

Longevity Pay

Policy Longevity pay is to recognize long-term service. An eligible employee who has at least ten (10) years of total State service shall receive a lump sum payment annually as outlined below.

Payment shall be made during the same monthly pay period or by the second biweekly pay period following the date the employee is eligible to receive longevity pay. This includes employees on workers' compensation leave.

Covered Employees

Type of Appointment	Is Employee Eligible?	
	Yes	No
Full-time Permanent, probationary trainee, time-limited permanent	x x	
Part-time (20 hours or more) Permanent, probationary trainee, time-limited permanent	x x	
Temporary, intermittent		x

Amount of Longevity Pay

Annual longevity pay amounts are based on the length of total State service and a percentage of the employee's annual rate of base pay on the date of eligibility. Longevity pay amounts are computed by multiplying the employee's base pay rate by the appropriate percentage from the following table: (Note: Salary increases effective on the longevity eligibility date shall be incorporated in the base pay before computing longevity.)

Years of Total State Service	Longevity Pay Rate
10 but less than 15 years	1.50 percent
15 but less than 20 years	2.25 percent
20 but less than 25 years	3.25 percent
25 or more years	4.50 percent

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Longevity Pay, Continued**Total State
Service Defined**

Total State service is the time of full-time or part-time (20 hours or more) employment of employees with a permanent, trainee, probationary or time-limited appointment, whether subject to or exempt from the State Personnel Act. If an employee so appointed is in pay status or is on authorized military leave or workers' compensation leave for one-half or more of the regularly scheduled workdays and holidays in a pay period, credit shall be given for the entire pay period.

If an employee's work schedule is less than 12 months and the employee works all the months scheduled (e.g., a school year), the agency shall credit time for the full year; however, if the employee works less than the scheduled time, the agency shall credit time on a month for month basis for the actual months worked.

Credit shall also be given for:

- Employment with other governmental units which are now North Carolina State agencies (Examples: county highway maintenance forces, War Manpower Commission, Judicial System).
- Authorized military leave from any of the governmental units for which service credit is granted provided the employee is reinstated within the time limits outlined in the State military leave policies.
- Authorized worker's compensation leave from any of the governmental units for which service credit is granted;
- Employment with the county Agricultural Extension Service; Community College System and the public school system of North Carolina, with the provision that a school year is equivalent to one full year (credit for a partial year is given on a month-for-month basis for the actual months worked).
- Employment with a local Mental Health, Public Health, Social Services or Emergency Management agency in North Carolina if such employment is subject to the State Personnel Act.
- Employment with the North Carolina General Assembly (except for participants in the Legislative Intern Program and pages). All of the time, both permanent and temporary, of the employees shall be counted; and the full legislative terms of the members.

**Separations -
Prorated
Longevity
Payment**

A prorated longevity payment shall be made to an eligible employee who retires, resigns or is otherwise separated before the date of annual eligibility.

When an employee dies, payment shall be made to the estate.

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Longevity Pay, Continued**Separations -
Prorated
Longevity
Payment
(continued)**

The longevity pay amount shall be computed on the salary as of the last day worked; then it is prorated by an amount equal to the proportion of the year worked toward the annual eligibility date.

Example: The employee will receive 1/12 of the annual amount for each month worked toward the next longevity payment. Thus, if an employee received longevity on January 1 and separates on July 31, 7/12 of the full longevity payment would be paid.

The payment should be made to the nearest cent rather than the nearest dollar. The only exception is if an employee has a fraction of a year toward the next higher percentage rate, the payment would be based on the higher rate. For example, if an employee has 19 years and 3 months service, the payment would be 3.25% rather than 2.25%.

If the employee is reinstated, the balance of the longevity payment shall be made upon completion of additional service totaling 12 months since the last full longevity payment. The balance due is computed on the annual salary being paid at the completion of the 12 months.

**Transfers
Between State
Agencies**

If an employee transfers between State agencies, the receiving agency shall pay the longevity payment based on the salary in effect on the eligibility date.

**Reemployment
From Another
System**

If an employee comes to work in a position that is subject to the Personnel Act from a system (such as judicial, county, public schools, etc.) that has a longevity policy which allows partial payments, the receiving State agency shall verify that such payment was or was not made. Then, the State agency shall pay the remainder of the payment when the employee becomes eligible.

**Appointment
Change**

If an employee's appointment changes to an appointment type that is ineligible for continued longevity pay, a prorated longevity payment shall be made as if the employee were separating from State service. Exception: The prorated payment is not required if the appointment change is of a temporary nature and will result in the employee returning to their longevity eligible appointment status prior to their next annual eligibility date.

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Longevity Pay, Continued

**Appointment
Change
(continued_**

Example: On May 1 an employee with 12 yrs 3 mos TSS transfers from SPA to EPA and is expected to transfer back to an SPA appointment on September 1 before the next anniversary date of February 1; therefore, the prorated longevity payment is not required.

**LWOP (except
Mil. Lv., Short
Term Disab.,
and WC Leave)**

If an eligible employee goes on leave without pay, longevity shall not be paid until the employee returns and completes the full year. If, however, the employee should resign while on leave without pay, the prorated amount for which the employee is eligible is paid.

Military Leave

If an eligible employee goes on extended military leave without pay, a longevity payment computed on a prorata basis shall be paid. The balance will be paid when the employee returns and completes a full year. Then, a full payment will be made on the employee's longevity date that was established before going on leave without pay.

Example: Received longevity on 6-1-95 on 11 years; extended military leave without pay on 9-1-95 (pay 3/12 longevity on 12 years); reinstated on 12-1-96; pay 9/12 longevity effective 9-1-97 on 13 years (has 13 years 3 months total State service); pay full longevity effective 6-1-98 on 14 years.

**Short-Term
Disability**

If an eligible employee goes on leave without pay due to short-term disability, a prorated longevity payment may be made at the time the employee leaves.

**Workers'
Compensation**

If an eligible employee goes on workers' compensation leave, longevity shall be paid as if the employee were working.

**Agency
Responsibility**

Each State agency head shall be responsible for determining the quantity of qualifying service of each employee of that agency. Upon eligibility for longevity pay, the agency shall submit proper forms for payment and certify the length of qualifying service to the Office of State Personnel.

**Effect of
Longevity Pay**

Longevity pay is not a part of annual base pay for, nor is it to be recorded in personnel records as a part of annual base salary.
