



STATE OF ALABAMA  
DEPARTMENT OF FINANCE  
OFFICE OF THE STATE COMPTROLLER

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State Comptroller

October 2, 2017

## MEMORANDUM

TO: CHIEF ACCOUNTANTS, PAYROLL,  
AND PERSONNEL OFFICERS

FROM: Kathleen D. Baxter, PhD, CGFM, CPM  
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. **2017 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, 2017.** In 2016, each department verified the number of months of eligible service through December 1, 2016 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 2, 2017 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 Reports and Forms/Monthly reports. This listing should be used to verify the number of months eligible service for all permanent employees through December 1, 2017. **These reports are available to authorized personnel /payroll personnel only.** 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." Employees with zeroes in their "longevity counter" will also be included on this list. For these employees and any employees not on the list, calculate the number of months' credit as of December 1, 2017 and update the "longevity counter". All changes for employees eligible for the bonus must be made no later than **November 27, 2017.**

Employees on Long Leave without Pay (L status) on December 1, 2017, for purposes other than **family medical leave** or **military** Long Leave without Pay, are not eligible for the longevity bonus or credit for seniority time for months on leave without pay. If the "longevity counter" field on the AGYS screen was **not** programmatically increased by 12 in October, 2017, this field should be increased to reflect the number of months **worked since December 1, 2016.** If the "longevity counter" field **was** increased in October, 2017, the field should be decreased by the number of months not worked since December 1, 2016.

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 FMLA leave without pay. The "longevity counter" field on the AGYS screen should be adjusted to reflect the number of months **worked** and the number of eligible FMLA months **since December 1, 2016.** 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. If the "longevity counter" field on the AGYS screen was **not** programmatically increased by 12 in October, 2017, this field should be increased to reflect the total number of months **worked** and

months on Military LWOP **since December 1, 2016**. Eligible employees will be paid on a supplemental payroll processed on December 6, 2017. A One-Time Payment form must be completed for these employees and forwarded to GHRS, Room 282, RSA Union Building, no later than **November 30, 2017**. 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. However, the "longevity counter" field on the AGYS screen must be adjusted to only reflect 2/3 credit for the months an employee is in this status no later than **November 27, 2017**.

**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 GHRS, Room 282, RSA Union Building, no later than **November 6, 2017**.

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, 2017**.

**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, 2017 for longevity divide (the total number of hours worked since December 1, 2016 plus remaining work hours to be paid through December 1, 2017) 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 GHRS, Room 282, RSA Union Building, no later than **November 6, 2017**.

A one-time payment for each eligible employee will be processed during nightly-cycle-processing on November 27, 2017. If it is determined that an employee will not be in active pay status on December 1, 2017, the agency must delete the pending payment (PEND) no later than 2:40 PM on November 29, 2017. 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 Personnel/Payroll Staff have any questions, please contact GHRS Hot-Line at (334) 242-2188.

KDB/jt

Attachment

LONGEVITY

ONE TIME PAYMENTS (1PAY)

The completed form must be forwarded to GHRS, ROOM 282, RSA UNION BUILDING, no later than NOVEMBER 6, 2017.

Agency Number: \_\_\_\_\_ Payroll Number: \_\_\_\_\_

Employee Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Employee Name: \_\_\_\_\_

Reason for Adjustment: 2017 LONGEVITY FOR PART-TIME EMPLOYEE

\_\_\_\_\_  
\_\_\_\_\_

Pay Type: LONGV

Effective Date: 1 1 / 1 5 / 1 7

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:

1PAY \_\_\_\_\_ STRG \_\_\_\_\_ BATCH \_\_\_\_\_ TAX \_\_\_\_\_ IDED \_\_\_\_\_

Processed by: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Verified by: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_