



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Monday, August 23, 1999
CPM 99-2

MEMORANDUM FOR: Human Resources Directors

FROM: Henry Romero Associate Director

Subject: Implementation of Final Regulations on Lump-Sum Payments for Annual Leave

On July 8, 1999, the Office of Personnel Management (OPM) issued final regulations on lump-sum payments for annual leave (64 FR 36763). The final regulations become effective on September 7, 1999, and apply only to lump-sum payments made by an agency on or after the effective date.

The final regulations establish a uniform Governmentwide policy for calculating lump-sum payments for accumulated and accrued annual leave for employees who separate from Federal service in accordance with 5 U.S.C. 5551 or 5552. OPM's final regulations provide that the types of pay to be included in a lump-sum payment are those the employee would have received on a biweekly basis had the employee remained in Federal service on annual leave, except allowances that are paid for the sole purpose of encouraging an employee to remain in Government service (e.g., retention allowances).

It is very important that agencies implement the regulations on time. An employee separating on or after September 7, 1999, must have his or her lump-sum payment for annual leave adjusted to reflect OPM's new regulations. A copy of the regulations can be found on OPM's web site at http://www.opm.gov/fedregis/html/jul_99.htm.

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