



STATE OF OKLAHOMA  
OFFICE OF PERSONNEL MANAGEMENT

*"Serving Equal Opportunity Employers"*

**OPM 03-39**

**DATE:** October 15, 2003

**TO:** All Appointing Authorities

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

A handwritten signature in black ink, appearing to read "Oscar B. Jackson, Jr.", is placed over a light gray rectangular background.

**RE: Incorporating Skill-Based Pay Differentials into Base Pay**

This memorandum is to further clarify the impact of Enrolled Senate Bill 194 on employees who are currently receiving skill-based pay adjustments. As mentioned previously in All Appointing Authorities Memorandum OPM 03-33, SB 194 requires that, effective November 1, 2003, any employee currently receiving a skill-based pay differential who has been receiving that differential for the previous 24 months will have that differential incorporated into base salary. Several questions have arisen regarding the authority of agencies to increase pay above the relevant pay band maximum when effecting such pay actions.

The Office of Personnel Management has interpreted SB194 as not conferring any authority to make adjustments to pay which are inconsistent with current law or rules relating to pay administration in the classified service. Thus, agencies **may not** exceed the respective pay band maximum when incorporating an employee's skill-based pay differential into base pay in accordance with the provisions of SB 194.

If you have any questions on this matter, please refer them to Tom Patt, OPM Director of Compensation, at (405) 522-0422.

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human resource services to our partner agencies to achieve their missions."*