

## Longevity Pay Policy

---

### Contents:

§ 1.	Policy .....	87
§ 2.	Covered Employees .....	87
§ 3.	Amount of Longevity .....	87
§ 4.	Separation – Prorated Longevity Payment .....	89
§ 5.	Transfer between State Agencies .....	89
§ 6.	Reemployment from Another System .....	90
§ 7.	Appointment Change .....	90
§ 8.	LWOP (except Military Leave, Short-Term Disability, and WC Leave) .....	90
§ 9.	Military Leave .....	90
§ 10.	Short-Term Disability .....	91
§ 11.	Workers' Compensation .....	91
§ 12.	Agency Responsibility .....	91
§ 13.	Effect of Longevity Pay .....	91
§ 14.	Sources of Authority .....	91
§ 15.	History of This Policy .....	91

---

### § 1. 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.

---

### § 2. Covered Employees

Full-time and part-time (20 hours or more) permanent, probationary, and time-limited employees are eligible for longevity pay.

Part-time (less than 20 hours) and temporary employees are not eligible for longevity pay.

---

### § 3. Amount of Longevity

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.)

## Longevity Pay Policy (cont.)

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

### § 4. 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, probationary or time-limited appointment, whether subject to or exempt from the State Human Resources 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 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).

## Longevity Pay Policy (cont.)

---

- 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 Human Resources Act.
  - Employment with the 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.
- 

### § 5. Separation – 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. 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.

---

### § 6. Transfer 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.

---

## Longevity Pay Policy (cont.)

---

### § 7. Reemployment from Another System

If an employee comes to work in a position that is subject to the Human Resources 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.

### § 8. 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.

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.

---

### § 9. LWOP (except Military Leave, Short-Term Disability, 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.

---

### § 10. Military Leave

If an eligible employee goes on extended military leave without pay, a longevity payment computed on a prorated 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.

## Longevity Pay Policy (cont.)

---

---

### § 11. 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.

---

### § 12. Workers' Compensation

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

---

### § 13. 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 Human Resources.

---

### § 14. 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.

---

### § 15. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. § 126-4\(2\)](#)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01D .0800](#)
- 

### § 16. History of This Policy

Date	Version
1961	First version - New policy General Assembly passed enabling legislation (Amendment to G.S. 143-36)

**Longevity Pay Policy (cont.)**

1962	Longevity policy established. Requires employee to have 15 years of employment with the State as a permanent, full-time employee and have served the last three years of employment at the maximum annual rate of his classification; and be recommended by the agency head as having served the State in a meritorious manner worthy of recognition and encouragement. (First payment between February 1-15, 1963, who were eligible on December 1, 1962.)
January 25, 1963	If the employee's present salary does not exceed the maximum annual rate for his classification by more than the scheduled longevity payment, the employee will be eligible to receive the full longevity payment, based on the maximum of his salary grade.
July 1, 1973	New longevity plan adopted - graduated percentage based on aggregate service beginning with 15 years. Aggregate service revised to include local SPA employment.
August 3, 1973	Aggregate service to include permanent part-time employment.
December 13, 1974	Aggregate service amended to include County Agriculture Extension Service.
July 1, 1975	Approved partial longevity payments for employees leaving.
July 1, 1977	Longevity pay to begin at completion of 10 years at the rate of 1.5%. Revised to allow service for authorized military leave from any of the governmental units for which service credit is granted.
August 1, 1981	Aggregate service - clarifies that service credit will be given for any month in which an employee works at least half of the workdays in that month.
October 1, 1981	Reestablishes that an employee will be credited for a full month in any month in which the employee works at least half of the workdays in that month. AND deletes the sentence stating "provided that the employee was working at the time these units became state agencies" dealing with other governmental units.
July 1, 1982	Aggregate service amended to include former employment in the General Assembly.

**Longevity Pay Policy (cont.)**

December 1, 1982	Aggregate service credit - clarifies that permanent part-time employees are credited with aggregate service on a pro rata basis.
June 1, 1983	Redefinition of aggregate service.
1987-1989	Appropriations Act amended G.S. § 138-4 to provide longevity pay for executives on same basis as SPA employees effective July 1, 1987.
July 1, 1987	Added legislative terms of members to aggregate service.
January 1, 1989	Pay status changed to half the workdays and holidays.
July 1, 1989	Part-time employees granted Longevity - Full total State service granted for part-time employment if half-time or more.
August 1, 1995	Changes the terminology in other policies to "permanent, probationary, trainee appointment" rather than "permanent, probationary, trainee employment." In addition, "time-limited" appointment has been spelled out in the appropriate policies, whereas, in the past, this type of appointment was considered to be a type of "permanent" appointment.
January 1, 2002	Revised to include an omission: Add Workers' Comp Leave under creditable total state service.
November 1, 2004	Clarified how longevity is paid upon transfer to an appointment type that is ineligible for continued longevity pay.
September 7, 2017	Policy revised to delete all reference to trainee appointments, per appointment types and career status.