



CITY OF KINSTON

Personnel Policy

Subject: Longevity Pay	Section: Holiday/Leave/Longevity		Review Responsibility: Director of Human Resources		
	Policy #:: 2	Effective Date: 8/01/2016	Rev. #: 2	Revision Date: 7/31/2016	Page: 1 of 3
	Supersedes: 2/01/2001	Prepared By: Gloria Blake <i>Gloria Blake</i>		Approved By: Tony Sears <i>Tony Sears</i>	

1.0 Purpose

As a means of expressing appreciation and recognizing long term dedicated service by employees, the City of Kinston has established a compensation system subject to the availability of funds and the annual appropriation by the City Council. The system provides annual monetary bonuses for employees with extended service to the City of Kinston and in recognition of continuous and loyal service. Longevity pay is to be considered an integral component of the City's overall pay and benefit plan, in conjunction with merit and other forms of compensation.

2.0 Departments Affected

2.1 All regular full-time city employees in all departments.

3.0 Policy

3.1 The City of Kinston has established a program to recognize long term employees and loyalty to the City of Kinston. The program is designed to encourage long term employment, and to retain highly motivated, productive and qualified employees.

3.2 The amount of longevity payment is based upon the length of completed continuous service in a regular, full-time position.

3.3 Employees eligible to receive a longevity payment will be given a lump sum payment based upon continuous service in a regular, budgeted position with the City of Kinston and base annual salary as of June 30 of the respective year. The payment will be distributed via direct deposit on the Wednesday preceding Thanksgiving.

4.0 Definitions

4.1 Continuous service exists when there is no break in service. A break in service occurs when an employee is rehired following resignation or discharge. An employee re-instated within 90 days of his/her resignation is deemed to have continuous service for the purpose of this policy.

Subject: Longevity Pay	Policy No.: 2	Rev. #: 2	Revision Date: 7/31/2016	Effective Date: 8/01/2016	Page: 2 of 3
---------------------------	------------------	--------------	-----------------------------	------------------------------	-----------------

4.2 A regular, full-time employee is defined as an employee who is assigned to a position specifically authorized in the budget. The employee must be regularly scheduled to work at least 80 hours per two week period and must be eligible to receive other full-time City benefits.

4.3 Active service includes regular hours and includes approved leaves such as vacation, sick and FMLA.

5.0 Procedures

5.1 Eligibility Requirements

A) To be eligible for longevity payment, an employee must be a full-time regular employee assigned to an approved full-time regular position and must have completed the appropriate amount of continuous service by June 30 of each year. The date of eligibility and must be in active service as of June 30 and the date of issuance, unless a retiree.

B) Employees who have met all other requirements for longevity and who retire under service or disability retirement or die in service may receive a final longevity payment. Those retiring with an effective date of July 1, August 1, September 1, October 1, November 1, or December 1 will receive a full annual longevity payment.

An employee dying in service on or after July 1, but before December 2 shall have one final longevity check payable to his/her estate.

C) Credit for continuous service shall not be given for temporary full-time or temporary part-time employment.

D) City Council appointed employees, including the City Manager, City Clerk and City Attorney, shall be eligible for longevity pay as are other City employees when and at such time as they may meet the requirements set forth in this section.

The City Attorney's base pay/salary shall be computed by multiplying the number of hours worked for and billed to the City during the twelve month period July 1 through June 30 of each year, times his/her approved hourly rate as of June 30 of that same period.

6.0 Calculating Longevity Payments

6.1 The amount of the longevity payment will be calculated based upon the length of active service and rate of base annual pay associated with the grade to which the

Subject: Longevity Pay	Policy No.: 2	Rev. #: 2	Revision Date: 7/31/2016	Effective Date: 8/01/2016	Page: 3 of 3
---------------------------	------------------	--------------	-----------------------------	------------------------------	-----------------

employee is assigned as of June 30. The rate of payment is computed on vase annual salary as follows:

<u>Years of Services as of June 30</u>	<u>Amount</u>
Less than 5 years	\$0
More than 5 years but less than 10 years	1.5%
More than 10 years but less than 15 years	2.0%
More than 15 years but less than 20 years	2.5%
More than 20 years but less than 25 years	3.0%
More than 25 years but less than 30 years	3.5%
30 Years or more	4.0%

6.2 Longevity Pay is not considered a part of annual base pay for pay and classification purposes, nor is longevity recorded in an employee's personnel record as a part of annual base salary.

6.3 The following deductions are to be made from each longevity payment:

Federal Withholding Tax
State Income Withholding Tax
Social Security Tax (FICA)
Employee's Retirement Contribution

No other deductions shall be made from the check.

6.4 Longevity funds will be available for use on the Wednesday preceding Thanksgiving.

6.5 Human Resources will forward a listing of employees whose employment dates indicate the appropriate years of service to receive longevity pay. The listing will indicate the amount of longevity pay, the date of hire, the number of service years and the appropriate organization.

6.6 Each department is responsible for verifying eligibility, years of service and amount of pay.

6.7 Appropriations for longevity pay are made annually by the approval of the City Council.