



STATE OF ALABAMA
DEPARTMENT OF FINANCE
OFFICE OF THE STATE COMPTROLLER

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October 1, 2014

MEMORANDUM

TO: CHIEF ACCOUNTANTS, PAYROLL CLERKS,
AND PERSONNEL OFFICERS
NON-AUTOMATED AGENCIES

FROM: Mr. Thomas L. White, Jr.
State Comptroller

SUBJECT: Information on Longevity Payments

Section 36-6-11, *1975 Code of Alabama*, provides for payments for longevity based on qualifying permanent full-time and permanent part-time service as stated in State of Alabama Fiscal Procedures. **2014 LONGEVITY BONUSES WILL BE INCLUDED IN EMPLOYEES' NORMALLY SCHEDULED PAYROLL CHECKS FOR THE FIRST PAYDAY OF DECEMBER. The payment date this year is December 1, 2014.** In 2013, each department verified the number of months of eligible service through December 1, 2013, for each permanent full-time and part-time employee. This information was captured on all employees' records and is reflected on the employees' AGYS screen in the field labeled "Longevity Counter." In preparation for longevity payments this year, this field was increased by twelve (12) months on October 1, 2014 for employees in active pay status.

The Longevity listing of your agency's employees with their social security numbers sorted by pay location is available on the Comptroller's website under GHRs reports. **Also available this year is the Longevity Counter before Update report that will include any changes made by the agency since the update for Longevity in 2013. These reports are available to authorized personnel /payroll personnel only.** If your agency does not have access to GHRs reports, contact Stanja Bond to request a copy of the listing. This listing should be used to verify the number of months' eligible service for all permanent employees through December 1, 2014. In accordance with revised State of Alabama Fiscal Procedures, eligible service time **only** "includes time worked and paid by the State Comptroller, the Comptroller for the State Docks, or the Comptroller for the Department of Mental Health/Mental Retardation prior to August 25, 1990."

If the information on the listing is incorrect, make the changes on the listing and return it to GHRs, ATTN: Stanja Bond, Room 282, RSA Union Building no later than **November 5, 2014.**

Employees on long leave without pay (L status) on December 1, 2014 for purposes other than **family medical leave** or **military** purposes, are not eligible for the longevity bonus or credit for seniority time for months on leave without pay. Make changes on the Longevity listing to *reflect adjustments for the months not worked* and send to Stanja Bond no later than **November 5, 2014.**

Employees on Long Leave without Pay for FMLA purposes are eligible to be paid the longevity bonus **when they return to pay status** and receive full credit for the months on leave without pay. Make changes on the Longevity listing to reflect the number of months worked and the number of eligible FMLA months and send to Stanja Bond no later than **November 5, 2014.** When the employee returns to pay status, a One-Time Payment form must be completed and submitted to GHRs.

Employees on Long Leave without Pay for military purposes are eligible to be paid the longevity bonus **and** receive full credit for months not worked. All **agency approved** longevity payments for employees who are on military long leave without pay December 1, 2014, will be paid on a supplemental payroll processed on December 4, 2014. A One-Time Payment form must be completed for these employees and forwarded to Stanja Bond, Room 282, RSA Union Building, no later than **November 17, 2014**. Please write **Military** on the top of the One-Time Payment form.

Longevity payments will be automatically generated for employees who are in "W" status due to a work-related injury. Make changes on the Longevity listing to *reflect 2/3 credit for time not worked due to an on-the-job injury* and send to Stanja Bond no later than **November 5, 2014**.

Part-time employees will have the "percent full time" field from the ESMT on the Longevity listing. Calculate the pro-rated amount based on the percentage shown and complete a One-Time Payment form with the calculated amount of the longevity payment and forward to Stanja Bond Room 282, RSA Union Building, no later than **November 5, 2014**.

Generally, the amount of longevity pay for permanent part-time employees is calculated using the percentage of full-time hours worked and the length of service. The employee's full-time percentage is set on the ESMT in the "% full time" field. The pro-rated amount is calculated by multiplying the percentage shown in the "% full time" field by the amount of longevity payment that the employee would have received had he been a full-time employee. For example, Employee A works 75% of the total work hours every semi-monthly pay period. He has 126 months in the longevity counter. His "percent full time" on the report shows .75. To calculate the amount due for Employee A, multiply \$700 x .75 = \$525.00. Complete a One-Time Payment form with \$525.00 as the amount due to the employee. The effective date for this payment is **November 15, 2014**.

Since the "percent full time" on the ESMT does not accurately reflect the true work percentage of hourly employees, these employees' "percent full time" is calculated based on hours actually worked. To calculate the "percent full time" as of December 1, 2014 for longevity divide (the total number of hours worked since December 1, 2013 plus remaining work hours to be paid through December 1, 2014) by 2080 yearly work hours. Complete a One-Time Payment form for part-time hourly employees with the calculated amount of the longevity payment and forward to Stanja Bond, Room 282, RSA Union Building, no later than **November 5, 2014**.

A one-time payment for each eligible employee will be processed during nightly-cycle-processing on November 19, 2014. If it is determined that an employee will not be in active pay status on December 1, 2014, notify Stanja Bond (334-242-2188) **by 9:00 AM on November 24, 2014**. Payments for the longevity bonuses will be included in the employees' regular paychecks and accounting entries will be processed in the payroll journal vouchers for the regularly scheduled semi-arrears and semi-monthly payrolls.

The *Code of Alabama 1975*, §36-6-11, was amended in 2006 by the legislative passage of Act 2006-420. The amendment dealt with longevity pay amounts for varying service levels. A new category of service for 25+ years of service was added for which the longevity pay was set at \$700. The 2006 amendment further provided that beginning October 1, 2006 and continuing each fiscal year thereafter in which an employee DOES NOT RECEIVE A COST OF LIVING INCREASE, each service level amount will be increased by \$100 per year until the new category of service for 25 years of service reaches a maximum of \$1,000.00 so long as an employee remains in service. (The maximum of \$1,000.00 was reached in fiscal year 2012) The longevity payments due to full-time employees as amended in 2006 according to Section 36-6-11, *Code of Alabama, 1975* are as follows:

Less than 5 years total service (0-59 months)	\$ -0-
Completed 5 but less than 10 years total service (60-119 months)	600.00
Completed 10 but less than 15 years total service (120-179 months)	700.00
Completed 15 but less than 20 years total service (180-239 months)	800.00
Completed 20 but less than 25 years total service (240-299 months)	900.00
25 or more years total service (over 300 months)	1,000.00

Departments are responsible for determining, in accordance with the law and the rules outlined herein, who is eligible and the total service time allowed to each employee for the purpose of identifying the amount of longevity pay due to the employee.

Federal tax is withheld at a flat rate of 25 percent and state tax is withheld at a flat rate of 5 percent. If the employee's regular pay is subject to FICA and/or Medicare, the longevity pay is also subject to FICA and/or Medicare. Longevity pay is not subject to retirement.

The bonuses will be included in the employees' payroll checks and subject to direct deposit.

If you have any questions, please contact GHRS Hot-Line at (334) 242-2188.

TLWjr/jt

Attachment

LONGEVITY

ONE TIME PAYMENTS (1PAY)

The completed form must be forwarded to STANJA BOND, ROOM 282, RSA UNION BUILDING, no later than NOVEMBER 5, 2014

Agency Number: _____ Payroll Number: _____

Employee Social Security Number: _____ - _____ - _____

Employee Name: _____

Reason for Adjustment: 2014 LONGEVITY FOR PART-TIME EMPLOYEE

Pay Type: LONGV

Effective Date: 1 1 / 1 5 / 1 4

Amount of Adjustment: \$ _____

Authorized Departmental Approval: _____

Submitted By: _____

Phone #: _____

For State Personnel's Use Only:

State Personnel Approval: _____ N/A

Approved by: _____ N/A Date: _____ / _____ / _____

For Comptroller's Use Only:

IPAY _____ STRG _____ BATCH _____ TAX _____ IDED _____

Processed by: _____ Date: _____ / _____ / _____

Verified by: _____ Date: _____ / _____ / _____