



STATE OF ALABAMA
DEPARTMENT OF FINANCE
OFFICE OF THE STATE COMPTROLLER

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October 1, 2004

MEMORANDUM

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

FROM: Robert L. Childree
State Comptroller

SUBJECT: Information on Longevity Payments

Section 36-6-11 and Section 36-21-3, 1975 Code of Alabama, provides for payments for longevity based on permanent full-time and permanent part-time service. **EFFECTIVE DECEMBER 2004, LONGEVITY BONUSES WILL BE INCLUDED IN EMPLOYEES' NORMALLY SCHEDULED PAYROLL CHECKS FOR THE FIRST PAYDAY OF DECEMBER.** In 2003, each department reported the number of months' eligible service through December 1, 2003, 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.

Attached is a listing by social security number within pay location for all employees who might be eligible that are currently in your agency. Use this listing to verify the number of months' eligible service through December 1, 2004 for each permanent employee. The number of months' eligible service for longevity in most cases equates to the length of service used in annual leave accumulation. However, 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." For law enforcement employees receiving longevity under Section 36-21-3, **total** State service time, not just law enforcement service time, is counted for purposes of calculating eligible service time.

If the information on the listing is incorrect, make the changes on the listing and return it to GHRS, ATTN: Nancy McGilberry, Room 282, RSA Union Building no later than **November 22, 2004**.

An employee on long leave without pay for **family medical leave** purposes is eligible for the longevity bonus. For these employees, complete a One-Time Payment form and submit to GHRS no later than **December 1, 2004** to insure the employee receives the bonus in a timely manner. Longevity payments

will be automatically generated for employees who are in "W" status due to a work-related injury. An AGYS form should be completed and sent to GHRS no later than December 1, 2004 to reflect 2/3 credit for time not worked due to an on-the-job injury.

A one-time payment screen for each eligible employee will be loaded on the night of December 3, 2004. If an employee is not in active pay status on December 1, 2004, notify Nancy McGilberry (334-242-2188) by 9:00 AM on December 7, 2004. 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 bi-weekly and semi-monthly payrolls.

For part-time employees, a percentage from the employee's ESMT screen is shown in the "percent full time" field on the report. For these employees, complete a One-Time Payment form with the pro-rated amount of the longevity payment due and forward to Teresa Huggins, Room 282, RSA Union Building, no later than **November 12, 2004**.

The pro-rated amount is calculated by multiplying the percentage shown in the "% full time" field on the ESMT by the amount of longevity payment the employee would have received had he been a full-time employee. For example, Employee A works 60 hours every bi-weekly 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 \$400 x .75, which equals \$300.00. Complete a One-Time Payment form with \$300.00 as the amount due to the employee. The effective date for this payment is November 26, 2004.

The longevity payments due to full-time employees 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)	300.00
Completed 10 but less than 15 years total service (120-179 months)	400.00
Completed 15 but less than 20 years total service (180-239 months)	500.00
20 or more years total service (over 240 months)	600.00

For longevity payments, withholding taxes are deducted at a flat rate of 25% for Federal income tax and 3% for State income tax. Longevity payments are 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 Teresa Huggins at (334) 242-2188.

RLC:th

Attachment