

Please direct any questions concerning this emergency amendment to Spencer Anthony, Director of Compensation and Workforce Planning, at (405) 522-0422.

**TITLE 530. OFFICE OF PERSONNEL MANAGEMENT
CHAPTER 10. MERIT SYSTEM OF PERSONNEL ADMINISTRATION RULES**

SUBCHAPTER 7. SALARY AND PAYROLL

PART 1. SALARY AND RATES OF PAY

530:10-7-1.2. Funding and reporting requirements

(a) Use of pay movement mechanisms involving market adjustments, lateral transfers, skill-based pay adjustments, equity-based adjustments, career progression increases, probationary increases, and increases upon the completion of trial periods are limited to those possible using funds available in the agency's budget for the current and subsequent fiscal year without the need for additional funding. [74:840-2.17]

~~(b) An Appointing Authority may, at his or her discretion, use any of the following pay movement mechanisms for positions in the unclassified service: skill-based pay adjustments, equity based adjustments, and adjustments upon intra agency lateral transfer. Use of these pay movement mechanisms for positions in the unclassified service is not subject to the Merit Rules regarding these pay movement mechanisms. However, Section 840 2.17 of the Oklahoma Personnel Act requires an Appointing Authority who uses any of these pay movement mechanisms for positions in the unclassified service to report their use to the Office of Personnel Management. Reporting requirements are listed in subsection (c) of this section. Nothing in this subsection is intended to limit the use of any other salary adjustments authorized by law for positions in the unclassified service.~~

~~(c)~~(b) An Appointing Authority using any of the pay movement mechanisms listed in subsection (a) shall annually report the pay movement mechanisms used to the Office of Personnel Management no later than January 1 of each year on a form prescribed by the Administrator. The report shall include information for the twelve-month period ending on December 31 of each year and shall include the type of pay mechanisms used, frequency, amounts provided, and affected job families and classifications for both classified and unclassified employees. The report shall also include a projection of the pay movement mechanisms to be used and anticipated costs for the remainder of the fiscal year. [74:840-2.17]