

# Employee Compensation

## Longevity Payments



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# Employee Compensation

- Align with the organization's values & strategic plan.
- Designed to award and reward employees who perform work in support of the organization's goals.



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# Employee Compensation

“A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.”

- Society for Human Resource Management, May 2018



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# Longevity

- One time discretionary payment awarded by the City Commission to employees for years in a eligible employment status.
- Awarded most years



# Longevity History

- 412-597 employees per year have received longevity
- Ranging from \$229,120 in 1997 to \$472,584 proposed for 2018



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# Longevity History

- Awarded for full years of continuous service
- Referenced in MOUs
- Annual discretionary status is with the City Commission



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# Longevity Compensation

“Longevity is a traditional and tenured benefit found in the public sector that has not proven to be effective toward promoting efficient and effective services.....Financial resources would be better served providing employees market compensation or enhancing a specific benefit available to all employees.....”

-McGrath Human Resources Group, 2018



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# Longevity 2018

City staff propose that Longevity 2018 be paid according to the historical formula:

- \$48/completed year of service ( $\$4 \times 12$ )
- 5 or more continuous years of eligible employment as of 1/1/2019



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# Longevity 2019 and after

- Remove discretionary status for employees in an eligible status prior to 1/1/2019 not otherwise covered by an MOU.
- Remove payment entirely for non-MOU employees hired 1/1/2019 and after.
- Formally place in Compensation program.



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# Longevity 2019 and after

- Keep 5 or more continuous years of regular employment requirement.
- Replace payment formula with:
  - \$250 for 5 to 9 years of service,
  - \$500 for 10 to 14 years of service,
  - \$750 for 15 to 19 years of service,
  - \$1,000 for 20 or more years of service.



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# Longevity Savings to Other Compensation

The difference between the two formulas (approximately \$64,385 for 2019) be diverted to other compensation programs for non-MOU employees such as merit pools or market adjustments.



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# Longevity

Thank you



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