

POLICIES

Issued: June 14, 2017

**Responsible
Official:** Executive Vice President and
Chief Operating and Financial
Officer

**Responsible
Office:** Human Resources

Policy Statement

Policy Statement

It is the policy of the University, along with continued approval by the state legislature to reward full-time and eligible part-time employees who have completed 36 months of service to a state agency or institution with an annual longevity payment that is in recognition of their extended service.

Purpose

To define eligibility, amount, procedures, and schedule for payments made to full-time and part-time employees for longevity of service to state agencies and institutions.

Definitions

Academic Year

The academic year begins one week before the first day of fall semester classes and ends one week after spring graduation.

Fiscal Year

The fiscal year begins July 1 and ends on June 30.

Eligible Service

Services must be with the State of Tennessee, which includes agencies, offices, departments or other state subdivisions as defined by state law including other state institutions of higher education.

Procedures

Eligibility

Upon completion of 36 months of eligible service, all regular full-time faculty and staff are eligible to receive longevity payments.

In addition, regular part-time employees who are scheduled to work 1600 or more hours (82.1% FTE or more) in a year and who have 36

months of eligible service are also eligible to receive longevity payments.

Any regular full-time employee who is temporarily working a reduced work schedule of not less than 50 percent of full-time and for a period not to exceed six months, shall continue to receive service credit for longevity purposes during that period of less than full-time service and will incur no change in his or her longevity anniversary date.

**Longevity
Anniversary Date**

A longevity anniversary date is established for all employees who are eligible or potentially eligible to participate in the program. The longevity anniversary date is the date used to (1) calculate the required 36 months of creditable regular state service at or above 82.1% and (2) to pay subsequent longevity payments each year.

All periods of eligible service as defined above are considered when establishing the employee's longevity anniversary date.

To ensure proper longevity credit, the employee should make a note of prior state service on the application for employment.

**Adjusted Longevity
Anniversary Date**

A longevity anniversary date may be adjusted for two reasons:

- A break in service created because the employee terminated and was re-hired by a state agency or institution
- The employee was on leave without pay at the University of Memphis for a major fraction of a month.

Payments

The state legislature establishes annually the longevity payment rate per year. Beginning 36 months after the longevity anniversary date, the eligible employee shall receive a longevity payment for each year of creditable service up to the maximum provided by law.

Calculation of longevity payments is based on an employee's total years of eligible service and the rate of payment in effect for the fiscal year in which the payment is made. Longevity is paid at the rate of \$100 times the number of years of service up to a maximum benefit level of 30 years. Longevity pay is subject to Federal Income Tax and Social Security taxes. The gross dollar value of the longevity payment is considered as eligible salary for purposes of calculating retirement benefits.

**Limit on Number of Payments
Per Year**

There is no provision for pro rata payment of longevity, e. g., completion of a partial year of service. At least one full year must elapse between longevity payments when a break in service has occurred, and normally only one longevity payment is paid within a 12-month period.

**Employees Who Retire or
Separate from the University**

Academic Year Faculty

Retiring faculty on academic year appointments must complete contract year obligations to be eligible for longevity payments.

Faculty who are on an academic year appointment and have a mid-academic year longevity date will receive longevity pay if they complete the equivalent of a full academic year by the longevity anniversary date. For example: A faculty member's longevity date was established as January 5 (the beginning of the spring semester). He or she retires on December 19 (end of the fall semester). Since the faculty member completed a full year of instruction or research, he or she would receive the longevity payment. Conversely, a faculty member retiring on December 19 whose longevity date has been adjusted to March 1 due to unpaid leave of absence or other break in service would not be eligible to receive longevity pay.

An academic year faculty member who has a September longevity anniversary date may leave the University at the end of the academic year and be considered to have completed a full year of service. In this case, the faculty member may receive two longevity payments in the same fiscal year, i. e., in September prior to leaving and again in June upon leaving. Otherwise, there must be one full year between longevity payments.

Fiscal Year Faculty and Staff

Faculty and staff on 12-month appointments must complete a full 12 months of service before receiving their next longevity payment.

If a separating employee is still in active payroll status on his or her longevity anniversary date, a longevity payment shall be made even if the employee is no longer actively working. For example, employees who are on terminal leave when their longevity anniversary date occurs will receive their longevity payment.

Longevity Continuance

Longevity pay is subject to annual action by the state legislature as well as funding by the Tennessee Assembly.

FAQs

Will my Longevity Date be adjusted while I am out on Military Leave?

Not while in paid military leave or annual leave tatus. However, if paid military leave and available annual leave is exhausted, and you are placed on a leave without pay status, your longevity anniversary date will be adjusted.

NOTE: During times of national emergency, special provisions for benefits may be enforced.

I was out on a Professional Development Assignment for one year. Will my Longevity Date be adjusted?

No. As long as the Professional Development Assignment (PDA) was approved and the leave time was paid, your date will not be adjusted. However, if you extend your leave past one year and are in unpaid status for more than a major fraction of a month, your anniversary date will be adjusted.

Revision Dates

HR5014 - Supersedes UM1575 March 28, 2018
UM1575 - Revised June 14, 2017
UM1575 - Revised July 12, 2006
UM1575 - Revised June 16, 2006
UM1575 - Issued July 14, 2004
(Supersedes procedure number 2D:05:12E)

Subject Areas:

| Academic | Finance | General | Human Resources | Information Technology | Research | Student Affairs |
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