

## AR 23-02

### AMENDING ADMINISTRATIVE REGULATION 18-01 RELATING TO THE LONGEVITY PAY PROGRAM

#### Section 1. Purpose

This administrative regulation is promulgated pursuant to direction from the City Commission as part of their approval of the FY 2005 Budget on June 28, 2004 regarding the establishment of a Longevity Pay program. This program shall commence on July 4, 2004 and shall continue as long as funding is provided in the annual budget process.

Administrative Regulation 18-01 amended AR 11-05 effective July 1, 2018 to change eligibility requirements in Section 2 from a 15-year consecutive minimum to a 10-year consecutive minimum.

Administrative Regulation 23-02 now amends AR 18-01 to change the amounts in Section 3 to reflect the new lump sum payment increase from \$5 per month of service to \$10 per month of service.

#### Section 2. Eligibility Requirements

- A. Employee must have at least 10 consecutive years (as defined in Section 4 (C) herein) with the City of Hobbs as a full-time or part-time employee.
- B. Employee must not be currently receiving any PERA retirement benefits.
- C. Employee must be employed on their anniversary date, no exceptions.

#### Section 3. Amount

Every employee who meets the eligibility requirements set forth in Section 2 whose anniversary date falls on July 1, 2023 or any date thereafter shall receive a lump sum payment of \$10 per month of service. On the tenth anniversary date, this amount shall be \$1200 and increase \$120 per year on each subsequent anniversary date until completion of 20 years.

Thereafter (upon completion of 20 years):

- \$2400 + 3% of base pay (hourly pay rate multiplied by annual hours)

Thereafter (upon completion of 25 years):

- \$2400 + 5% of base pay (hourly pay rate multiplied by annual hours)

#### Section 4. Other Provisions

- A. PERA rules specifically require that longevity pay be subject to PERA withholding, while this may decrease the cash amount received by the employee, it increases the amount calculated for the final average salary for PERA retirement purposes.
- B. Anniversary date shall be defined as the date used to calculate an employee's eligibility for benefits and level of benefit accrual.
- C. Consecutive years of service shall be based on service time earned as a regular employee eligible for benefits. Breaks in service of no greater than three (3) months shall be bridged for the purpose of calculating consecutive years of service, breaks in service of greater than three (3) months shall not be bridged and the last hire date shall be used to calculate years of service.

#### Section 5. Payment Process

On a pay period basis, the Human Resources Department shall notify the Finance Department as to which employees qualify for longevity pay. Payment to the employee will be made on the first full pay period after the employee's anniversary date and will be distributed with the normal check disbursements of the bi-weekly pay day.



Manny Gomez, City Manager

June 22, 2023

Date

By signing below, I acknowledge that I have read AR 23-02. I was given the opportunity to ask questions to ensure my full understanding.

Printed Name & ID: \_\_\_\_\_

Department: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date