



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OFFICE OF THE DIRECTOR

DEC 08 2004

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Kay Coles James
Director *Kay Coles James*

SUBJECT: Extension of Higher Annual Leave Accrual Rates
To Additional Pay Systems

Section 202(b) of the Federal Workforce Flexibility Act of 2004, which was recently signed into law by the President, provides that members of the Senior Executive Service (SES) and employees in senior-level (SL) and scientific or professional (ST) positions are entitled to accrue annual leave at the rate of 1 day (8 hours) for each full biweekly pay period without regard to the length of their service with the Federal Government.

The new law authorizes the Office of Personnel Management (OPM) to extend coverage of this provision to employees who are covered by a pay system "equivalent" to either the SES pay system or the SL/ST pay system, as determined by OPM. Agencies may request an extension of coverage to additional categories of employees who are covered by the Federal annual and sick leave system by submitting appropriate documentation to the following address:

Ronald P. Sanders
Associate Director
Strategic Human Resources Policy
Office of Personnel Management
1900 E Street, NW.
Washington, DC 20415

Such a request must include documentation that the affected pay system is equivalent to the SES or SL/ST pay systems because it meets all three of the following conditions:

- (1) Pay rates are established under an administratively determined (AD) pay system under a separate statutory authority. If an AD position has a single rate of pay established under an authority outside of 5 U.S.C. chapters 51 and 53, that single rate (excluding locality pay) must be higher than the rate for GS-15, step 10 (excluding locality pay). If an AD position is paid within a rate range established under an authority outside of 5 U.S.C. chapters 51 and 53, the minimum rate of the rate range (excluding locality pay) must be at least equal

to the minimum rate for the SES and SL/ST pay systems (120 percent of the rate for GS-15, step 1, excluding locality pay), and the maximum rate of the rate range (excluding locality pay) must be at least equal to the rate for level IV of the Executive Schedule.

- (2) Covered positions are equivalent to a "Senior Executive Service position" as defined in 5 U.S.C. 3132(a)(2), a senior-level position (i.e., a non-executive position that is classified above GS-15, such as a high-level special assistant or a senior attorney in a highly-specialized field who is not a manager, supervisor, or policy advisor), or a scientific or professional position as described in 5 U.S.C. 3104; and
- (3) Covered positions are subject to a performance appraisal system established under 5 U.S.C. chapter 43 and 5 CFR part 430, subparts B and C, or other applicable legal authority, for planning, monitoring, developing, evaluating, and rewarding employee performance.

Effective Date of Higher Annual Leave Accrual Rate

This extension of the 8-hour annual leave accrual rate to additional categories of employees will be effective for the pay period during which OPM approves the agency's request.

Additional Information

For additional information, agency Chief Human Capital Officers and/or Human Resources Directors should contact their assigned OPM Human Capital Officer. Employees should contact their agency human resources offices for assistance.

cc: Chief Human Capital Officers
Human Resources Directors