



MEMORANDUM
HUMAN RESOURCES
County of Placer

TO: Board of Supervisors
FROM: Kate Sampson, Director of Human Resources
SUBJECT: Amend Placer County Code Chapter 3 to Codify Current Longevity Pay Practices

ACTION REQUESTED

Introduce an ordinance, waive oral reading, to amend Section 3.12.060 of Chapter 3 of the Placer County Code to reflect current payroll practices related to longevity pays.

BACKGROUND

Chapter 3 of the Placer County Code provides regulations for personnel and their compensation. Following a recent review of Section 3.12.060, Human Resources identified the need to update language related to longevity pays to reflect current payroll practices.

Longevity pay is special compensation for which Placer County employees may become eligible based on date of hire and length of service. Longevity pays are percentage increases to wages and range from two percent to fifteen percent, depending on negotiated agreement with various employee groups. The administrative rules for longevity pays are captured in Section 3.12.060.

In response to direction from the California Public Employees' Retirement System (PERS) in 2016, the configuration of the County's payroll system was updated to comply with PERS requirements. The update did not result in any material change to employees' paychecks but did affect the technical computation of various special compensation elements, including longevity pay. Specifically, longevity pay increases are applied to base hourly rates plus certain other special compensation allowances, such as incentives for special skill certificates or licenses. The proposed ordinance codifies this existing practice. The proposed ordinance also updates discussion of special compensation to reflect recent changes adopted by the Board of Supervisors.

All impacted bargaining units have been notified regarding the proposed ordinance. Where appropriate, updates to labor agreements may be negotiated to reflect current practice and forwarded to the Board at a later date for consideration.

FISCAL IMPACT

The proposed ordinance codifies existing practice and results in no changes to employee compensation, with one exception. Upon its adoption, longevity pay would be applied to confidential pay in the same manner as all other percentage-based special compensation. Approximately 25 employees are eligible for both confidential and longevity pays and would experience an anticipated increase of about \$5 per pay period. The total fiscal impact of the proposed ordinance is not expected to exceed \$5,000 annually.

ATTACHMENT

Attachment 1 – Ordinance with Exhibit A

Before the Board of Supervisors County of Placer, State of California

In the matter of: An ordinance amending Section 3.12.060 of Placer County Code Chapter 3 to reflect current payroll practices related to longevity pays.

Ordinance No.: _____

Introduced: March 9, 2021

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA,
DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. County Code Chapter 3, Article 3.12, Section 3.12.060 regarding Longevity Pay is amended as set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 2. That this ordinance shall be effective the first day of the pay period following adoption.

Section 3. That this ordinance is adopted as a codified ordinance.

Exhibit A

That the following Section 3.12.060 of Article 3.12 of Chapter 3 of the Placer County Code is hereby amended to read as indicated (additions to ordinance shown in bold and underline, deletions shown with strike-through):

3.12.060 Longevity pay.

A. PPEO Represented, Management, Confidential and Unclassified Nonmanagement Employees. Effective the first day of the pay period that includes November 1, 2019 and subject to the conditions specified herein, PPEO Represented, Management, Confidential and Unclassified Nonmanagement Employees shall be eligible for longevity pay under one of the following formulas.

1. Longevity Pay A. This category of longevity pay applies only to permanent employees who are already receiving longevity pay on or before October 31, 2019. For this category, each permanent employee will continue to receive longevity pay, which is a one-time five percent increase, **calculated pursuant to subsection A(5)** in their ~~current base hourly rate~~. The basis to receive longevity pay will be determined by either one (but not both) of the following two formulas:

a. The permanent employee has been at step 5 of their salary grade for ten thousand four hundred (10,400) paid hours (five years continuous full-time paid service) with Placer County.

b. The permanent employee has worked at least ten thousand four hundred hours (10,400) paid hours (five years of continuous full-time paid service) calculated from the beginning of employment with Placer County.

2. Longevity Pay B. This category of longevity pay applies to permanent employees hired on or before October 31, 2019 that have not qualified for longevity pay by October 31, 2019. For this category, each permanent employee who has at least twenty thousand eight hundred (20,800) continuous paid hours calculated from the beginning of employment (ten (10) years of continuous full-time paid service) with Placer County shall receive as longevity pay a two percent increase, **calculated pursuant to subsection A(5)** in their ~~then current base hourly rate~~. Each permanent employee who has at least thirty one thousand two hundred (31,200) continuous paid hours calculated from the beginning of employment (fifteen (15) years of continuous full-time paid service) shall receive as longevity pay a three percent increase, **calculated pursuant to subsection A(5)** in their ~~then current base hourly rate~~. This category of longevity pay shall be calculated on a cumulative basis to equal no more than five percent in total.

3. Longevity Pay C. This category of longevity pay applies solely to retirees of the county with a retirement date of October 31, 2019 or earlier that were PPEO Represented, Management, Confidential and Unclassified, Nonmanagement Employees that had received longevity pay prior to his or her retirement. For this category, each retiree that received longevity pay on or before October 31, 2019 is deemed to have earned longevity pay under one of the following two formulas:

a. The retiree was a permanent employee that had been at step 5 of their salary grade for ten thousand four hundred (10,400) paid hours (five years full-time paid service) with Placer County.

b. The retiree was a permanent employee that worked at least ten thousand four hundred hours (10,400) paid hours (five years of continuous full-time paid service) calculated from the beginning of employment with Placer County.

If the retiree had not received longevity pay prior to their retirement on or before October 31, 2019, this subsection does not grant or change the longevity pay status to the retiree as it applies only to retirees that had already received longevity pay on or before October 31, 2019.

4. PPEO Represented, Management, Confidential and Unclassified Nonmanagement Employees. permanently hired on or after November 1, 2019 shall not be eligible for longevity pay.

5. Longevity pay shall be applied to current base hourly rate published in the salary schedule plus percentage-based special compensation identified in Section 3.12.020 or 3.12.030 of this code, as applicable.

56. For purposes of Longevity Pay A employees and Longevity Pay C retirees of the County with a retirement date of October 31, 2019 or earlier, an employee or retiree who took a voluntary demotion, transfer or reclassification to a lower salary grade is deemed to have the previously earned work hours at the higher salary grade count towards the longevity pay calculation in the lower salary grade.

67. Any form of overtime hours, extra-help hours and time off without pay regardless of the reason, will not be included for purposes of determining eligibility for longevity pay under any of the longevity pay formulas.

78. Eligible employees or retirees can qualify for longevity pay only pursuant to one of the longevity pay formulas. Once a longevity increase has been provided to an employee it will remain with the employee regardless of any future position or classification changes.

89. Employees who separate from county service, but who reinstate at a future date, will follow the reinstatement provisions found in Section 3.08.1150 for eligibility for longevity pay.

910. Probation officer series employees who have received the ten (10) year and/or twenty (20) year longevity pay under the DSA MOU and subsection B of this section as of April 1, 2008, will continue to receive said pay in a grandfathered status. Probation officer series employees will follow the PPEO professional unit longevity provision if they had not received longevity pay as of April 1, 2008.

B. Deputy Sheriffs' Association and Safety Management. Permanent employees meeting the following criteria shall be eligible to receive two five percent increases, **calculated pursuant to subsection B(3)** ~~in their then current hourly rate from the salary schedule,~~ which shall be referred to as "longevity pay." As to either step alternative, a break in service will result in a new calculation for a new five or ten (10) year period, and no service prior to the break will be counted as part of the new five or ten (10) year period. Extra help time and time off without pay will not be included as part of this calculation. Time off without pay for disciplinary reasons or unpaid leave of absence will not constitute a break in service. Time off for these reasons will not count toward the completion of the required service time.

1. Longevity Pay 1 (five percent). An employee is eligible for five percent longevity pay upon meeting the requirements in either item a or b, but cannot earn both:

a. Each permanent employee who has been at step 5 of their salary grade in the same classification for ten thousand four hundred (10,400) paid hours (five years full-

time paid service) with Placer County shall ~~be eligible~~ receive a one-time five percent increase in their then current base hourly rate.

b. Each permanent employee who has at least twenty thousand eight hundred (20,800) paid hours (ten (10) years of full-time paid service) with Placer County shall ~~be eligible~~ receive a five percent increase in their then current base hourly rate.

2. Longevity Pay 2 (additional five percent for a total of ten (10) percent). Each permanent employee who has at least forty-one thousand six hundred (41,600) paid hours (twenty (20) years of full-time paid service) with Placer County, shall receive an additional five percent increase, calculated pursuant to subsection B(3) of their then current base hourly rate.

3. Longevity shall be applied to current base hourly rate published in the salary schedule plus percentage-based special compensation identified in Section 3.12.020 of this code, as applicable. For safety management, classified and unclassified, longevity shall be applied to base hourly rate plus percentage-based special compensation identified in Section 3.12.020 or 3.12.030 of this code and flat special compensation allowances for POST intermediate certificate, POST advanced certificate, undercover assignment, and wellness, as applicable.

~~34.~~ Employees who separate from county service, but who reinstate at a future date will follow the reinstatement provisions for eligibility for longevity pay; within two years maintains prior eligibility; two years or more is treated as a new employee.

~~45.~~ Any form of overtime hours, extra help hours and time off without pay regardless of the reason will not be included for purposes of eligibility for longevity.

~~56.~~ Once such longevity increase(s) (longevity pay 1 ~~or~~ **and** 2) have been provided to an employee, that employee shall have no further right to a longevity increase. The longevity increase(s) will remain with the employee regardless of any future position or classification changes.

C. Elected Department Heads. Effective January 13, 2001, and continuing thereafter, elected department heads shall be eligible at the beginning of the first full pay period of the seventh year in office to receive a one-time five percent increase in their then current salary, ~~which shall be referred to as a "longevity step."~~ **This longevity pay shall be calculated only on a cumulative basis with any other longevity pays earned under subsection A or B. Longevity shall be applied to current base hourly rate published in the salary schedule plus percentage-based special compensation identified in Section 3.12.030 of this code and flat special compensation allowances for POST intermediate certificate, POST advanced certificate, undercover assignment, and wellness, as applicable.**