Department of Transformation and Shared Services
Office of Personnel Management

Policy Title: Proportionate Pay for Military Members

Policy Number: 30

Authority: A.C.A. § 21-5-1202

Effective Date: May 10, 2022

When a state employee is called to active duty as a member of the National Guard or any of the reserve components of the armed forces by order of the President or the Governor of an emergency nature or contingency for more than thirty (30) consecutive days, the employee is eligible for continued proportionate salary payments.

Emergency nature or contingency means the following:
- (A) Any case or imminent danger of invasion, disaster, insurrection, riot, or breach of peace;
- (B) A threat to the public health or security; or
- (C) A threat to the maintenance of law and order.

The proportionate payments, when combined with the employee's active duty military pay, including incentives and allowances, but excluding any uniform and clothing allowance, equal the amount that the employee would have received but for the employee’s required active duty under the order of the President or the Governor.

Payments will be made on a bi-weekly basis following the regular pay cycle. The payments are subject to income tax withholding but are not subject to the Federal Insurance Contributions Acts (FICA) or the Federal Unemployment Tax Act (FUTA) taxes.

If an employee’s service terminated because of a disability incurred while on active duty, the employee is entitled to the payment. If an employee dies while on active duty, the employee’s beneficiary is entitled to the payment.

Employees must provide documentation showing their military pay and Form DD214 that indicates the date the employee was called to active duty and the date released from active duty.

Proportionate payments for military members are not retirement eligible earnings at the time of payment and will not be reported to APERS; therefore, no matching is paid to APERS. When the employee returns to state service as an active state employee, the retirement service will be purchased for them by their department and the retirement matching will be paid at that time. If the employee is a member of the APERS contributory plan, he or she will pay their contributions to APERS by personal payment. These contributions will not be tax deferred.