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Michael G. Hudson
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October 2, 2009

MEMORANDUM

TO: CHIEF ACCOUNTANTS, PAYROLL,
AND PERSONNEL OFFICERS

FROM: Michael G. Hudson *MGH*
Acting State Comptroller

SUBJECT: Information on Longevity Payments

Section 36-6-11, *1975 Code of Alabama*, provides for payments for longevity based on permanent full-time and permanent part-time service. **2009 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, 2009.** In 2008, each department reported the number of months of eligible service through December 1, 2008, 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 of your agency's employees with the last four digits of their social security numbers sorted by pay location. This listing should be used to verify the number of months' eligible service for all permanent employees through December 1, 2009. 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 for employees who come to work after October 2, 2009, calculate the number of months' credit as of 12/1/09 for these employees and update the "longevity counter". All changes for employees eligible for the bonus must be made no later than **November 19, 2009**.

Employees on long leave without pay (l. status) on December 1, 2009, for purposes other than **family medical leave** or **military** purposes, are not eligible for the longevity bonus or credit for seniority time. The "longevity counter" field on the AGYS screen *should be updated to reflect adjustments for the months not worked.*

Employees on Long Leave without Pay for FMLA purposes are eligible for the longevity bonus and credit for all months not worked. A One-Time Payment form must be completed and submitted to GHRS no later than **November 16, 2009** to ensure the employee receives the bonus in a timely manner.

All **agency approved** longevity payments for employees who are on military long leave without pay December 1, 2009 will be paid in the supplemental that will be processed on December 4, 2009. 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 24, 2009**. 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 19, 2009**.

Part-time employees will have the "percent full time" field from the ESMT on the attached 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 3, 2009**.

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 that the employee would have received had he been a full-time employee. For example, Employee A works 75% of the scheduled 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 $\$500 \times .75 = \375.00 . Complete a One-Time Payment form with \$375.00 as the amount due to the employee. The effective date for this payment is **November 15, 2009**.

A one-time payment for each eligible employee will be processed during nightly-cycle-processing on November 20, 2009. If it is determined that an employee will not be in active pay status on December 1, 2009, the agency must delete the pending payment (PEND) no later than 2:40 PM on November 24, 2009. 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 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)	400.00
Completed 10 but less than 15 years total service (120-179 months)	500.00
Completed 15 but less than 20 years total service (180-239 months)	600.00
Completed 20 but less than 25 years total service (240-299 months)	700.00
25 or more years total service (over 300 months)	800.00

Federal tax is withheld at a flat rate of 25 percent and state tax is withheld at a flat rate of 3 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 GHR's Hot-Line at (334) 242-2188.

MGH/lmc

Attachment

LONGEVITY

ONE TIME PAYMENTS (1PAY)

The completed form must be forwarded to STANJA BOND, ROOM 282, RSA UNION BUILDING, no later than NOVEMBER 3, 2009.

Agency Number: _____ Payroll Number: _____

Employee Social Security Number: _____ - _____ - _____

Employee Name: _____

Reason for Adjustment: 2009 LONGEVITY FOR PART-TIME EMPLOYEE

Effective Date: 1 1 / 1 5 / 0 9

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: _____ / _____ / _____