

## Longevity Pay

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## Contents

- I. General Policy
- II. Exclusions
- III. Basis of Longevity/Accrual of Lifetime Service Credit
- IV. Amount
- V. Schedule of Payment
- VI. Payments
- VII. Status Change
- VIII. Transfers
- IX. Method of Payment - Taxability

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### I. **General Policy**

A state employee is entitled to have longevity pay included in the employee's monthly compensation if the employee:

- A. is a full-time state employee on the first workday of the month;
- B. is not on leave without pay on the first workday of the month; **and**
- C. has accrued at least two years of lifetime service credit not later than the last day of the preceding month.

### II. **Exclusions**

The following are not entitled to longevity pay under this subchapter:

- A. an independent contractor or an employee of an independent contractor;
- B. a temporary employee;
- C. an academic employee of a state institution of higher education.
- D. Employees employed in positions which require student status as a condition of employment.
- E. Employees who receive Hazardous Duty Pay.

### III. **Basis of Longevity/Accrual of Lifetime Service Credit**

Longevity for the purposes cited herein shall be the same as the basic state service utilized for the determination of annual leave rate accrual and includes certain time spent in military service.

- A. An employee accrues lifetime service credit for the period in which the employee:
  - 1. serves as a full-time, part-time, or temporary state employee or otherwise serves as an employee of the state;
  - 2. serves as a member of the legislature;
  - 3. holds a statewide office that is normally filled by vote of the people; or
  - 4. serves as an academic employee of a state institution of higher education.
- B. An employee who is on leave without pay for an entire calendar month does not accrue lifetime service credit for the month. An employee who is on leave without pay for less than an entire calendar month accrues lifetime service credit for the month if the employee otherwise qualifies to accrue credit under III.A of this procedure.
- C. An employee who simultaneously holds two or more positions that each accrue lifetime service credit accrues credit for only one of the positions.
- D. An employee who begins working on the first workday of a month in a position that accrues lifetime service credit is considered to have begun working on the first day of the month.
- E. An employee does not accrue lifetime service credit for a period in which the employee serves as an officer or employee of a public junior college.
- F. The amount of an employee's lifetime service credit does not include the period served in a hazardous duty position if the employee is:
  - 1. entitled to receive hazardous duty pay under [Texas Government Code, Section 659.302](#)
  - 2. receiving the maximum amount of hazardous duty pay that the Texas Youth Commission may pay to the employee under [Texas Government Code, Section 659.302](#)
- G. A state employee who retired from state employment before June 1, 2005, and returned to state employment before September 1, 2005, is entitled to receive the longevity pay the employee was entitled to receive immediately before September 1, 2005. (longevity pay is frozen and does not increase with additional service)

- H. A state employee who retired from state employment and returns to state employment on or after September 1, 2005, is not entitled to receive longevity pay.

**IV. Amount**

- A. The monthly amount of longevity pay is \$20 for every two years of lifetime service credit.
- B. The amount increases when the 2nd, 4th, 6th, 8th, 10th, 12th, 14th, 16th, 18th, 20th, 22nd, 24th, 26th, 28th, 30th, 32nd, 34th, 36th, 38th, 40th, and 42nd years of lifetime service credit are accrued.
- C. An increase is effective beginning with the month following the month in which the 2nd, 4th, 6th, 8th, 10th, 12th, 14th, 16th, 18th, 20th, 22nd, 24th, 26th, 28th, 30th, 32nd, 34th, 36th, 38th, 40th, and 42nd years of lifetime service credit are accrued.

**V. Schedule of Payment**

Longevity Pay will be based on two-year increments of service in accordance with the following schedule:

Total State Service in Months	Years	Monthly Longevity Pay	Total State Service in Months	Years	Monthly Longevity Pay
24	2	\$ 20.00	288	24	\$240.00
48	4	\$ 40.00	312	26	\$260.00
72	6	\$ 60.00	336	28	\$280.00
96	8	\$ 80.00	360	30	\$300.00
120	10	\$100.00	384	32	\$320.00
144	12	\$120.00	408	34	\$340.00
168	14	\$140.00	432	36	\$360.00
192	16	\$160.00	456	38	\$380.00
216	18	\$180.00	480	40	\$400.00
240	20	\$200.00	504	Greater than 42	\$420.00
264	22	\$220.00			

**VI. Payments**

Upon completion of twenty-four (24) months of service, Longevity Pay commences on the first day of the next month at the specified rate, and it continues at that rate until the completion of an additional twenty-four (24) month service increment. Longevity Pay will not be prorated. A change of status {i.e. completion of a twenty-four (24) month service increment} which occurs during a month will become effective the first

day of the following month. For example, an employee appointed on September 1st of a given year completes 24 months of service on August 31st, two years later. The longevity payment will commence on the first day of the next month, September 1st. Accordingly, an employee appointed on September 2nd of a given year will complete 24 months of service on September 1st two years later. Longevity pay will commence on the first day of the next month, October 1st.

## VII. **Status Change**

Full-time employees who meet the year-of-service requirements with academic appointments receive longevity pay if their status changes to non-academic during the year. The effective date to begin receiving longevity pay is the first full month following the change to non-academic status.

## VIII. **Transfers**

The institution or agency employing an individual on the first day of the month will be responsible for longevity pay.

## IX. **Method of Payment - Taxability**

- A. Longevity pay is considered a part of total compensation although the base salary rate of an employee is not affected by such payment.
- B. Separate lump sum payment for longevity pay is not authorized; such payment is included as part of the regular payroll procedure.
- C. The inclusion of longevity pay as a part of TOTAL COMPENSATION affects the amount of group insurance and other benefit calculations, and retirement contributions. Longevity pay is subject to federal income tax, social security deductions and retirement contributions.
- D. Longevity pay shall not be considered in making calculations for lump sum payment of vacation upon termination or lump sum payment of sick leave made to the estate of an employee who died.
- E. Longevity pay is included in calculating the overtime rate.
- F. Longevity pay shall be paid from the same source of funds from which an employee's regular salary is paid.