

Memorandum

City of Lawrence

TO: David L. Corliss, City Manager

FROM: Diane Stoddard, Assistant City Manager
Lori Carnahan, Human Resources Manager
Marlo Cohen, Management Analyst

CC: Cynthia Wagner, Assistant City Manager
Jonathan Douglass, Assistant to the City Manager

Date: November 8, 2011

RE: 2011 Longevity Payments

Background

Each November, the City Commission considers whether to make a discretionary¹ longevity payment in December to employees who have completed five or more continuous years of full-time regular employment as of January 1 of the current fiscal year. The 2010-2011 Memoranda of Understanding with the IAFF Local 1596 and the Lawrence Police Officers Association (LPOA) require longevity to appear on the regular agenda. Longevity payments vary according to length of service, and are calculated using the following formula:

Completed years of service (as of December 31 of the current fiscal year) x rate/year =
Longevity payment

Example: 20 years of service x \$48/year = \$960

The 2011 adopted budget includes funding for longevity payments based on a rate of \$48/year. The maximum estimated total longevity payment amount, if approved, is \$411,904.32, and will be adjusted downward for employees who separate from service prior to the payment date, or December 2, 2011. While longevity payments have existed for a longer period, the history of the program since 1997 is provided in Table 1.

¹ The 2010-2011 Memoranda of Understanding with the IAFF Local 1596 and the Lawrence Police Officers Association (LPOA) acknowledge the discretionary nature of the longevity payment.

Table 1. History of Longevity Payments, 1997-2010										
Date Paid	Amount Pd/Mo	Amount Pd/Year	Latest Date of Service Eligible	Cap on years of Service	# of Emp Rec Pmt	Amount Increase	Percent Increase	Total Amount Paid	Amount Increase	Percent Increase
12/19/97	\$3.50	\$42	1/1/93	25	410	Unknown	Unknown	\$229,120.43	Unknown	Unknown
12/18/98	\$3.50	\$42	1/1/94	25	412	2	0.4%	\$232,809.57	\$3,689.14	1.6%
12/17/99	\$3.50	\$42	1/1/95	25	417	5	1.2%	\$237,854.92	\$5,045.35	2.1%
12/15/00	\$4.00	\$48	1/1/96	25	424	7	1.7%	\$279,507.96	\$41,653.04	17.5%
12/14/01	\$4.00	\$48	1/1/97	None	431	7	1.7%	\$294,583.80	\$15,075.84	5.4%
12/13/02	\$4.00	\$48	1/1/98	None	449	18	4.2%	\$300,859.89	\$6,276.09	2.1%
12/12/03	\$4.00	\$48	1/1/99	None	472	23	5.1%	\$319,135.93	\$18,276.04	6.1%
12/23/04	\$4.00	\$48	1/1/00	None	480	8	1.7%	\$333,279.96	\$14,168.03	4.4%
12/23/05	\$4.00	\$48	1/1/01	None	502	22	4.6%	\$347,251.92	\$13,971.96	4.2%
12/08/06	\$4.00	\$48	1/1/02	None	533	31	6.2%	\$363,588.00	\$16,336.08	4.7%
12/07/07	\$4.00	\$48	1/1/03	None	563	30	5.6%	\$380,727.85	\$17,139.85	4.7%
12/07/08	\$4.00	\$48	1/1/04	None	558	-5	-0.8%	\$389,815.89	\$9,088.04	2.3%
12/04/09	\$4.00	\$48	1/1/05	None	561	3	0.5%	\$392,763.75	\$2,947.86	0.8%
12/03/10	\$4.00	\$48	1/1/06	None	564	3	0.5%	\$396,743.70	\$3,979.95	1.0%
12/02/11	\$4.00	\$48	1/1/07	None	583	19	3.4%	\$411,904.32	\$15,160.62	3.8%

City Commission Suggested Parameters and Options for Consideration of 2011 Longevity Compensation

The following are general pay parameters that have historically been utilized regarding the calculation of employee longevity payments:

- 1) Longevity is a discretionary payment considered by the City Commission each year.
- 2) If approved, longevity payments:
 - a) Commence January 1 of the year following the fifth (5th) year of employment. *(2011: full-time regular employees with a service date of 1-1-2007 or earlier)*
 - b) Be issued by a special paycheck in December. *(2011: December 2, 2011)*
 - c) Credited for all whole years completed as of December 31 at the established rate multiplied by the number of years of consecutive service with the City of Lawrence.
- 3) Periods of military leave will not constitute a break in consecutive service, as long as the employee returns to work immediately after discharge. *(2011: 1 employee)*
- 4) If longevity is approved for payment, any employee who retires or is approved for long-term disability during the current fiscal year shall receive longevity at a pro-rated basis according to the following parameters:
 - a) 1/12 for each month worked in the current year multiplied by number of years of service multiplied by the annual rate as determined by 2c.
- 5) Employees, who voluntarily terminate employment, are separated by the City, die, or leave City employment for any reason other than KPERS/KP&F retirement or approved long-term disability during the year, are not eligible to receive longevity.
- 6) If longevity payments are issued, the following will apply to the checks received:
 - a) All required federal and state deductions including
 - i) Income tax withholding

- ii) KPERS and KP&F contributions (including double and triple deductions) for active employees
- iii) KPERS & KP&F contributions will NOT apply for retirees
- b) Garnishments and tax levies currently in force.

2011 Timeline

Longevity payments considered by City Commission:	November 15, 2011
Longevity payments processed in payroll:	November 29, 2011
Longevity bonuses paid (if approved):	December 2, 2011