

Wednesday, October 10, 2012 CPM 2012-08

# **MEMORANDUM FOR: Chief Human Capital Officers**

FROM: Angela Bailey Associate Director, Employee Services

Subject: 27 Pay Periods in Leave Year 2012

For most employees, the 2012 leave year began on January 1, 2012, and will end on January 12, 2013. For these employees, leave year 2012 will have 27 pay periods for leave accrual purposes. A leave year begins on the first day of the first full biweekly pay period in a calendar year and ends on the day immediately before the first day of the first full biweekly pay period in the following calendar year. See our <u>Leave Year Beginning and Ending Dates</u> fact sheet for more information. (In some agencies the first pay period in calendar year 2012 may have begun on January 8, 2012. At those agencies, the leave year has 26 pay periods and the guidance in this memo does not apply.)

## Accrual of Annual Leave

Under 5 U.S.C. 6303, employees accrue annual leave for each full biweekly pay period that they are employed within the leave year. This means that most Federal employees will accrue an additional 4, 6, or 8 hours of annual leave in the 2012 leave year based on each individual employee's annual leave accrual rate. As provided by statute, employees with 3 years but less than 15 years of service accrue 10 hours of annual leave in the last full biweekly pay period of the leave year (pay period ending January 12, 2013, for most employees). (See our <u>Annual</u> Leave (General Information) fact sheet for more information.)

#### **Employees Must Use Annual Leave to Avoid Forfeiture**

Although affected employees will earn an additional pay period's worth of leave during the course of the 2012 leave year, the maximum carryover ceiling on annual leave still remains in effect (e.g., for most employees 240 hours, 360 hours (overseas), 720 hours (Senior Executive Service (SES) and senior level (SL) and scientific and professional (ST) employees). As a result, agencies should advise affected employees that they will accrue an additional 4, 6, or 8 hours of annual leave in the 2012 leave year and that they must use any annual leave above the maximum leave ceiling ("use or lose") before the final day of the leave year (January 12, 2013, for most employees). Any accrued annual leave in excess of the maximum allowed by law will be forfeited if not used by the final day of the leave year. As provided in statute, an agency may restore annual leave that was forfeited due to an exigency of the public business or sickness of the employee only if the annual leave is scheduled in writing before the start of the third

biweekly pay period prior to the end of the leave year (i.e., by December 1, 2012). (See our <u>Restoration of Annual Leave</u> fact sheet for more information.)

# 26 Pay Dates for Most Employees in 2012

Although most employees will have 27 leave pay periods, most employees will still have 26 *pay days* in calendar year 2012. Leave accrual is affected by the number of *pay periods*, not the number of pay days, in a calendar year. This means that any regular payments or payroll deductions that are made each pay day will also remain at 26 in 2012. Questions from agency human resources and payroll offices concerning the effect of calendar years with 27 pay days on pay and pay limitations may be directed to <u>pay-leave-policy@opm.gov</u>.

## **Additional Information for Human Resources Offices**

For further information on the dates and number of pay periods in a leave year, agency human resources offices should contact their payroll providers. If there are further questions or concerns, the appropriate headquarters-level agency human resources office may contact Pay and Leave at OPM at <u>pay-leave-policy@opm.gov</u>. Requests from individual employees will be returned or forwarded to the appropriate agency human resources office.