**SECTION: PAY AND COMPENSATION**

**POLICY:** Longevity **EFFECTIVE DATE:** insert date adopted

**STATEMENT OF PURPOSE:**

The purpose of this policy is to recognize and reward employees for their continued service and dedication to the City. Longevity pay is designed to provide an additional financial incentive for long-term employees to encourage retention and acknowledge their years of contribution to the organization.

**DEFINITIONS:**

1. Longevity Pay: Additional compensation given to employees based on the length of their service with the City.
2. Years of Service: The total number of full years of continuous employment with the City.
3. Eligible Employees: Employees who have completed at least one full year of service and are not on a temporary or probationary status.
4. Separation: The termination of an employee’s employment, whether voluntary or involuntary.

**APPLICABILITY:**

This policy applies to all regular full-time employees of the City who have met the eligibility requirements for longevity pay. It does not apply to part-time, temporary, or contract employees, unless otherwise stated in their employment agreements.

**POLICY:**

1. Eligibility for Longevity Pay:
	1. Employees are eligible for longevity pay after completing one full year of service with the City.
	2. Eligibility is based on the employee’s anniversary month, i.e., the end of the month in which the employee began employment.
2. Longevity Pay Rate:
	1. Longevity pay is granted at a rate of $4.00 per month for each year of service, or a higher amount as determined by the City.
	2. The maximum eligibility for longevity pay is based on 25 years of service, meaning the maximum longevity pay an employee can receive is $100.00 per month (25 years x $4.00).
3. Payment Schedule:
	1. Longevity pay may be paid either as an annual lump sum or as part of each regular payroll check, depending on the City’s arrangement.
4. Partial Longevity at Separation:
	1. Unless otherwise required by law (e.g., Police and Fire), partial longevity pay will not be granted upon an employee’s separation from the City.
	2. Employees who leave the City prior to completing a full year of service will not be entitled to any longevity pay for that year.

**PROCEDURES:**

1. Eligibility Determination:
	1. The employee’s eligibility for longevity pay will be reviewed by Human Resources at the anniversary of their hire date.
	2. Human Resources will calculate the amount of longevity pay based on the employee's total years of service with the City.
2. Payment Adjustment:
	1. Longevity pay will be included in the overtime rate calculation.
	2. Longevity pay will be adjusted each year to reflect the employee's continued years of service. The pay amount will increase by $4.00 per month for every additional year of service until the employee reaches 25 years of service.
	3. Employees will receive their longevity pay along with their regular salary payment on the selected schedule.
3. Separation Procedures:
	1. If an employee separates from the City, they will not receive partial longevity pay unless otherwise required by law.
	2. Payroll will ensure that any outstanding longevity pay is settled during the final paycheck, based on the employee's tenure, payment frequency, and legal requirement.