

Longevity

District Training June 2022

What is it?

State program created in 1982
to attract and retain employees

Conservation district employees
are not state employees, so at
first glance it seems you are not
eligible, but...

Title 74, Section 840-2.18b
includes language that
authorizes a longevity program
for district employees

74-840-2.18

B. The Oklahoma Conservation Commission is hereby authorized to establish a longevity pay program for employees of the conservation districts employed under Section 3-3-103 of Title 27A of the Oklahoma Statutes. Such longevity pay program shall be consistent with the longevity pay program for state employees authorized under this title and payments shall be made in a manner consistent with procedures for reimbursement to conservation districts.

Our program must be consistent with the state's under the statute – rather than reinventing the wheel, we utilize the state program's guidelines and rules

Who is eligible?

- Full time employees & permanent part-time employees with a minimum of two years' service with no break in service longer than 30 days
 - Working 1,000+ hours in a year
 - Will be included as part of personnel allocation; allocation report will show number of years and amount

- A "year" for longevity purposes = working 1,000+ hours in a 12-month period based on hire date

Who is NOT eligible?

- Temporary part-time employees*
 - Working 999 hour or less in year
- A “year” for longevity purposes = working 1,000+ hours in a 12-month period based on your hire date

*If a temporary part-time employee transitions to full-time or permanent part-time employment, they may be eligible to receive service credit and longevity pay beginning in their first year of full employment

What counts as “Creditable Service?”

FULL OR PERMANENT PART-TIME

- Working 1,000+ hours per year
- No break in service of more than 30 days

TEMPORARY PART-TIME

- Working 150 hours or less per month
- Employment is continuous for at least 5 months
- 2/5 time worked (i.e. 40% of available working hours)

What counts as “Creditable Service?”

PARTIAL YEARS OF SERVICE

- Total years of service credit always rounded down
- Example: 5 years, 10 months = 5 years of creditable service

ANNIVERSARY DATE

- Beginning of each employee’s 12-month period for calculating longevity eligibility
- Most often will be your date of hire
 - Circumstances do exist where the anniversary date may not match your hire date with the district

What counts as “Creditable Service?”

- Not all service with all state entities is eligible
 - Years spent teaching are not eligible
 - Director service is not eligible
- Included in the hiring packet provided for new employees is a “Longevity Service Certification Form”
 - Assist the Commission and the employee in determining what service is creditable
- As of July 1, 2003, years of service at a local conservation district may be included when determining longevity for a district employee who transfers to the Commission

OCC is aware there may be permanent part-time employees or temporary part-time employees who have transitioned to full-time that may be due longevity. We are working to determine who may be affected and will contact districts individually once those determinations are completed.

Note:

Payments

Same schedule as is set out for the state program.

Payments begin after two years of eligible service and continue as long as there is not a break in service.

Payment should be made on the last working day of the month of the employee's anniversary date or in the month immediately following

Years of service	Annual longevity payment
At least two years but less than four years	\$250.00
At least four years but less than six years	\$426.00
At least six years but less than eight years	\$626.00
At least eight years but less than 10 years	\$850.00
At least 10 years but less than 12 years	\$1,062.00
At least 12 years but less than 14 years	\$1,250.00
At least 14 years but less than 16 years	\$1,500.00
At least 16 years but less than 18 years	\$1,688.00
At least 18 years but less than 20 years	\$1,900.00
At least 20 years	\$2,000.00
For each additional two years of service after the first 20 years, an additional \$200.00 shall be added to the amount stated for 20 years of service.	

Payments

- Employees must be in pay status on or after their anniversary date to be eligible for payments
- Longevity is paid in one lump sum annual payment
 - Employees working at least 1800 hours per year (150+ hours/month) receive the full payment amount
 - Employees working less than 1800 hours per year receive a prorated amount based on actual hours worked in the preceding 12 months
- Employees who retire are eligible to receive a prorated longevity payment based on their accrued service since their last longevity date

District Process

- Longevity payment must be included on an agenda for approval by the district board
 - Longevity payroll worksheet should be provided & board must take action to approve the payment
- Once approved, issue a check for the longevity payment
 - Do not include longevity as part of regular payroll – cut a separate check
- Report and pay required taxes and retirement
 - Failure to report longevity in a timely manner can affect the employee's retirement and bring the tax man
- Claim longevity for reimbursement from OCC
 - Must be claimed during the fiscal year it is allocated

Payroll Worksheet

Must be completed for longevity

Taxes and retirement must be taken out

OCC Column
Line 1 = Longevity amount
Line 2 = 1.00

	OCC
	Reimbursable
1 Monthly / Hourly Rate of Pay	\$2,000.00
2 Total Hours in Pay Status	1.00
3 Total Gross Earnings	\$2,000.00
<i>(Line 1 x Line 2)</i>	

Preclaim

Complete longevity summary at the bottom of the form

Will calculate retirement & add to the total for the employee

Enter longevity information the same column as regular pay information (i.e. 1 & 1)

	1	2	3	4
Employee Name:	J Smith			
Employee Title:	Dist. Admin.			
Hours Worked (173 hrs = full month):	173			
OCC Gross Earnings:	\$2,460.00	\$0.00	\$0.00	\$0.00
Local Earnings:	\$173.00	\$0.00	\$0.00	\$0.00
Total Gross Earnings:	\$2,633.00	\$0.00	\$0.00	\$0.00

LONGEVITY SUMMARY -

	1	2	3	4
Employee Name:	J Smith	0	0	0
Longevity Amount:	\$2,000.00	\$0.00	\$0.00	\$0.00
Longevity Retirement (3.5 Percent):	\$70.00	\$0.00	\$0.00	\$0.00
Step Up Longevity Retirement (2.91 Percent):	FALSE	FALSE	FALSE	FALSE

Taxes

- Must be paid and reported
- This includes reporting and paying any amount due to:
 - Federal taxes (941)
 - State withholding taxes
 - Unemployment
 - W2/W3



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Statute says longevity payments must be made consistent with our other procedures for reimbursing districts

Claiming for Reimbursement

- Include longevity on your regular salary reimbursement claim
- Use code 94 – longevity
- OSF-3 item amount = line 20 of the longevity payroll worksheet
- Backup documents:
 - Completed, signed in blue ink, longevity payroll worksheet
 - Proof of payment of 941 taxes for longevity (can be part of regular salary tax payment)

*A signed letter from the board state longevity is to be paid is no longer required!

Takeaways

Must be an eligible employee to receive longevity

Payment must be approved by the district board

Payable on the last working day of the month of the anniversary date or the month immediately following

Retirement and taxes must be paid and reported (this includes the preclaim)

Remember to claim for reimbursement

Questions?

July sessions will cover FY23 allocations & adopted policies; dates TBD.