

Department of Administration

PERSONNEL RULES



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ARTICLE 1. GENERAL

R2-5-101. DEFINITIONS

The following words and phrases used in these Rules have the defined meanings unless otherwise clearly indicated by the context.

1. "AGENCY" means any department, board, office, authority, commission, or other governmental budget unit of the State except those exempted by A.R.S. 41-771.
2. "AGENCY HEAD" means the chief executive officer of any department, board, office, authority, commission, or other governmental budget unit of the State.
3. "ANNOUNCEMENT" means the public notice of examination to fill positions by open competition, or the notice to employees of an examination to fill positions from within the State Service.
4. "APPEAL" means the request for a review by the Personnel Board of a disciplinary action pursuant to A.R.S. 41-782.
5. "APPLICANT" means any person who seeks appointment to a position in the State Service.
6. "APPOINTMENT" means the offer to and the acceptance by a person of a position in the State Service.
7. "CANDIDATE" means a person who has made a passing score on an examination and whose name is placed in a register.
8. "CAUSE" means any of the reasons for disciplinary action provided by Statutes or these Rules.
9. "CERTIFICATION" means the referral of candidates on a hiring list to an agency to be considered for appointment to a position in the State Service.
10. "CLASS" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title and the same pay grade apply to each position in the group.
11. "CLASS SERIES" means the group of related classes which are listed in the Occupational Listing of Classes as a subsection of the occupational group.
12. "CLASS SPECIFICATION" means the description of the type and level of duties and responsibilities of the positions assigned to a class.
13. "CLERICAL POOL APPOINTMENT" means the non-competitive temporary placement of a qualified individual in a clerical position.

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14. "COMPETITION" means the process leading to the identification of candidates for employment or promotional consideration, which includes the announcement of a vacancy, a formal evaluation of applicants' qualifications and the development of a hiring list, in accordance with these Rules.
15. "CONVERSION" means the non-competitive movement of an employee from a seasonal or temporary position to a permanent or limited position.
16. "COVERED POSITION" means any position in the State Service.
17. "DAYS" means calendar days unless otherwise stated.
18. "DEMOTION" means a change in the assignment of an employee for cause from a position in one class to a position in another class having a lower pay grade resulting from disciplinary action.
19. "DEPARTMENT" means the Department of Administration.
20. "DETAIL TO SPECIAL DUTY" means the temporary assignment of a permanent employee to a covered position other than the employee's current position, in the same agency.
21. "DIRECTOR" means the Director of the Department of Administration, and the Director's designee with respect to personnel administration.
22. "EMERGENCY APPOINTMENT" means an appointment made without regard to the recruitment, examination, certification, or selection requirements of these Rules in response to a governmental emergency.
23. "EXAMINATION" means the evaluation procedure used to determine the relative excellence of applicants.
24. "GOOD STANDING" means the status of a former employee at the time of separation from State Service for reasons other than disciplinary or anticipated disciplinary action.
25. "HANDICAP" means a physical impairment that substantially restricts or limits an individual's general ability to secure, retain or advance in employment except: (a) any impairment caused by current or recent use of alcohol or drugs; or (b) any impairment or condition to which ARS 23-1044, Subsection A. or ARS 23-1045, Subsection A. applies.
26. "INSTITUTION" means a facility which provides supervision or care for residents on a twenty-four hour per day, seven days per week, basis.
27. "LIMITED APPOINTMENT" means an appointment to a position which is funded for at least six months but not more than thirty-six months.

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28. "MANIFEST ERROR" means an act or failure to act which is, or clearly has caused, a mistake of commission or omission to occur.
29. "MOBILITY ASSIGNMENT" means the assignment of a permanent employee to an uncovered position, to another State agency, or to another governmental jurisdiction. This term also applies to the assignment of an employee from another governmental jurisdiction.
30. "ORIGINAL PROBATION" means the specified period following initial appointment to the State Service in a permanent or limited position, for evaluation of the employee's work.
31. "ORIGINAL PROBATIONARY APPOINTMENT" means the initial appointment to a permanent position in the State Service.
32. "PAY GRADE" means a salary level in a State Service salary plan.
33. "PAY STATUS" means the condition of an employee who is receiving pay for work or for a compensated absence.
34. "PERMANENT STATUS" means the standing an employee achieves after the completion of an original probation or a promotional probation.
35. "PROMOTION" means a permanent change in assignment of a permanent status employee from a position in one class to a position in another class having a higher pay grade.
36. "PROMOTIONAL PROBATION" means the specified period of employment following promotion for evaluation of the employee's work.
37. "PROVISIONAL APPOINTMENT" means an appointment of a qualified individual to fill a vacancy in a class for which there are less than three candidates available, and for which no related registers can be used.
38. "QUALIFIED" means meeting the minimum qualifications for a class as defined in the class specification plus any special requirements that may be published for a position in that class.
39. "RECLASSIFICATION" means changing the classification of a position when a material and permanent change in duties or responsibilities occurs.
40. "REDUCTION" means the non-appealable movement of an employee from one position to another in a lower pay grade as a result of a reduction in force.
41. "REEMPLOYMENT" means the appointment of a former permanent status employee who was separated by a reduction in force.

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42. "REGISTER" means a file of candidates for a position or class, in final score order, from which hiring lists are prepared.
43. "REINSTATEMENT" means the appointment of a former permanent status employee who resigned, was separated in good standing, or was separated without prejudice.
44. "REPROMOTION" means the promotion of an employee who was reduced in grade due to a reduction in force, to the grade held prior to the reduction in force or to an intervening grade.
45. "RESIDENT" means an individual who is in the State for other than a temporary or transitory purpose.
46. "REVERSION" means the return of an employee on promotional probation to a position in the class in which the employee held permanent status immediately prior to the promotion.
47. "RULES" means the rules contained in the Official Arizona Compilation of Rules and Regulations, Title 2, Chapter 5.
48. "SEASONAL APPOINTMENT" means an appointment to a position which recurs on a seasonal or intermittent basis.
49. "SEPARATION WITHOUT PREJUDICE" means the removal, without appeal rights, of an employee from the State Service due to a reduction in force, the lack of a position for an employee requesting to return from leave without pay, or the inability of an employee to return to work at the conclusion of a leave without pay.
50. "STATE SERVICE" means all agencies, officers, and employees subject to these Rules as provided by A.R.S. 41-762.
51. "TEMPORARY APPOINTMENT" means the appointment to a position for a specified period of less than six months.
52. "TRANSFER" means the movement of an employee from one position in the State Service to another position in the State Service in the same pay grade.
53. "UNDERFILL" means the employment of a person in a class lower than the allocated class for that position.

R2-5-102. GENERAL PROVISIONS

- A. Delegation of Authority: Unless otherwise stated in these Rules, an agency head may delegate any authority granted to the agency head in these Rules.

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- B. Availability of Funds: The granting of any compensation in these Rules is contingent upon the availability of funds, as determined by the agency head and the Director.
- C. Conflict with Federal Requirements: The provisions of A.R.S. 41-784 shall be applicable to these Rules, and any provision of these Rules which conflicts or is inconsistent with Federal Rules, regulations, or standards governing the granting of Federal funds to an agency shall not be applicable to such agency.
- D. Service of Notice: If any notice or document is to be given to any person or agency, the notice or document may be served personally or mailed to the last known residence or current business address of the addressee. Unless otherwise provided by law or these Rules, service is complete upon mailing.
- E. Employee Handbook: The Director may publish an employee handbook outlining pertinent rules and regulations and make such handbook available to all employees.
- F. Correction of Errors: The Director may correct a manifest error or a clear inequity affecting an employee or an applicant for employment.

R2-5-103. APPLICABILITY

- A. General: These Rules are applicable to all covered employees and to all State Service positions.
- B. Exception: The Director may implement temporary pilot projects to improve personnel management in the State Service. The projects may include activities or procedures that are not in accordance with these Rules, for the purpose of determining the feasibility or effectiveness of such activities or procedures, and may not exceed twelve months in duration. Pilot projects must conform to the Standards for a Merit System of Personnel Administration, 5 CFR Part 900, Subpart F, Section 900.603, incorporated by reference herein and on file in the Office of the Secretary of State.

R2-5-104. NON-DISCRIMINATION

An agency shall not discriminate against an individual in violation of A.R.S. 41-1461, 41-1463, and 41-1464.

R2-5-105. PERSONNEL RECORDS

- A. Content: Each employee's official personnel file shall contain:
1. A copy of the job application for the employee's current permanent position.
 2. A copy of all performance appraisal reports.
 3. A file of personnel action forms that have authorized changes in employment status, position, classification, pay, or leave status.
 4. Letters of commendation or disciplinary letters, or objections filed thereto by the employee.
 5. Documents acknowledging receipt of disciplinary communications.
- B. Insurance Records: Group insurance records may be contained in the employee's official personnel file or in consolidated files.
- C. Access: Access to any employee's official personnel file shall be limited to:
1. The employee or any individual who has written authorization from the employee to review the personnel file.
 2. Agency personnel designated by the agency head as having a need for such information.
 3. Department officials in the normal line of duty.
 4. Officials acting in response to court orders or subpoenas.
 5. Officials of an agency to which the employee has applied.
- D. Disclosure of Information: The following information will be provided to any person pursuant to Article 2, Chapter 1, Title 39, A.R.S.
1. Name of employee.
 2. Date of employment.
 3. Current and previous class titles and dates received.
 4. Name and location of current and previous agencies to which the employee has been assigned.

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5. Current and previous salaries and dates of each change.
 6. Name of employee's current or last known supervisor.
- E. Access to Other Files: The presence of copies of any item listed in Subsection A. in any other informational file concerning an employee shall not in itself confer upon such employee any right of access to such file.
- F. Control:
1. When an employee moves from one State Service agency to another, the losing agency will forward the employee's official personnel file to the gaining agency within ten days of the effective date of the move.
 2. When an employee returns to State Service after a separation to an agency other than the agency in which the employee was last employed, the gaining agency will request that the last agency forward the employee's official personnel files. The last agency shall forward the personnel files within ten days of the receipt of the request.

ARTICLE 2. EMPLOYMENT

R2-5-201. EMPLOYMENT

- A. Waiver of Rules: If the Director determines that essential public services are being hampered by critical employment needs for a specific class or classes, the Director may implement appropriate temporary procedures to satisfy those needs. Such procedures may include waiving or revising provisions of Article 2 of these Rules, but shall ensure that employees are selected on the basis of merit and fitness.
- B. Duration: Temporary procedures authorized by this Rule may be implemented for not more than six months. The Director may approve extension periods of not more than three months.

R2-5-202. RECRUITMENT

- A. Filling of Vacancies: All vacancies in the State Service which are not filled as otherwise provided in these Rules shall be filled through open competitive recruiting.
- B. Public Notice: Open competitive vacancies shall be announced publicly for not less than five calendar days prior to closing, with an opening and closing date. Public notice shall consist of posting announcements at the Personnel Division offices, and by providing information on vacancies to agencies and the Department of Economic Security.
- C. Content of Announcement: The public announcement of vacancies shall specify the official title, salary, typical duties to be performed or where this information may be obtained, minimum qualifications, any special qualifications, the final date for receipt of applications or a statement of open continuous application, the method of application, the type of examination, the examination dates, and the expiration date of the register.
- D. Applications:
 - 1. All applications shall be on Standard Form 500, Employment Application, incorporated by reference herein and on file in the Office of the Secretary of State. Applications must be filed at the Personnel Division offices or as otherwise designated in the announcement on or before the filing date specified in the announcement, or postmarked by midnight on that date. Applications for open continuous position vacancies may be filed at any time.
 - 2. Applications shall be confidential and may be reviewed only by the applicant, an individual who has written authorization from the applicant, state officials in the normal line of duty, or officials acting in response to court orders or subpoenas.

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- E. Promotional Announcements: Promotional announcements shall meet the time and content requirements in Subsections R2-5-202.B. and C. and shall be distributed to or within agencies as appropriate.

R2-5-203. EXAMINATIONS

- A. General: The Director shall conduct open competitive examinations for entrance into the State Service for all applicants who meet the qualifications for examinations.
- B. Qualifications: Applicants must meet the minimum qualifications in the class specifications and the examination announcements. Provisions for the substitution of related experience, education, or other qualifications for specific education and/or experience requirements may be made in specific announcements for particular positions, even though these provisions are not part of the class specification. Applicants must be residents of the State of Arizona unless residency is waived by the Director, or except as otherwise provided by law. All applicants must possess good character, and physical and mental ability to perform successfully the duties of the position. Applicants may be required to furnish, at their own expense, evidence of character, education, physical condition, or other qualifications which are job related.
- C. Conditional Eligibility: Any applicant who does not meet the educational requirements for a position, but who will meet these requirements as a result of the completion of further education for which the applicant is scheduled for the then current school term, shall be allowed to take the examination. The name of a successful applicant taking the examination under this provision shall be entered on the register in the same manner as other successful applicants, and the applicant may be certified for appointment. If appointed, the applicant must furnish the Director acceptable evidence of qualifications before the effective date of the appointment. Failure to complete the required educational work will cause the removal of the applicant's name from the register or the cancellation of the appointment.
- D. Types and Content of Examinations:
1. Examinations shall be designed to reveal the ability to perform the particular type of work for which the applicant has applied.
 2. An agency shall not administer any examination other than job related selection interviews without prior written approval from the Director.
- E. Notice of Examination Results: Written notice of examination results shall be sent to each applicant after the rating has been completed.

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- F. Inspection of Examination: Applicants may inspect tests or evaluation papers in order to determine if the applicant's answers for any written test are the same as the answers shown on the scoring key for that test. Requests for this inspection must be made in writing within one month after notice of the score has been sent to the applicant. The authority to inspect the test applies only to the applicant or the applicant's representative. An applicant's representative must have written authorization from the applicant to inspect the test.
- G. Adjustment of Errors: The Director shall correct any manifest error in the rating of an examination; provided, however, that any such correction shall not invalidate any certification or appointment of any other applicant previously made.
- H. Retaking Examinations:
1. Performance examinations or tests of skills may be retaken within reasonable limits of scheduling.
 2. Upon written request of an applicant, the applicant's training and experience shall be reevaluated and a score adjusted if warranted.
 3. Written tests may not be retaken for a period of two months after the last examination. In each case of a repeated written test, the most recent test score shall be used. If the applicant or the applicant's representative has inspected the written test, the test may not be retaken for a period of two months after the inspection.
- I. Preference Points: Preference points authorized by A.R.S. 38-492 will be added to any applicant's score after the final rating is determined, provided that a passing grade or rating is earned without the addition of such preference points. Such preference points shall not be applied to promotional examinations.
- J. Testing for Reinstatement or Reemployment: Tests are not required for reinstatement or reemployment unless the Director determines that the qualifications in the class specifications are substantially different from the class from which the applicant separated.

R2-5-204. REGISTERS

- A. Responsibility: The Director shall establish and maintain registers as required to fill vacancies.
- B. Content of Registers: After each examination, the Director shall prepare a register, or merge the names of new candidates with those on an existing register, in the order of the final scores of each candidate.

- C. Duration of Registers: A register shall expire as provided in the official announcement and notice of examination, unless the register is specifically extended or abolished by the Director. An expired or abolished register may be reactivated to resolve recruitment problems, when in the best interests of the State Service.
- D. Related Registers: If a vacancy exists in a class for which there is no register, the Director may prepare a register for the class from one or more existing related registers.
- E. Repromotion Registers:
1. An employee with permanent status who has been reduced in grade as a result of a reduction in force is entitled to be placed on a repromotion register within the agency for the class in which permanent status was held immediately prior to the reduction in grade, or any intervening class. The name of the employee shall remain on the repromotion register for two years from the effective date of the reduction of the employee.
 2. An employee on the repromotion register shall be offered a vacant position in the class from which reduced, or in any intervening class. An employee who accepts a position in an intervening class shall remain on the repromotion register for the balance of the two years. The name of an employee who fails to accept a repromotion to the class from which reduced shall be removed from the repromotion register.
 3. If more than one employee is eligible for repromotion to a class, the vacancy shall be offered to the employee with the highest number of retention points at the time the repromotion is offered.
- F. Reemployment Registers: An employee with permanent status who has been separated as a result of a reduction in force is entitled, upon written application, to be placed on the reemployment register for classes for which qualified at the same or lower grade as that in which permanent status was held within one year immediately preceding the separation. The name of the employee shall remain on the reemployment register for two years from the effective date of the separation of the employee.
- G. Promotion Registers: Applicants who have obtained permanent status, meet the necessary minimum requirements, and have passed the appropriately announced promotional examination, if any, will be placed on a promotional register in the order of their relative ratings.
- H. Reinstatement Registers:
1. An employee with permanent status who has resigned or been separated in good standing is entitled, upon written application, to be placed on a reinstatement register for referral for classifications for which qualified

in the same or lower grade as that in which permanent status was held within one year immediately preceding the separation. The name of the employee shall remain on the reinstatement register for two years from the effective date of the separation of the employee.

2. A former employee eligible for reinstatement may accept any type of appointment to a position of a lower grade than the employee's permanent grade without jeopardizing reinstatement rights to the permanent grade.
 3. A former employee eligible for reinstatement may accept a seasonal, temporary, clerical pool, or limited appointment to a position at the same grade as, or at a higher grade than the employee's permanent grade without jeopardizing reinstatement rights to the permanent grade.
- I. Order of Use of Registers: In filling vacancies in the State Service from a register, the following order of preference shall be used:
1. The Repromotion Register
 2. The Reemployment Register.
 3. The Promotional Register.
 4. Either the Reinstatement Register or a combination of the Reinstatement Register and the Open Competitive Register.
- J. Removal of Names from Registers: In addition to the reasons cited in A.R.S. 41-769, the Director shall refuse to examine or certify as eligible anyone who:
1. Accepts a probationary appointment to a position in the State Service, provided, however, that the name of the applicant shall not be removed from any other register with a higher salary grade.
 2. Refuses or rejects an offer of probationary employment to the class for which the register was established.
 3. Has twice declined to be considered for classifications for which qualified at the same class in the same agency.
 4. Has been considered by an agency, and has been found to be unsuitable for employment in that class within the agency for job-related reasons.
 5. Cannot be located despite reasonable efforts by the agency or the Department.

- K. Notification of Removal from or Abolishment of Registers: When a register is abolished or any candidate is removed from a register in accordance with Subsection J. above, all candidates removed shall be notified of such abolishment or removal.

R2-5-205. CERTIFICATION AND SELECTION

- A. Certification of Candidates: Upon receipt of an agency's request, the Director shall send a hiring list to the agency containing the names of available candidates in the order of their relative excellence on the examination. For a single vacancy, the Director shall send the names of the seven candidates with the highest final ratings, or a lesser number of candidates if fewer than seven names are contained on the register. If fewer than three candidates are available, they shall be certified if requested by the agency. For multiple vacancies, the Director shall refer one additional name for each additional vacancy. The Director shall also certify the names of all qualified applicants for reinstatement or transfer.
- B. Duration of Certification: The period during which action may be taken on a hiring list shall be determined by the Director, giving consideration to the area, type of position, and other factors. This period may be extended by the Director.
- C. Selective Certification:
1. The Director may make a selective certification of candidates to an agency when the vacancy is for a position requiring job related specialized qualifications.
 2. The Director may make a local certification of candidates to an agency when a vacancy is outside the metropolitan Phoenix area, limiting the hiring list to those candidates who reside within the geographical area, or within 50 road miles, of the location of the vacancy, except that former employees eligible for reemployment or reinstatement shall be certified regardless of residence. The geographical area is one of the areas into which the State is divided by the Director for the purpose of certification.
- D. Random Certification: If there are 15 or more candidates with the same score to be certified under these Rules, certification may be done on a random basis. Persons certified on this basis shall not be recertified until all others with the same final rating have been certified.
- E. Selection:
1. An agency may select any candidate for reinstatement or transfer to fill the position.

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2. If the agency does not select a reinstatement or transfer candidate, it must interview a minimum of three candidates, if available, before making a selection, except as provided in Paragraph 3 below. These candidates may include any combination of reinstatement, transfer, or competitive candidates. For multiple vacancies, the agency must interview one additional candidate for each additional vacancy.
 3. The agency may select the single candidate with the highest rating directly from the register without certification upon request of the agency head and prior approval of the Director.
 4. All interviews shall be conducted in person unless a candidate resides fifty or more miles from the interview site, in which case the interview may be conducted by telephone.
 5. The Director or an agency head may check references and investigate a candidate's background, education, or work history. If the results of these checks and investigations bring out information that might affect the rating in any examination, the rating may be adjusted by the Director.
- F. Confidentiality of Records: The Director shall maintain the confidentiality of all examinations and records pertinent to selection and examination programs.
- G. Complaints: Applicants who have complaints about the procedures used in the selection process shall forward those complaints to the Personnel Division.

R2-5-206. APPOINTMENT

- A. Original Probationary Appointment: An original probationary appointment shall be made from a register or by conversion.
- B. Limited Appointment:
1. A limited appointment shall be made from a register or by conversion.
 2. A limited appointment employee who successfully completes probation shall acquire all rights of permanent status except reduction in force, reemployment, and reinstatement. An employee who has achieved limited permanent status may be considered for transfer, promotion, or demotion to permanent positions provided the original appointment was from a competitive list. The limited appointment employee who is transferred, promoted, or demoted into a permanent position shall serve a six month original probationary period. The employee shall not have the right to return to the limited position if the probation in the permanent position is unsuccessful.

- C. Temporary Appointment: A temporary appointment shall be made from a register or by verification of minimum qualifications in the absence of a register. The appointment may be extended for not more than three months by the Director.
- D. Seasonal Appointment:
1. A seasonal appointment shall be made from a register or by verification of minimum qualifications in the absence of a register.
 2. A person who receives a seasonal appointment from a register is eligible for successive seasonal appointments to the same class without re-examination or recertification.
 3. Seasonal employees are limited to a maximum of 1500 hours of employment per calendar year per agency.
- E. Conversion of Appointment: A seasonal or temporary employee who was appointed competitively and who has been employed for 1040 hours or more may be transferred by conversion to a permanent or limited position in the same class. A converted employee is required to serve an original probationary period in the permanent or limited position.
- F. Provisional Appointment:
1. No provisional appointment shall continue beyond the reporting date of any candidate selected from a hiring list, beyond the expiration date of any valid hiring list, or for more than six months.
 2. Successive provisional appointments of the same person to the same class in the same agency shall not be made.
- G. Emergency Appointment:
1. An emergency appointment shall not exceed thirty working days.
 2. Successive appointments of the same person to the same class in the same agency shall not be made.
- H. Clerical Pool Appointment:
1. The Director may establish a clerical pool in any locality where there is a demand for temporary clerical help.
 2. Clerical pool appointments may be made for up to six months by an agency head and may be extended for not more than three months by the Director.

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R2-5-207. EMPLOYMENT OF RELATIVES

- A. Relationship to Supervisor: An individual shall not be appointed or promoted to a position if the immediate supervisor of the individual is related within the third degree of affinity (marriage) or consanguinity (blood).
- B. Relationship to Other Employees: An individual shall not be appointed or promoted to a position if an employee related within the third degree of affinity or consanguinity currently occupies a position under the same immediate supervisor.
- C. Exceptions: The Director may grant exceptions to the prohibitions in Subsections A and B above if there are no other qualified candidates for the position at the location.
- D. Definition: For the purpose of this Rule, persons related within the third degree shall include a spouse, natural child, adopted child, foster child, or stepchild, and a parent, grandchild, grandparent, sister, brother, great grandchild, great grandparent, aunt, uncle, niece, or nephew who are related to the employee by marriage or blood.

R2-5-208. RESERVED

R2-5-209. EMPLOYMENT BEYOND AGE SEVENTY

- A. Request: An employee may request in writing at least six months prior to the employee's seventieth birthday an extension of employment beyond age 70 for a period not to exceed one year. Each subsequent request shall be for a period not to exceed one year and shall be submitted three months prior to the employee's extended retirement date.
- B. Agency Head Action:
 - 1. The agency head shall approve or disapprove the request. Before approving such extension, the agency head shall certify that the employee's performance is satisfactory and that the employee is fully qualified to perform the duties of the position.
 - 2. If the request for extension is denied, the agency head shall notify the employee within 45 days of receipt of the request.
 - 3. The agency head shall submit the approved request to the Director within 45 days of receipt.

- C. Director's Action: The Director shall approve all such requests submitted by an agency head within 45 days of receipt, provided the requirements of statutes and these Rules are met.

R2-5-210. STUDENT EMPLOYMENT

The Director may designate the use of special procedures for the employment of students. Any such special procedure for a particular class or classes will be outlined in the examination announcement for student employment.

R2-5-211. RESERVED

R2-5-212. RESERVED

R2-5-213. PROBATION

- A. Types of Probation: The only types of probation allowed in the State Service are original probation and promotional probation.
- B. Credit for Prior Service: Upon the request of an agency head, up to six months of State Service immediately prior to a probationary appointment in the same class may be credited toward completion of the probationary period by the Director, provided that such service was achieved under the same program of orientation, training, and evaluation applied to other probationary employees. This provision for crediting prior service does not apply to employees converted to a permanent or limited position.
- C. Original Probation:
1. Duration: An original probationary period is six months. Upon request of an agency head, the Director may establish a longer or shorter period for any class of positions in the agency. In no case will the probationary period for a class be less than 90 days, or more than one year.
 2. Extensions: An agency head may extend an employee's probationary period for job-related reasons. Such an employee's probation may exceed one year in the aggregate. The probationary period shall be extended for any corresponding period for which a probationary employee is on leave without pay for more than 80 consecutive working hours.
 3. Completion of Probation:
 - a. The agency head shall evaluate a probationary employee and submit a report to the Director at least 15 days prior to the expiration

of the employee's probationary period unless the agency head supplies to the Director, in writing, justification for a period of time less than 15 days. If justification is not submitted 15 days prior to the expiration of the employee's probationary period, the probationary period of the employee will automatically be extended for 30 calendar days. If no action has been taken by the agency head by the end of the extended 30 day period, the employee shall be awarded permanent status.

- b. If the agency head determines at any time during an original probationary period that the services of the probationary employee are no longer required for any reason or for no reason, the employee may be offered a voluntary grade decrease or be dismissed without the right of appeal. The agency head shall furnish the employee a copy of the letter of dismissal.

D. Promotional Probation:

1. An employee who is promoted shall serve a promotional probationary period under the same rules as an original probation, except for Subparagraph R2-5-213.C.3.b. above.
2. An employee who fails to successfully complete a promotional probation shall revert to a vacancy in the current employing agency in the class in which permanent status was held immediately prior to the promotion, without the right of appeal. If such a vacancy does not exist in the agency, the rules governing reduction in force shall apply. A reversion shall not preclude the imposition of any disciplinary action.
3. An employee who is repromoted shall not be required to serve a probationary period.

E. Reinstatement and Reemployment:

1. An agency head may require a former employee who is reinstated or reemployed to complete an original probation.
2. An agency head shall require a former employee who is reinstated or reemployed in a class other than a class the employee has previously held to complete an original probation.

- F. Demotion: Except as otherwise provided in these Rules, a demoted employee shall not be required to serve a probationary period in the position to which demoted.

ARTICLE 3. CLASSIFICATION AND COMPENSATION

R2-5-301. CLASSIFICATION

- A. General: Classification is a grouping of positions into classes based on similarities of duties and responsibilities. All State Service positions are assigned a class specification with a specific title. An agency head may not appoint, transfer, promote or demote an employee, or make any change in compensation for any position until the position has been allocated to a class.
- B. Class Title: The class title of a position shall be used to designate the position in all budget estimates, payrolls, vouchers, and communications in connection with personnel processes.
- C. Class Specifications: A class specification indicates the kinds of positions to be allocated to the class, as determined by the duties and responsibilities described in that class. Each class specification will contain a statement of the minimum education, experience and other qualifications required to perform the work. Postsecondary educational requirements must be attained in an institution which meets the standards established by a recognized accrediting body.
- D. Changes in Plan: The Director may establish new classes, and divide, combine, alter, or abolish existing classes, after consultation with affected agency heads.
- E. Allocation: The Director shall place every position in a class based on its duties and responsibilities. An agency head may underfill a position with the prior approval of the Director.
- F. Changes in Job Duties: If a material and permanent change has taken place in the duties and responsibilities of a position, the agency head shall report this change to the Director, who may order a reclassification of the position. The employee in the position at the time of reclassification shall be entitled to continue to serve in that position.
- G. Review: An incumbent in a position or an agency head may file a written request with the Director for review of the classification of the position. If the request is approved, the review will be conducted by an analyst other than the one who made the current classification decision.

R2-5-302. SALARY PLANS

- A. Classes: Each class shall be allocated to a specific pay grade or rate.
- B. Salary: Every State Service employee will be paid in the pay grade to which the employee's class is allocated, except for an underfill, or as otherwise specified by these Rules.

- C. Alternative Salary Plans: The Director may approve special salary plans and pay practices for certain classes or groups of employees. In approving special salary plans, the Director shall consider such factors as occupational patterns, economic conditions, and incentive plans common to government, business, and industry.

R2-5-303. SALARY ADMINISTRATION

A. Administration:

1. Salary: The salary used to compute any adjustments covered in this Section shall be the employee's current pay minus overtime pay, shift or other differentials, or Special Performance Award previously granted. An employee whose salary is adjusted shall, in addition, continue to receive the same Special Performance Award dollar amount previously granted.
2. Salary Range: Except as provided by R2-5-303.B.3. below, each State Service employee shall be paid within the salary range of the grade to which the employee's class is allocated. If a salary action results in a new salary level which would be lower than the entrance salary or higher than the maximum salary of the grade, the employee shall receive the entrance salary or the maximum salary, respectively.
3. Administrative Adjustments: The Director may resolve a manifest error or clear inequity by approving an adjustment.

B. Classification or Grade Changes:

1. The salary of an employee in a position which is reclassified to a higher grade, or in a class which is changed to a higher grade, shall be increased by 2.5%.
2. The salary of an employee in a position which is reclassified to a lower class, or in a class which is changed to a lower grade, and which is within the salary range of the new pay grade, will remain the same.
3. The salary of an employee in a position which is reclassified to a lower class, or in a class which is changed to a lower grade, and which is higher than the maximum salary of the new pay grade, shall remain the same for a maximum of two years from the date of reclassification or regrading. During this period the employee shall not be eligible for general salary adjustments, performance increases, or special performance awards. If the pay range encompasses the employee's salary at a later date, the employee shall be eligible for general salary adjustments, performance increases, and special performance awards. After two years, the salary of the employee shall be the maximum salary of the new pay grade.

C. Demotion: The salary of an employee who is demoted shall be decreased by 5%.

D. Detail to Special Duty:

1. The salary of an employee detailed to special duty at a grade higher than the permanent grade shall be set in accordance with Subsection H. below.
2. The salary of an employee detailed to special duty at a grade lower than the permanent grade shall be the same salary as that received prior to the detail.
3. Any general salary adjustment which becomes effective during an employee's detail to special duty shall be applied to the salary the employee is receiving while on detail.
4. The salary of an employee who returns to a permanent position after a detail to special duty shall be the same as that paid prior to the detail, plus the percentage increase of any intervening general adjustment for which the employee was eligible, and the dollar amount of any performance increase which the employee was awarded during the detail.

E. Mobility Assignment:

1. The salary of an employee on a mobility assignment in a covered position at a grade higher than the permanent grade shall be set in accordance with Subsection H. below.
2. The salary of an employee in a mobility assignment in a covered position at a grade lower than the permanent grade shall be the same salary as that received prior to the mobility assignment.
3. Any general salary adjustment which becomes effective during an employee's mobility assignment to a covered position shall be applied to the salary the employee is receiving while on mobility assignment.
4. The salary of an employee who returns to a permanent position after a mobility assignment shall be the same as that paid prior to the mobility assignment, plus the percentage increase of any intervening general adjustment for which the employee was eligible, and the dollar amount of any performance increase which the employee was awarded during the mobility assignment.

F. Normal Entrance Rates: The salary of all new employees shall be the entrance salary established for the pay grade of the employee's class.

G. Other Entrance Rates:

1. The Director may establish a Special Recruitment Rate for a class at a salary higher than the entrance salary when it is not possible to recruit qualified employees at the established entrance salary. When such an appointment is made, the salaries of all other employees in the same class, agency, and geographical location will be raised to the same level.
2. The Director may authorize a Special Entrance Rate for the appointment of a qualified applicant at a higher salary than the entrance salary based on such factors as the unusual and outstanding character of the applicant's experience, education, and ability, the availability of qualified applicants, the applicant's earning history, or the geographical location of the position. When such an appointment is made, the salaries of all other employees in the same class, agency, and geographical location, who possess similar qualifications will be raised to the same level.

H. Promotion:

1. An employee who is promoted one or two grades shall receive a 5% increase in salary; and an employee who is promoted three or more grades shall receive a 10% increase in salary.
2. The Director may authorize the promotion of a qualified employee with a salary increase greater than the percentage listed in Paragraph 1. above, based on such factors as the unusual and outstanding character of the employee's experience, education, and ability, or the geographical location of the position. When an employee is promoted under this authority, the salary of all other employees of the same class, agency, and geographical location who possess similar qualifications will be raised to the same level.
3. A promoted employee may accept a lower salary in the new pay grade than is otherwise authorized if fiscal constraints prohibit the granting of the normal promotional increase.
4. The salary of an employee who is promoted to the position to which detailed shall be the salary received while on detail.
5. The salary of an employee on detail who is promoted to any position other than the position to which detailed shall be calculated as follows:
 - a. The salary shall first be adjusted for a return from detail as specified in Paragraph D.4. above.
 - b. The salary shall then be adjusted for the promotion as specified in this Subsection.

- I. Reduction in Force: The salary of an employee who is reduced in pay grade due to a reduction in force shall be reduced by 2.5%.
- J. Repromotion:
1. The salary of an employee who is repromoted to the class held prior to the reduction in force shall be the salary held by the employee at the time of the reduction in force, plus the percentage increase of any intervening general adjustment for which the employee is eligible, and the dollar amount of any performance increase which the employee was awarded at the lower grade.
 2. The salary of an employee who is repromoted to a class higher than the current class but lower than the class held prior to the reduction in force, shall be set in accordance with Subsection H. above.
 3. A repromoted employee may accept a lower salary in the new pay grade than is otherwise authorized if fiscal constraints prohibit the granting of the normal promotional increase.
- K. Return to State Service: The salary of a former State Service employee who returns to State Service from a reinstatement or reemployment register shall be the same salary held by the employee when separated. If fiscal constraints prohibit the granting of the former salary, the former employee may accept a lower salary in the pay grade.
- L. Reversion: An employee who does not complete the promotional probationary period, and returns to the former position or to another position in a lower grade, will return to the salary held in the grade at the time of promotion, plus the percentage increase of any intervening general adjustment for which the employee was eligible, and the dollar amount of any performance increase which the employee was awarded at the higher grade.
- M. Shift Differential: The Director may authorize a salary differential to be paid to employees on other than day shifts. The salary differential shall not exceed 10% of the employee's current salary. Employees in the same class in the same agency who work on the same shift shall receive the same percentage differential.
- N. Transfer: The salary of an employee who is transferred to a position in the same class or to another class in the same salary grade shall be the same salary as that received prior to the transfer.
- O. Voluntary Grade Decrease:
1. The salary of a permanent status employee who volunteers for a grade decrease shall be the same as that received prior to the decrease.

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2. The salary of an original probationary employee who volunteers for a grade decrease shall be the entrance salary of the new pay grade.

R2-5-304. PERFORMANCE ADJUSTMENTS

A. Performance Increases:

1. All employees except seasonal, temporary, emergency and clerical pool employees who are in the State Service on August 31 of any year are eligible for a performance increase in salary of up to 7.5%, effective on the following January 1.
2. All employees, except seasonal, temporary, emergency, and clerical pool employees, who enter the State Service between September 1 and the last day of February are eligible for a performance increase in salary of up to 7.5%, effective on the following July 1, and thereafter on each subsequent January 1.
3. The provisions of Paragraph A.1. above apply to seasonal and temporary employees provided they have worked a minimum of 520 hours between July 1 and December 31 during their first year of State Service, and work a minimum of 1,040 hours per year in subsequent calendar years.
4. The provisions of Paragraph A.2. above apply to seasonal and temporary employees provided they have worked a minimum of 520 hours between September 1 and the last day of February, and work a minimum of 1,040 hours per year in subsequent calendar years.
5. A performance increase may not raise the salary of an employee beyond the maximum salary of the pay grade.
6. An employee may not receive more than a 7.5% performance increase in any fiscal year.

B. Performance Decreases: The salary of an employee may be reduced by up to 2.5% based on substandard performance, effective on January 1, but shall not be reduced below the entrance salary for that class.

C. Special Performance Awards: Employees who are at the maximum salary of their pay grade, or who receive performance increases which place them at the maximum salary of the pay grade, are eligible for special performance awards of up to 5.0%, effective January 1. Employees retain the award until the following December 31.

D. Combination of Increases: An employee may not receive a combination of a performance increase and a special performance award exceeding 7.5% in any fiscal year.

R2-5-305. OVERTIME PAY AND COMPENSATORY LEAVE

- A. Approval of Overtime Work: All work in excess of 40 hours per week or in excess of an established work period must be approved by the agency head.
- B. Exemptions: The Director shall determine exemptions in accordance with the Fair Labor Standards Act, 29 U.S.C. Section 201, incorporated by reference herein and on file in the Office of the Secretary of State.
- C. Non-Exempt Employees:
1. An employee in a non-exempt position who works in excess of 40 hours per week or in excess of an established work period shall be compensated by either:
 - a. Additional pay at the rate of one and one-half times the employee's regular rate for each excess hour worked; or,
 - b. Compensatory leave at the rate of one and one-half hours for each excess hour worked.
 2. The agency head shall determine if the excess hours are to be compensated by overtime pay or compensatory leave, unless the employee's compensatory leave balance has reached the maximum allowed in Subsection F. below, in which case the employee must be compensated by overtime pay.
- D. Exempt Employees:
1. An employee in an exempt position, except for those excluded in Subsection E. below, who works in excess of 40 hours per week or in excess of an established work period shall receive one hour of compensatory leave for each hour of overtime worked, until the employee's compensatory leave balance reaches the maximum allowed in Subsection F. below. When the maximum balance is reached, an exempt employee shall not be required or allowed to work overtime.
 2. The Director may approve overtime pay at the regular rate for positions exempt from the Fair Labor Standards Act, (29 U.S.C. Section 201, incorporated by reference herein and on file in the Office of the Secretary of State), which are eligible for compensatory leave because the primary duty is management, when either of the following criteria is met:
 - a. The practice is determined by the Director to be a prevailing condition in the Arizona labor market and when pay differentials between subordinates and supervisors are reduced by overtime pay received by non-exempt subordinates to the extent that it is no longer an incentive to remain in the supervisory position.

- b. When temporary emergency conditions arise that make it more practical to pay overtime than to grant compensatory leave.
- E. Excluded Employees: Employees in the following positions are excluded from receiving either overtime pay or compensatory leave:
 - 1. All elected positions.
 - 2. All positions which are appointed pursuant to A.R.S. 38-211.
 - 3. All professional positions. Professional positions are all physician and attorney positions compensated in accordance with a special salary plan.
 - 4. Persons whose primary duty is to manage the State agency or State agency subdivisions, which include divisions, bureaus, or equivalent units, and:
 - a. Who use discretionary powers.
 - b. Who direct the work of at least two other employees.
 - c. Who have the authority to hire and fire.
- F. Maximum Accumulation: The maximum number of hours of accumulated compensatory leave is:
 - 1. Four hundred and eighty hours for an employee who works in a public safety activity or an emergency response activity; or,
 - 2. Two hundred and forty hours for an employee who works in any other activity.
- G. Payment upon Separation: An employee who has unused compensatory leave at the time of separation from the State Service shall receive compensation for each hour of such compensatory leave at:
 - 1. The average rate received by the employee during the last three years of the employee's employment; or,
 - 2. The final rate received by the employee,whichever is higher.
- H. Order of Use: An employee shall use all accumulated compensatory leave before taking annual leave.
- I. Transfer: An employee who is transferred to another State Service agency shall transfer all accumulated and unused compensatory leave to the employee's compensatory leave account in the new agency.

R2-5-306. STANDBY DUTY PAY

- A. Definition: Standby duty means the requirement imposed upon an employee by an agency to remain at the employee's duty location or other designated location at any time when the employee is not scheduled to work.
- B. Authority: An agency head may place an employee on standby duty when the agency head considers such action to be in the best interests of the State Service.
- C. Payment: Standby duty is considered to be work under the Fair Labor Standards Act, 29 U.S.C. Section 201, incorporated by reference herein and on file in the Office of the Secretary of State. The employee on standby duty will receive the employee's regular rate of pay, and all periods of standby duty will be counted in determining eligibility for overtime compensation.

ARTICLE 4. BENEFITS

R2-5-401. BENEFIT ADMINISTRATION

- A. Eligibility for Leave: All State Service employees, except emergency, seasonal, clerical pool, and temporary employees, are eligible for any type of leave with pay from the date of appointment. Emergency, seasonal, clerical pool, and temporary employees are eligible only for administrative leave, military leave, and civic duty leave for the purpose of voting only.
- B. Requests for Leave: Except in an emergency, an employee must obtain approval in advance and in writing prior to taking any leave.

R2-5-402. HOLIDAYS

- A. State Service Holidays:
1. January 1, "New Year's Day"
 2. Second Monday in February, "Lincoln Day"
 3. Third Monday in February, "Washington Day"
 4. Last Monday in May, "Memorial Day"
 5. July 4, "Independence Day"
 6. First Monday in September, "Labor Day"
 7. Second Monday in October, "Columbus Day"
 8. November 11, "Veterans Day"
 9. Fourth Thursday in November, "Thanksgiving Day"
 10. December 25, "Christmas Day"
- B. Employees Scheduled to Work: An employee who is regularly scheduled to work on a day on which one of the holidays listed in Subsection A. above is observed is entitled to be absent with pay for the number of hours regularly scheduled to work, not to exceed eight, unless required to work to maintain essential State Services.
- C. Employees Not Scheduled to Work: An employee who is not scheduled to work on a day on which one of the holidays listed in Subsection A. above is observed shall receive holiday compensation for the number of hours normally worked per day, not to exceed eight, provided the employee is not on leave without pay on the employee's work days immediately preceding or following the day on which the holiday is observed.

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- D. Employees Required to Work: An employee who is required to work on a day on which a holiday listed in Subsection A. above is observed shall receive both holiday compensation and one hour of pay at the current salary rate, for each hour worked.
- E. Holiday Compensation:
1. Except as modified by Paragraph 2. below, an eligible employee shall receive, for each hour of holiday compensation authorized, at the option of the agency head, either:
 - a. One hour of additional pay at the current salary rate; or,
 - b. One hour of annual leave; or,
 - c. One hour time off with pay on an alternate work day specified by the agency head after the holiday and during the pay period in which the holiday is observed, or the succeeding pay period.
 2. Seasonal, temporary, emergency, and clerical pool employees do not accrue annual leave and shall receive either additional pay or time off.
 3. An employee may not receive more than 8 hours of holiday compensation for any holiday.

R2-5-403. ANNUAL LEAVE

- A. Definition: Annual leave includes all periods of approved absence with pay which are not chargeable to another category of leave.
- B. Accrual:
1. All State Service employees except seasonal, temporary, emergency, clerical pool, and part-time employees shall accrue annual leave in accordance with the following schedule:

<u>Credited Service</u>	<u>Hours Per Month</u>
Fewer than three years	8
Three years but fewer than seven years	10
Seven years but fewer than fifteen years	12
Fifteen years or more	14

2. Part-time employees who work one-quarter time, one-half time, or three-quarters time will accrue a proportional amount of annual leave. Part-time employees who work a percentage of full-time other than one-quarter time, one-half time, or three-quarters time will accrue annual leave at the next lower rate.
3. Seasonal, temporary, emergency, and clerical pool employees, and part-time employees who work less than one-quarter time, do not accrue annual leave.
4. Eligible employees accrue the appropriate number of hours of annual leave on a pay period or monthly basis, as determined by the agency head. Accrued annual leave is credited on the last day of the pay period or month in which earned, provided the employee has been in a pay status for at least one-half of the employee's working days in that pay period or month.
5. Service in positions which became covered in accordance with Chapter 4, Title 41, A.R.S. (formerly Chapter 6, Title 38, A.R.S.), shall be considered credited service in determining accrual rate change dates.
6. The effective date for change in the accrual rate is the first day of the pay period or month immediately following the attainment of the required credited service.

C. Credited Service:

1. The date of the beginning of credited service is the first day of the first complete pay period worked.
2. Any period of service as an employee of a State budget unit prior to a break in service shall not be counted unless the break in service was of less than two years duration and was not the result of disciplinary action.
3. Any period of leave without pay in excess of 240 hours shall not be counted as credited service.
4. Military leave taken pursuant to A.R.S. 26-168, 26-171, or 38-610 shall be counted as credited service.
5. Active military service of an employee who is restored to State Service pursuant to A.R.S. 38-298 is not a break in service, and shall be counted as credited service.

D. Accumulation:

1. Annual leave accumulated in excess of 240 hours as of the last day of the last pay period starting in any calendar year shall be forfeited, unless

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the Director authorizes an exception in an individual case. The application for exception submitted to the Director shall contain a plan to use the excess hours during the following calendar year, pay the employee for the excess hours, or a combination of both.

2. An employee who is credited with additional annual leave for working on a State holiday may exceed the 240 hour limitation by up to 24 hours.
 3. Annual leave accumulated as a result of service which became covered in accordance with Chapter 4, Title 41, A.R.S. (formerly Chapter 6, Title 38, A.R.S.), may be retained by the employee without regard to the accumulation limit contained in Paragraph D.1.
- E. Use of Annual Leave: Annual leave may be taken at any time approved by the agency head. Annual leave shall not be advanced to an employee.
- F. Movement to Another Agency: An employee who moves to another State Service agency shall transfer all accumulated and unused annual leave to the employee's annual leave account in the new agency.
- G. Separation: An employee who separates from State Service shall be paid for all unused and unforfeited annual leave at the employee's current rate of pay.

R2-5-404. SICK LEAVE

- A. Definition: Sick leave is any approved period of paid absence granted an employee due to:
1. Illness or injury which renders the employee unable to perform the duties of the position. Minor, non-disabling injuries and illnesses do not qualify an employee for sick leave.
 2. Disability caused by pregnancy, childbirth, miscarriage, or abortion.
 3. Examination or treatment by a licensed health care practitioner.
 4. Illness, injury, examination, or treatment by a licensed health care practitioner, of an employee's spouse or dependent child. For the purposes of this Section, the term "dependent child" is defined as a natural child, an adopted child, a foster child, or a stepchild, over half of whose support is received from the employee. Sick leave granted for this purpose shall be charged to the employee's sick leave account, and shall not exceed 40 hours per calendar year.

B. Accrual:

1. All State Service employees, except seasonal, temporary, emergency, clerical pool, and part-time employees shall accrue sick leave at the rate of eight hours per month.
2. Part-time employees who work one-quarter time, one-half time, or three-quarters time will accrue a proportional amount of sick leave. Part-time employees who work a percentage of full-time other than one-quarter time, one-half time, or three-quarters time will accrue sick leave at the next lower rate.
3. Part-time employees who work less than one-quarter time, and seasonal, temporary, emergency and clerical pool employees are not eligible for sick leave.
4. Eligible employees accrue the appropriate number of hours of sick leave on a pay period or monthly basis, as determined by the agency head. Accrued sick leave is credited on the last day of the pay period or month in which earned, provided the employee has been in a pay status for at least one-half of the employee's working days in that pay period or month.

C. Accumulation: Sick leave credits are accumulated without limit.

D. Use of Sick Leave:

1. Sick leave may be taken when approved by the agency head. An agency head shall approve sick leave requested as a part of a maternity leave.
2. The agency head may require submission of evidence substantiating the need for sick leave. If the agency head determines the evidence is inadequate, the absence shall be charged to another category of leave or considered absence without leave.
3. An agency head may require an employee to be examined by a licensed health care practitioner designated by the agency head. If the licensed health care practitioner determines that the employee should not work due to illness or injury, the agency head may place the employee on sick leave or, if the employee's sick leave is exhausted, on leave without pay. The agency head may require the employee to obtain approval from the licensed health care practitioner prior to returning to work. The agency shall pay for all examinations required pursuant to this Paragraph. The employee shall not be charged any leave while participating in or traveling to or from any examination required pursuant to this Paragraph.

E. Movement to Another Agency: An employee who moves to another State Service agency shall transfer all accumulated and unused sick leave to the employee's sick leave account in the new agency.

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- F. Forfeiture: All sick leave credits are forfeited upon separation from State Service except as otherwise provided by law. However, employees who reenter the State Service within two years after separation will be credited with all unused sick leave at the time of separation, provided the separation was not the result of disciplinary action, and provided the employee was not paid for accumulated sick leave pursuant to A.R.S. 38-615.

R2-5-405. INDUSTRIAL DISABILITY

A. Use of Leave:

1. An employee who sustains a job-related disability that is compensable under the Workers' Compensation Law, Title 23, Chapter 6, A.R.S., shall be placed on sick leave.
2. If sick leave is not available, the employee may use compensatory leave, if available, until such leave is exhausted, and then may use annual leave.
3. After all sick leave is exhausted, if an employee does not request annual or compensatory leave, or has exhausted annual and compensatory leave, the employee shall be placed on leave without pay.

B. Payments:

1. An employee shall use leave in an amount necessary to receive total payments (leave payments plus Workers' Compensation payments) not to exceed the gross salary of the employee.
2. If the employee receives a retroactive Workers' Compensation payment for the initial five day period of industrial disability, and for that period has received leave payments, the employee shall reimburse the agency for five days of Workers' Compensation payments, and the equivalent value of leave shall be restored to the employee's appropriate leave account.

- C. Light Duty: In the event of a disability that would impair performance on the former job, the agency head shall make every effort to place the employee in a suitable position, as reasonably determined by the agency head.

- D. Restriction: Sick leave with pay or leave without pay shall not be granted to an employee who fails to accept compensation available pursuant to the industrial injury and disease provisions of A.R.S. 23-901. to 23-1091.

E. Health Benefit Plan Participation:

1. An employee who is on leave without pay due to an industrial disability may continue to participate in the Health Benefit Plan for a maximum of six months by paying the employee contribution.

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2. At the end of this six month period, an employee who remains on leave without pay due to industrial disability may continue to participate in the Health Benefit Plan by paying both the State and employee contributions, until the employee returns to work or is determined to be eligible for Medicare coverage or Long Term Disability, whichever occurs first.
- F. Life Insurance Plan Participation: An employee who is on leave without pay may continue to participate in the Basic Life and Accidental Death and Dismemberment Insurance Plan by paying the State premium. An employee who elects to continue to participate in the Basic Plan may also continue any Supplemental coverage which is in force at the beginning of the leave without pay by continuing to pay the premium.
- G. Disability Income Insurance Plan Participation: An employee who is on leave without pay may continue to participate in the Disability Income Insurance Plan by paying the premium.
- H. Termination: The insurance coverage of an individual on leave without pay who allows payment of the premiums or contributions to become delinquent shall terminate at 11:59 p.m. on the last day of the period covered by the last premium or contribution paid.
- I. Accrual of Leave: An employee shall continue to accrue full leave credits as long as the employee is using two or more hours of leave each day.

R2-5-406. CIVIC DUTY LEAVE

- A. General: Upon substantiated application, an employee shall receive absence with pay as civic duty leave while serving as a juror, complying with a subpoena, voting, or serving as a member of a governmental board, commission, or similarly constituted governmental body, subject to the conditions set forth in this Rule and the limitations in Subsection R2-5-401.A.
- B. Use of Civic Duty Leave: Except for voting pursuant to A.R.S. 16-401 (primary elections) or A.R.S. 16-402 (general elections), an employee granted civic duty leave shall report for duty with the employing agency whenever the employee's presence is not required for the civic duty, unless:
1. The distance to the work location would preclude timely reporting for the civic duty; or,
 2. The employee cannot return to work at least one hour before the end of the work shift.

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- C. Appearance as a Witness: An employee who is subpoenaed as a witness by any court or administrative, executive, or judicial body in this State may be absent with pay unless the testimony or evidence to be given relates to the employee's commercial, business, or personal matters.
- D. Jury and Witness Fees: Employees who are granted civic duty leave when called for jury duty or subpoenaed as a witness shall remit any fees to the employing agency, except for mileage allowance.
- E. Membership on a Public Service Body: An employee serving as a member of a governmental board, commission, or similarly constituted governmental body, may be absent with pay while performing official duties with the body.

R2-5-407. MILITARY LEAVE

An employee who requests absence with pay on military leave pursuant to A.R.S. 26-168, 26-171, or 38-610 shall submit a copy of the orders for duty with the request for military leave.

R2-5-408. EDUCATIONAL LEAVE

- A. General: An employee may be absent with pay to participate in a formal educational or training course of study at a college, university, or technical school with the approval of the agency head and the Director, based on the determination that the leave is in the best interest of the State Service.
- B. Application: The approved application shall be accompanied by a written agreement signed by the agency head and the employee containing the following provisions at a minimum:
 - 1. A statement of the payments, if any, to be provided to the employee, and the manner of their payment.
 - 2. An agreement by the employee to return to or continue in the State Service upon the completion of the educational or training course of study for a period of time specified by the agency head.
 - 3. A statement by the employee that failure to successfully complete the course, to complete the specified State Service, or to fulfill all of the terms of the agreement, shall result in the employee's being required to repay all or a proportionate part of the salary and other payments received, if any.

R2-5-409. ADMINISTRATIVE LEAVE

An agency head may authorize an employee to be absent with pay on administrative leave during a state of emergency declared by the Governor, or in other emergency situations such as extreme weather conditions, fire, flood, or malfunction of publicly-owned or controlled machinery or equipment. An agency head may grant administrative leave to relieve an employee of duties temporarily during the investigation of alleged wrongdoing by the employee.

R2-5-410. BEREAVEMENT LEAVE

- A. Duration: An employee may be absent with pay for up to three consecutive working days of that employee due to the death or funeral of a spouse, child, natural parent, stepparent, adoptive parent, grandparent, grandchild, brother, sister, mother-in-law, or father-in-law. The bereavement leave may be extended for two working days if the employee travels out-of-state for the funeral.
- B. Definition: For the purposes of this Section, the term "child" is defined as a natural child, an adopted child, a foster child, or a stepchild.

R2-5-411. MATERNITY LEAVE

Maternity Leave is any combination of annual leave, sick leave, compensatory leave, or leave without pay taken by a female employee due to pregnancy, childbirth, miscarriage, or abortion. An agency head shall approve a request for maternity leave subject to the following conditions:

1. Sick leave may be taken only for periods of disability.
2. The agency head is required to approve a request for a leave without pay provided the maternity leave following the childbirth, miscarriage, or abortion does not exceed 12 weeks. The agency head may approve such a request for a longer duration.
3. The employee is not required to exhaust all annual leave, sick leave, or compensatory leave prior to taking leave without pay, but must exhaust all compensatory leave before taking any annual leave.
4. The employee shall specify the number of hours of annual leave, sick leave, compensatory leave, and leave without pay to be used when requesting maternity leave.
5. An employee returning to work from leave without pay taken as part of a maternity leave shall return to the position occupied at the start of the maternity leave. If this position no longer exists, a reduction in force shall be conducted.

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R2-5-412. RESERVED

R2-5-413. LEAVE WITHOUT PAY

- A. Approval: All leave without pay must be approved in advance and in writing by the agency head. An agency head shall approve leave without pay requested as a part of a maternity leave.
- B. Use of Leave: Except for maternity leave, military leave, leave granted to forestall a reduction in force, or leave granted as provided in Subsection H. below, leave without pay in excess of eighty consecutive hours shall not be granted until all accrued annual leave, compensatory leave, and, if the leave without pay is for medical reasons, sick leave is exhausted.
- C. Return to Work:
1. An employee who returns to work after a period of leave without pay of eighty consecutive hours or less shall return to the same position occupied at the start of the leave without pay.
 2. Except as provided in Paragraph 3. below, an employee who returns to work after a period of leave without pay in excess of eighty consecutive hours shall be entitled to a position in the class held at the start of the leave without pay if such a position is available and funded. If these conditions do not exist, the employee may be separated without prejudice.
 3. An employee returning to work from leave without pay granted for military service, industrial disability, to forestall a reduction in force, as part of a maternity leave, or as provided in Subsection H. below, shall return to the position occupied at the start of the leave without pay. If this position or a position in the same class is not available and funded, a reduction in force shall be conducted.
- D. Health Benefit Plan Participation:
1. An employee who is on leave without pay for a health related reason which is not an industrial disability may continue to participate in the Health Benefit Plan by paying both the State and employee contribution. This authority to continue participation in the Health Benefit Plan shall terminate when the employee is determined to be eligible for Medicare coverage or when thirty months have elapsed since the incapacity began, whichever occurs first.
 2. An employee who is on leave without pay for other than a health related reason may continue to participate in the Health Benefit Plan for a maximum of six months by paying both the State and employee contributions.

- E. Life Insurance Plan Participation: An employee who is on leave without pay may continue to participate in the Basic Life and Accidental Death and Dismemberment Insurance Plan by paying the State premium. An employee who elects to continue to participate in the Basic Plan may also continue any Supplemental coverage which is in force at the beginning of the leave without pay by continuing to pay the premium.
- F. Disability Income Insurance Plan Participation: An employee who is on leave without pay for a health related reason may continue to participate in the Disability Income Insurance Plan by paying the premium.
- G. Termination: The insurance coverage of an individual on leave without pay who allows payment of the premiums or contributions to become delinquent shall terminate at 11:59 p.m. on the last day of the period covered by the last premium or contribution paid.
- H. Disposition of Accrued Leave:
 - 1. The affected agencies and the employee who is to be granted leave without pay to accept an uncovered position in another State Service agency shall agree on whether the employee's accrued annual and compensatory leave shall be paid off or transferred in whole or in part. Sick leave shall be transferred. The same procedure shall apply upon the return of the employee to covered service.
 - 2. The disposition of all current and future accrued leave of an employee who is to be granted leave without pay to accept a position in a non-State Service agency or in another governmental jurisdiction shall be covered in the Intergovernmental Agreement concluded between the Director and such agency or jurisdiction.

R2-5-414. INSURANCE PROGRAMS

- A. Designation of Qualifying Health Care Plans: The Director designates as qualifying health care plans the following types of plans:
 - 1. Indemnity Health Insurance Plans.
 - 2. Hospital and Medical Service Plans.
 - 3. Closed Panel Medical Plans.
 - 4. The Arizona Health Care Cost Containment System.

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- B. Designation of Other Qualifying Plans: The Director designates as qualifying plans the following types of plans:
1. Life Insurance Plans.
 2. Disability Income Insurance Plans.
- C. Standards: All qualifying plans shall be financially responsible and provide adequate and satisfactory medical services, if applicable.
- D. Complaints: An employee who wishes to submit a complaint about any employee insurance program shall contact the employee's Agency Insurance Liaison. Retired employees shall contact the Group Insurance Liaison, Personnel Division, Department of Administration.

R2-5-415. HEALTH BENEFIT PLAN

- A. Eligibility:
1. All State employees, except those listed in Paragraph 2. below, and their eligible dependents, may participate in the Health Benefit Plan, provided they comply with the contractual requirements of the selected health care plan. An eligible employee may enroll in a health care plan at any time within the first 30 days of employment, or during an open enrollment period specified by the Director. An eligible employee may submit an application for enrollment at any other time, but participation in the Health Benefit Plan shall not become effective until the first day of the month following the completion of a 90 day waiting period from the date of the application.
 2. The following categories of employees are not eligible to participate in the Health Benefit Plan:
 - a. Employees who work less than 20 hours per week.
 - b. Employees in seasonal, temporary, emergency, or clerical pool positions.
 - c. Patients or inmates employed in State institutions.
 - d. Non-State employee officers and enlisted personnel of the National Guard of Arizona.
 - e. Employees in positions established for rehabilitation purposes.

- f. Employees of any State college or university:
 - i. Who work less than 20 hours per week; or
 - ii. Who are engaged to work for less than six months; or,
 - iii. For whom contributions are not made to a State retirement plan. This disqualification does not apply to non-immigrant alien employees, to employees participating in a medical residency training program, or to Cooperative Extension employees on Federal appointment.
- B. Eligibility Exception: Employees who are on leave without pay may continue to participate in the Health Benefit Plan under the conditions set forth in:
 1. R2-5-405 for employees on leave without pay due to industrial disability; or
 2. R2-5-413 for employees on leave without pay for any other reason.
- C. Dependent Eligibility: Dependents eligible to participate in the Health Benefit Plan include:
 1. The employee's spouse.
 2. Each unmarried child under age 19, or under age 24 if a full-time student. The term child includes a natural child, an adopted child, a foster child, or a stepchild residing in the employee's household.
- D. Enrollment of Dependents:
 1. An eligible employee may enroll:
 - a. Any eligible dependent within the first 30 days of the employee's employment.
 - b. A spouse within 30 days after the employee's marriage.
 - c. A child within 30 days after the child's birth.
 - d. Any eligible dependent during an open enrollment period specified by the Director.
 2. An eligible employee may submit an application for enrollment of any eligible dependent at any other time, but participation in the Health Benefit Plan shall not become effective for such dependents until the first day of the month following the completion of a 90 day waiting period from the date of the application.

R2-5-416. LIFE AND DISABILITY INCOME INSURANCE PLAN

A. Eligibility:

1. All State employees, except those listed in Paragraph 2. below, may participate in the Life and Disability Income Insurance Plan.
2. The following categories of employees are not eligible to participate in the Life and Disability Income Insurance Plan:
 - a. Employees who work less than 20 hours per week.
 - b. Employees in seasonal, temporary, emergency, or clerical pool positions.
 - c. Patients or inmates employed in State institutions.
 - d. Non-State employee officers and enlisted personnel of the National Guard of Arizona.
 - e. Employees in positions established for rehabilitation purposes.
 - f. Employees of any State college or university:
 - i. Who work less than 20 hours per week; or
 - ii. Who are engaged in work for less than six months; or,
 - iii. For whom contributions are not made to a State retirement plan. This disqualification does not apply to employees participating in a medical residency training program, or to Cooperative Extension employees on Federal appointment.

B. Supplemental Insurance Coverage: In addition to the basic life and accidental death and dismemberment insurance provided at no cost to the employee, an eligible employee may elect to purchase additional group life and group accidental death and dismemberment insurance in an amount not to exceed three times the employee's annual salary, rounded down to the nearest \$5,000, or \$150,000, whichever is less.

C. Dependent Coverage: An eligible employee may elect to purchase group life insurance for eligible dependents in an amount not to exceed \$2,000. Dependents eligible to participate in the life insurance plan include:

1. The employee's spouse.

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2. Each unmarried child under age 19. The term child includes a natural child, an adopted child, a foster child, or a stepchild residing in the employee's household.

D. Disability Coverage:

1. The monthly benefit paid under the disability portion of the plan shall be reduced by any payment the employee receives or is eligible for in the same month as:
 - a. Disability or regular retirement benefits from Social Security.
 - b. Regular retirement benefits from any State retirement plan.
2. The monthly benefit paid under the disability portion of the plan shall be reduced by any payment the employee receives in the same month as:
 - a. Worker's Compensation benefits.
 - b. Early retirement benefits from Social Security.
 - c. Disability or early retirement benefits from any State retirement plan.

R2-5-417. RETIREE HEALTH BENEFIT PLAN

- A. Eligibility: All State employees who are retired or eligible for retirement (vested) and are receiving income from a retirement program of this State, or retired or eligible for retirement (vested) and receiving benefits from a long term disability income insurance plan pursuant to A.R.S. 38-651.03, and their eligible dependents, are eligible to participate in the Retiree Health Benefit Plan.
- B. Dependent Eligibility: Eligible dependents include:
 1. The retired employee's spouse.
 2. Each unmarried child under age 19, or under age 24 if a full-time student. The term child includes a natural child, an adopted child, a foster child, or a stepchild residing in the retired employee's household.
- C. Extended Coverage: If a retired employee dies while the surviving spouse's health insurance is in force, the surviving spouse is eligible for extended coverage by paying the group rate premium and any administrative expense charged by the State Retirement System.

R2-5-418. HEALTH BENEFIT PLAN FOR FORMER ELECTED OFFICIALS

- A. Definition: Former elected official means an official as defined in A.R.S. 38-801.3. who is no longer in office.
- B. Eligibility: All former elected officials of this State and any county of this State, and their eligible dependents, are eligible to participate in the Retiree Health Benefit Plan provided the former elected official:
1. Has at least five years of credited service in the Elected Officials' Retirement Plan; and,
 2. Was covered under a Group Health or Group Health and Accident Plan at the time of leaving office; and,
 3. Served as an elected official on or after January 1, 1983.
- C. Dependent Eligibility: Eligible dependents include:
1. The former elected official's spouse.
 2. Each unmarried child under age 19, or under age 24 if a full-time student. The term child includes a natural child, an adopted child, a foster child, or a step-child residing in the former elected official's household.
- D. Eligibility of Surviving Spouse:
1. Former elected official: Upon the death of a former elected official, the surviving spouse is eligible for coverage under the Retiree Health Benefit Plan by paying the group rate premium and any administrative expense charged, provided the deceased former elected official met the qualifications for eligibility listed in Subsection B. above, and provided the surviving spouse makes application for coverage within 30 days of the death of the former elected official.
 2. Currently serving elected officials: Upon the death of an elected official who is currently serving in office, the surviving spouse is eligible for coverage under the Retiree Health Benefit Plan by paying the group rate premium and any administrative expense charged, provided the deceased elected official met the qualifications for eligibility listed in Subsection B. above, or would have met the qualifications upon the completion of the term of office in which the deceased elected official was serving at the time of death, and provided the surviving spouse makes application for coverage within 30 days of the death of the elected official.

- E. Termination of Coverage: The insurance coverage of a former elected official or the surviving spouse of a former elected official who allows payment of the premium to become delinquent shall terminate at 11:59 p.m. on the last day of the period covered by the last premium paid.

ARTICLE 5. CONDITIONS OF EMPLOYMENT

R2-5-501. STANDARDS OF CONDUCT

- A. General: In addition to statutorily prohibited conduct, a violation of the standards of conduct listed in Subsections B., C., and D. below, is cause for discipline or dismissal of a State Service employee.
- B. Required Conduct: State Service employees shall:
1. Maintain high standards of honesty, integrity, and impartiality, free from any personal considerations, favoritism, or partisan demands.
 2. Be courteous, considerate, and prompt in dealing with and serving the public.
 3. Conduct themselves in a manner that will not bring discredit or embarrassment to the State.
 4. Comply with State Laws and Rules.
- C. Prohibited Conduct: State Service employees shall not:
1. Use their official position for personal gain, or attempt to use, or use, confidential information for personal advantage.
 2. Permit themselves to be placed under any kind of personal obligation which could lead any person to expect official favors.
 3. Perform any act in a private capacity which may be construed to be an official act.
 4. Accept or solicit, directly or indirectly, anything of economic value as a gift, gratuity, favor, entertainment, or loan which is, or may appear to be, designed to influence the employee's official conduct. This provision does not prohibit acceptance by an employee of food, refreshments, or unsolicited advertising or promotional material of nominal value.
 5. Directly or indirectly use or allow the use of State property of any kind, including property leased to the State, for other than official activities.
 6. Engage in outside employment or other activity which is not compatible with the full and proper discharge of the duties and responsibilities of State employment, or which tends to impair the employee's capacity to perform the duties and responsibilities in an acceptable manner.
 7. Inhibit a State employee from joining or refraining from joining an employee organization.

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- D. Employee Rights: An employee shall not take any disciplinary or punitive action against another employee which impedes or interferes with that employee's exercise of any right granted under the Law or these Rules. Any employee or agency representative who is found to have acted in reprisal toward an employee as a result of the exercise of the employee's rights may be suspended without pay for a period not to exceed 30 days or dismissed.

R2-5-502. HOURS OF WORK

- A. State Service Work Week: The State Service Work Week is the period of seven consecutive days starting Saturday at 12:00 a.m. and ending Friday at 11:59 p.m. Exceptions may be granted by the Director to promote efficiency in the State Service.
- B. Hours of Employment: Each agency head shall determine the hours of employment in the work week for each agency employee.
- C. Variation of Work Schedules: If, in an agency head's discretion, it is determined that the agency's existing services can be maintained by employees working a 40 hour work week in four working days, the agency head shall offer this option to the affected employees.

R2-5-503. PERFORMANCE PLANNING AND EVALUATION SYSTEM

- A. General: The Performance Planning and Evaluation System established by the Director outlining the responsibilities of the employee and the standards for carrying out these responsibilities, shall be used to evaluate the performance of all State Service employees. An agency head may adopt alternate employee performance appraisal systems, subject to the approval of the Director as being job-related.
- B. Frequency:
1. Permanent status employees shall be evaluated at least annually.
 2. Probationary status employees shall be evaluated at least twice in the probationary period, normally at the end of the third and fifth months.

ARTICLE 6. CHANGES IN ASSIGNMENT

R2-5-601. PROMOTION

- A. General: All promotions shall be competitive unless the Director approves a non-competitive promotion as being in the best interests of the State Service.
- B. Qualifications: An employee shall not be promoted unless:
 - 1. The employee has attained permanent status in the State Service, or will attain it by the closing date of the competitive announcement. For open continuous announcements, the employee must attain permanent status on or before submitting an application; and,
 - 2. The employee meets the minimum qualifications for the class.

R2-5-602. TRANSFER

- A. Intra-agency Transfer: An agency head may transfer an employee to a position in the same pay grade.
- B. Interagency Transfer: Upon the request of an employee, the employee may transfer to a position in the same pay grade in another State Service agency, with the approval of the head of the gaining agency.
- C. Qualifications: A transferred employee must meet the minimum qualifications for the class to which transferred.
- D. Limitation: An employee appointed to a position through selective certification shall not be transferred from that position during the probationary period without the prior approval of the Director.
- E. Transfer of Function:
 - 1. Between State Service Agencies: If part or all of the functions of an agency are transferred to another agency, all employees in the positions affected shall be transferred to the gaining agency.
 - 2. From Non-State Service Agencies: If part or all of the functions of a non-State Service agency are transferred to the State Service, all of the affected employees of the agency shall be offered State Service employment on a non-competitive basis in the functional area transferred. Any of these employees who have not completed six months of related experience shall serve a ninety day original probationary period under the rules set forth in Paragraphs R2-5-213.C.2. and 3.

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R2-5-603. DETAIL TO SPECIAL DUTY

- A. General: An agency head may detail a permanent status employee to special duty to a covered position in the same or another class within the agency as provided below:
1. If the detail is for four months or less, the detail may be made non-competitively.
 2. If the detail is for more than four months, the detail shall be made competitively in accordance with these Rules, unless the Director approves a non-competitive detail.
- B. Duration: The length of the detail shall not exceed one year, unless extended by the Director.
- C. Return from Detail: An employee shall have the right to return to the position from which detailed at the conclusion of the detail.

R2-5-604. MOBILITY ASSIGNMENTS

- A. State Service Employees: An employee with permanent status in the State Service may accept a mobility assignment to an uncovered position, to another Arizona State agency, or to another government jurisdiction for not more than thirty-six months with the concurrence of the Director, the employee, the agency in which employed, and the agency or jurisdiction to which the employee would be assigned. The employee shall have the right to return to a position in the agency in the employee's former class, with the same status held prior to the mobility assignment.
- B. Non-State Service Employees: An employee from another government jurisdiction may serve a mobility assignment in the State Service for not more than thirty-six months, with the concurrence of the Director, the employee, the employee's present employer, and the State agency to which the employee would be assigned.
- C. Extension: An employee serving in a mobility assignment may be extended beyond thirty-six months with the approval of the Director, the employee, the employing agency or jurisdiction, and the agency or jurisdiction from which the employee came.

R2-5-605. VOLUNTARY GRADE DECREASE

- A. Request: An employee may request a permanent change in assignment to a position in a lower pay grade, provided the employee meets the minimum qualifications for the class of the position. Such request, if approved, may not be grieved.

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- B. Probation: An employee who is on original probation when the request for a voluntary grade decrease is approved shall serve a complete original probation in the new position.

ARTICLE 7. GRIEVANCES

R2-5-701. GRIEVANCE SYSTEM

- A. General: Each agency shall adopt a grievance procedure which will afford each employee a systematic means of resolving complaints concerning discrimination, non-compliance with these Rules, or other work-related matters which directly and personally affect the employee.
- B. Non-Applicable Matters: The adopted grievance procedure shall not apply to any matter for which another method of review is provided, including but not limited to:
1. Retirement, Life Insurance, or Health Insurance.
 2. Suspension for more than 80 working hours, demotion, or dismissal resulting from disciplinary action.
 3. Any examination, certification, or appointment.
 4. Any classification action.
 5. Any reduction in force action.
- C. Restrictions: An employee may not submit a grievance challenging the following management rights, but may submit a grievance concerning the manner of their administration, insofar as these personally affect the employee:
1. An agency's right to direct its employees.
 2. An agency's right to hire, promote, transfer, assign, and retain employees.
 3. An agency's right to maintain efficiency of government operations, and to determine the methods, means, and personnel by which these operations are to be conducted.
- D. Performance Increases and Decreases: An employee may submit a grievance concerning an overall performance evaluation or a specific rating, but may not submit a grievance concerning the receipt of a performance decrease, the non-receipt of a performance increase or special performance award, the amount of any increase or decrease, or the use of any job-related supplemental rating factors to determine the receipt or amount of an increase, decrease, or special performance award.
- E. Agency Control: An employee may not submit a grievance concerning any matter not subject to the control of the agency, except for complaints alleging a violation of these Rules.

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- F. Amendments: Once a grievance is referred to any step beyond the immediate supervisor, it may not be amended. If additional documentation is submitted by the grievant after the initiation of the grievance, the reviewing official may remand the grievance to the appropriate previous level for reconsideration.
- G. Approval: Each agency will submit its proposed grievance procedure and any subsequent changes to the Director for approval. Pending the approval of the Director, each agency will continue to use its current grievance procedure.

R2-5-702. GRIEVANCE PROCEDURES

- A. Content: The grievance procedure established in each State agency shall include as a minimum:
1. A requirement that the grievant have an oral discussion with the immediate supervisor in an attempt to resolve the problem, prior to initiating the written grievance procedure.
 2. A requirement that the employee file the grievance in writing with the immediate supervisor within ten working days after the occurrence of the action being grieved. The date of occurrence of a suspension is the first day of suspension.
 3. A requirement that the grievance contain a complete statement of all the facts and circumstances involved in the alleged violation, and the specific redress sought.
 4. A requirement that a grievance alleging non-compliance with these Rules shall specify the precise Rule alleged to have been violated.
 5. A requirement that all employees presenting a grievance in which the issues and redress sought are identical will sign the grievance, and designate a contact person from the group.
 6. A provision that the employee or group of employees filing a grievance may select a representative at any step in the procedure after the oral discussion with the immediate supervisor.
 7. A provision that a grievant must be allowed a reasonable amount of work time to prepare and process a grievance, and that the use of such time shall be approved in advance by management.
 8. A requirement that a State Service employee who serves as the representative of a grievant must receive approval for annual or compensatory leave to represent the grievant.

9. A requirement that the grievant must have a minimum of five working days after receipt of a response to forward the grievance at any step, must sign the grievance at each step, and must state the reasons why the response at the previous step was unsatisfactory.
 10. A requirement that the agency head will respond to the grievant not later than 40 working days after receipt of the grievance at the first step. Within the 40 working day period, the time for any step may be extended by the agency head with the concurrence of the grievant.
 11. A statement that the decision of the agency head is final on all grievances except those that allege discrimination or non-compliance with these Rules. For Department of Administration employees, the decision of the Director is final on all grievances except those that allege discrimination or non-compliance with these Rules.
- B. Review of Grievances Alleging Discrimination or Non-Compliance with Rules:
1. A grievant, other than a Department of Administration employee, who is not satisfied with the decision of the agency head on a grievance alleging discrimination or non-compliance with these Rules, may submit the grievance to the Director within five working days after the receipt of the agency head's response. If the facts of the grievance support the agency head's response, the Director shall affirm the agency head's resolution. Otherwise, the Director shall conduct an investigation, reach a final decision, and furnish a copy of the findings and final decision to the agency head and the grievant within 20 working days following receipt of the grievance by the Director. The 20 working days may be extended by the Director with the concurrence of the grievant.
 2. A grievant who is a Department of Administration employee and who is not satisfied with the response rendered at the last step before the Director on a grievance alleging discrimination or non-compliance with these Rules may submit the grievance to the Director within five working days after receipt of the response. The Director will appoint an individual who is not an employee of the Department of Administration to investigate the grievance. If the facts of the grievance support the response, the investigator shall affirm that resolution. Otherwise, the investigator shall conduct an investigation, reach a final decision, and furnish a copy of the findings and final decision to the Director and the grievant within 20 working days following receipt of the grievance by the investigator. The 20 working days may be extended by the Director with the concurrence of the grievant.
- C. Accelerated Procedure: Subject to the approval of the Director, the agency head may adopt an accelerated grievance procedure for grievances relating to performance ratings.

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- D. Discrimination: An employee who has a complaint alleging discrimination prohibited by A.R.S. 41-1463, and who is not satisfied with the final grievance resolution, will be referred to the appropriate agency by the Director.

ARTICLE 8. DISCIPLINARY ACTIONS

R2-5-801. SUSPENSION

- A. Authority: An agency head may suspend any employee without pay for cause.
- B. Notice: The agency head shall provide the employee with a written statement of the reasons for the suspension. The statement shall specify the period of suspension, and the employee's grievance or appeal rights.
- C. Reduction in Pay: An agency head may adopt a procedure providing for the reduction in gross pay of an employee who has received a suspension of 80 working hours or less. Any such procedure shall be approved by the Director prior to implementation, and shall include, as a minimum:
1. A provision that the reduction in pay is imposed as an alternative to a suspension, and a requirement that the employee shall continue to work all scheduled hours during the reduction in pay period.
 2. A provision that the total dollar amount of the reduction in pay shall not exceed the dollar amount of the suspension for which the reduction is substituted.
 3. A provision that the reduction in pay shall not reduce the employee's salary below the entrance salary of the employee's grade.
 4. A requirement that the employee shall be informed in writing of the imposition of any reduction in pay, and that the notice shall include a statement that the employee may submit a grievance concerning the suspension and/or the reduction in pay.
- D. Limitation: Except as otherwise provided by statute or rule, suspensions shall not exceed a total of thirty working days during any 12 month period. The 12 month period begins with the first day of the first suspension.

R2-5-802. DEMOTION

- A. Authority: A permanent status employee may be demoted for cause by an agency head to any permanent position, provided the employee meets the minimum qualifications for such class.
- B. Notice: Prior to the effective date of the demotion, a written notice containing specific reasons for the demotion and the employee's right of appeal shall be provided to the employee and the Director.
- C. Probation: Except as otherwise provided in these Rules, a demoted employee shall not be required to serve a probationary period in the position to which demoted.

R2-5-803. DISMISSAL

- A. Pre-Dismissal Procedures: Before an employee with permanent status can be dismissed, the agency head shall give the employee written notice of the charges, a summary of the agency head's basis for the charges, and an opportunity for the employee to present a written response. The employee's response shall be made not later than three working days after the employee receives notice of the charges, unless extended in writing by the agency head.
- B. Dismissal Procedures: The agency head may dismiss any employee with permanent status only for cause, but not before attempting to serve the employee personally or by registered or certified mail, return receipt requested (addressee only), with written notice of the specific reasons for dismissal in sufficient detail to inform the employee of the facts, with a copy to the Director. The agency head shall include a statement of the employee's right to appeal. The action is not effective until one of the following occurs:
1. The employee signs for receipt of the dismissal letter personally served or served by mail; or
 2. Three working days have passed since the letter was mailed to the employee; or
 3. An attempt is made to personally serve the dismissal letter, but the employee refuses to sign for the letter. Such attempt to personally serve the letter shall be witnessed.

If an employee is on an approved period of leave with pay, the action will be effective at the end of the approved period of leave with pay, and the dismissal letter shall be served on the employee in accordance with this subsection.

- C. Dismissal During Probation:
1. An employee on original probation may be dismissed without the right of appeal.
 2. An employee on promotional probation may not be dismissed without the right of appeal.
- D. Relief from Duty: Nothing in this Rule shall preclude the agency head from immediately placing an employee on administrative leave pending implementation of procedures under this section, but no pay shall be withheld for such period.

ARTICLE 9. SEPARATIONS

R2-5-901. RESIGNATION

- A. General: An employee may terminate employment with the State Service by submitting a written resignation to the agency head at least ten working days prior to the effective date of the resignation. Unless the Director determines that the employee had good cause for not giving such notice, an employee who fails to give such notice shall not be eligible for reinstatement.
- B. Oral Resignation: If an employee resigns orally, the agency head shall confirm the resignation in writing.
- C. Refusal of Resignation: An agency head may refuse to accept a resignation and dismiss an employee pursuant to R2-5-803.
- D. Withdrawal of Resignation: A resignation may be withdrawn only in writing by personal delivery to the agency head not later than the end of the next working day after the employee gives notice of resignation. If a withdrawal is not submitted by this time, the resignation shall be final unless both the agency head and the employee agree that the resignation may be withdrawn.

R2-5-902. REDUCTION IN FORCE

- A. General:
 - 1. An agency head shall request approval from the Director to conduct a reduction in force for any of the reasons set forth in A.R.S. 41-783, Paragraph 14, indicating the reason for the reduction, and the proposed geographic area and effective date of the reduction. Any personnel action which would have an effect on the reduction in force shall not be approved after the date of the agency head's request.
 - 2. The request shall be submitted not less than 30 working days prior to the proposed effective date of the reduction in force. The Director shall respond within five working days. If circumstances beyond the agency's control do not permit at least 30 working days notice, the agency shall provide notice as soon as it is aware of the necessity for a reduction in force.
 - 3. If the reduction in force results from the abolition of a filled position, the agency may not re-establish the position for two years, unless the abolition of the position was due to fiscal constraints, legislative action, or court order.
 - 4. When a program is abolished or an institution permanently terminates operation, so that the phasing out of operations occurs over a period of not less than three months, the Director, in consultation with the head of the agency, board, or commission considering reduction in force activity,

shall develop and communicate to affected employees appropriate alternative reduction in force procedures to permit staggered phaseout and transfer, reduction, or separation of personnel as appropriate.

5. Subject to work requirements, each agency head shall allow employees affected by a reduction in force to be released from work with pay to attend State job interviews.
- B. Administration: Except as provided in Paragraph A.4. above, a reduction in force shall be administered by the Director in the following manner:
1. Employees other than permanent status employees in the class series affected by the reduction in force shall be separated in the order listed below before any reduction in force action is taken affecting permanent status employees, provided the separation of these employees will accomplish, or assist in accomplishing, the purpose of the reduction in force:
 - a. Emergency employees
 - b. Provisional employees
 - c. Clerical pool employees
 - d. Temporary employees
 - e. Seasonal employees.
 - f. Original Probationary employees.
 2. Retention points shall be used to identify permanent status employees for transfer, reduction, or separation based on the employee's relative standing on the retention list. Identification of employees to be considered first for transfer, reduction, or separation shall begin with the employee with the lowest number of retention points.
 3. Retention points will be based upon length of State Service and performance, calculated in accordance with the instructions in Subsections C, D, and E. Service in positions which became covered in accordance with Chapter 4, Title 41, A.R.S. (formerly Chapter 6, Title 38, A.R.S.), shall be considered State Service.
 4. Limited appointment employees shall compete for retention only against other limited appointment employees.
 5. Employees on promotional probation or detail to special duty shall compete for retention only in the class in which permanent status is held.

6. A position which is underfilled shall be considered vacant at the allocated level.
7. Permanent part-time employees shall compete for retention only against other permanent part-time employees.

C. Calculation of Retention Points for Length of Service:

1. Each permanent status employee shall be awarded one retention point for each month of State Service, provided the employee has been in a pay status for at least one half of the employee's working days in that month.
2. Periods of service as a State Service employee prior to a separation shall not be counted except when the separation was of less than two years duration, and the separation was not the result of disciplinary action.
3. Periods of State Service as a provisional, seasonal, temporary, limited, or clerical pool employee which are credited toward satisfying a subsequent original probationary requirement shall be counted.
4. Periods of military leave with or without pay shall be counted.
5. Periods of service on mobility assignment shall be counted.
6. Prior service in a position which is transferred to State Service by legislative action or otherwise from a budget unit of the State shall be counted.

D. Calculation of Retention Points for Performance: The most recent performance evaluation, in the class permanently held by an employee, and concluded prior to the date of request for the reduction in force shall be used in determining retention points. Any grievance on the most recent performance evaluation shall be resolved by the agency head prior to computing retention points. If an employee has not had a performance evaluation in the past 12 months, the employee shall be awarded 12 retention points. Retention points for performance shall be awarded as follows:

1. Each employee having a current overall performance evaluation of "Outstanding" shall be awarded 36 retention points.
2. Each employee having a current overall performance evaluation of "Exceeded Results Expected" shall be awarded 24 retention points.
3. Each employee having a current overall performance evaluation of "Achieved Results Expected" shall be awarded 12 retention points.

4. Each employee having a current overall performance evaluation of "Needs Improvement" shall have twelve retention points subtracted from the total.
 5. Each employee having a current overall performance evaluation of "Unsatisfactory" shall not be awarded any retention points, and the employee shall be placed at the bottom of retention lists.
- E. Resolution of Ties: Ties in total retention points shall be broken in the following manner and order:
1. Employees shall be awarded one point for each full calendar month of State Service in a pay status in the class affected by the reduction in force.
 2. If a tie continues to exist, the tie shall be broken by the employee with the highest overall performance evaluation in the class permanently held by the employee.
 3. If a tie continues to exist, the tie shall be broken by the employee with the earlier State Service hire date.
 4. If a tie continues to exist, it shall be broken by lot.
- F. Offer of Position:
1. Provided the employee possesses the required minimum qualifications for the class, an employee who is identified for transfer or reduction shall be made the single best offer, in terms of pay grade, within the agency of:
 - a. A position at the same pay grade or lower in the same class series as the employee's present permanent status position; or
 - b. A position at the same pay grade or lower in a class series in which the employee has previously held permanent status. If that position is in a class which has been retitled or regraded without a major change in duties, that position may be offered to the employee.
 - c. If an employee can be made equal offers under the provisions of Subparagraphs a. and b. above, the position covered by Subparagraph a. will be offered.
 2. In lieu of accepting a permanent position at a lower grade, an employee shall be given the option of accepting:
 - a. A vacant position at the employee's present pay grade for which the employee meets the minimum qualifications in a class series in which the employee has never held permanent status; or

- b. A limited, seasonal, temporary, clerical pool, or part-time position at the employee's present pay grade for which the employee meets the minimum qualifications.
3. Employees must meet the required minimum qualifications and job-related selective requirements, if any, to be considered for a position. These selective requirements shall normally have been required when the position was last filled.
4. The agency shall give written notice at least 15 working days in advance to each employee to be transferred, reduced, or separated. If circumstances beyond the agency's control do not permit at least 15 working days notice, the agency shall provide notice as soon as it is aware of the necessity to transfer, reduce, or separate the employee.
5. The notice shall include, as a minimum, the reason for and effective date of the action, the job offer, if any, to include the salary, location of the position, and supervisor's name, the availability of reduction in force procedures and records for review, the employee's right to request a review of the action, and the employee's reemployment rights, if applicable. Any job offer shall contain a time limitation of not less than five working days in which the employee may accept the offer. Failure of an employee to reply in writing within the stated time limitation, or failure to accept a job offer, shall constitute a resignation.

G. Employee Request for Review:

1. Within five days of receipt of a reduction in force notice, an employee may submit in writing a request to the agency head for a review of the procedure resulting in the employee's transfer, reduction, or separation due to a reduction in force. The request must contain specific information concerning the error involved and a proposed resolution of the problem. The agency head shall review the request and respond to the employee within five working days after receipt of the request.
2. An employee who wishes further review may submit a written request to the Director within five working days after receipt of the agency head's response. The Director shall investigate and respond to the employee and the agency head with the final decision on the review within five working days of receipt of the employee's request.
3. The Director may postpone any portion of the reduction in force until the review requested by the employee has been completed.