



STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT

"Serving Equal Opportunity Employers"

OPM 03-33

DATE: August 18, 2003

TO: All Appointing Authorities

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

RE: **Skill-Based Pay Adjustments**

Pursuant to Enrolled Senate Bill 194, skill-based pay differentials will become permanent after 24 months. This statutory change becomes effective November 1, 2003. The Office of Personnel Management has interpreted this provision of law to mean that on November 1, 2003, any employee who is currently receiving a skill-based pay differential and has received that differential for the previous 24 months, will have the amount of the differential rolled into the employee's base salary. Once the skill-based pay differential becomes permanent and is rolled into the employee's base salary, the agency will no longer have discretion to eliminate the skill-based pay, even if the employee no longer possesses the skill (such as a professional certification) that was the basis for the skill-based pay, or if the employee moves to another position, level, or job family.

Procedurally, agencies will need to complete OPM-14's on all employees whose skill-based pay differential will be rolled into base pay to show a salary adjustment with an effective date of November 1, 2003. The OPM-14's should reference "SB 194" in the remarks section.

Agencies whose compensation philosophy does not encompass the concept of making skill-based pay a permanent part of the employee's base salary will need to restructure their skill-based pay plans and effect the change no later than October 31, 2003.

Please note that the statutory change does not affect lump-sum skill-based pay programs; nor does it apply to data processing mission critical pay differentials or any other differential currently in use.

If you have questions, please contact Tom Patt, OPM Director of Compensation, at (405) 522-0422 or tom.patt@opm.state.ok.us.

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