



CITY OF KINSTON

Personnel Policy

Subject: Longevity Pay	Section: Holiday/Leave/Longevity		Review Responsibility: Director of Human Resources		
	Policy #: 2	Effective Date: 3/1/2025	Rev. #: 3	Revision Date: 2/14/2025	Page: 1 of 3
	Supersedes: 8/1/2016	Prepared By: Tiffany Smith, HR Dir. <i>TS</i>	Approved By: Rhonda Barwick, City Manager <i>RB</i>		

1.0 Purpose

The City of Kinston has established a longevity compensation program to express appreciation for long-term service and dedication. This program aims to recognize employees who have demonstrated consistent loyalty and extended service to the City. Subject to available funding and annual City Council appropriation, the program provides annual longevity payments to employees based on their length of service.

2.0 Departments Affected

All regular, full-time employees in all departments.

3.0 Policy

- 3.1 The City of Kinston has created a program to acknowledge employees' long-term commitment and loyalty to the organization. This program is intended to promote retention, enhance employee motivation, and reward employees who have demonstrated exceptional dedication to the City.
- 3.2 The longevity payment amount is determined by the employee's length of continuous service in a regular, full-time position within the City of Kinston. Service with other state or local agencies will not be considered in calculating longevity pay.
- 3.3 Eligible employees will receive a lump-sum longevity payment based on their continuous service in a regular, budgeted position with the City. The payment will be calculated using the employee's base annual salary as of June 30 of each year and will be distributed via direct deposit on the Wednesday preceding Thanksgiving.

4.0 Definitions

- 4.1 Continuous service: Refers to uninterrupted employment with the City of Kinston. A break in service occurs when an employee is rehired after resignation or discharge. Employees reinstated within 90 days of resignation are considered to have continuous service for the purposes of this policy.

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- 4.2 Regular, full-time employee: 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 regularly scheduled work hours, as well as approved leaves such as vacation, sick leave, and Family and Medical Leave Act (FMLA) leave.

5.0 Procedures

5.1 Eligibility Requirements

- A) To be eligible for longevity payment, an employee must be a regular, full-time employee assigned to an approved fulltime position and must have completed the appropriate amount of continuous service by June 30 of each year. Employees must be in active status as of June 30 and the date of payment issuance, unless they retire or die in service.
- B) Employees who meet all other requirements for longevity and retire under the Local Governmental Employees' Retirement System (LGERS), whether through service or disability retirement, or who die in service, may be eligible to 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.

In the event of death in service on or after July 1 and before December 2, the final longevity payment will be issued to the employee's estate.

- C) Credit for continuous service is not given for temporary full-time, temporary/seasonal, or part-time employment.
- D) City Council appointed employees, including the City Manager and City Clerk, are eligible for longevity pay upon meeting the conditions outlined in this policy.

6.0 Calculating Longevity Payments

- 6.1 The longevity payment is calculated based on the length of active service and the employee's base annual salary as of June 30. The rate of payment is as follows:

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<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 part of an employee's annual base pay for pay and classification purposes, nor is it recorded in the employee's personnel record as part of their 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 The Human Resources department will prepare a list of employees eligible for longevity payments, including the longevity amount, base salary, hire date, and years of service. Each department is responsible for verifying employee eligibility, years of service, and the correct payment amount.

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