



# United States Department of the Interior

OFFICE OF THE SECRETARY  
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PERSONNEL MANAGEMENT LETTER 94- 25 (630) (920)

SUBJECT: Cap on Annual Leave for Senior Executive Service Members

The Government Management Reform Act of 1994 (P.L. 103-356, Section 201, of October 13, 1994) amends 5 USC 6304(f) to provide a 90-day (720 hour) limit on the amount of annual leave an SES member may carry over from one leave year to the next. The law establishes the effective date of this cap as the first day of the first pay period after its passage, which for the Department was October 16, 1994.

The new law contains a grandfather clause for current SES members who have more than 720 hours of annual leave. Under the grandfather clause, SES employees who have in excess of 720 hours of annual leave as of the effective date will retain that amount as a personal leave ceiling until they use the leave or separate.

The Office of Personnel Management (OPM) will issue regulations governing the new cap on annual leave for SES members. Following is a preliminary interpretation of the new statute:


- Since leave is not credited until the end of a pay period, an SES member's personal leave ceiling is based upon her/his leave balance as of the end of the pay period preceding the effective date (i.e., October 15, 1994). The personal leave ceiling is based upon leave actually accrued as of the effective date, and does not include any restored or advanced annual leave.
- In an SES member uses more annual leave than she/he earns between the effective date and the end of the 1994 leave year, or in future leave years, then the personal leave ceiling will be reduced by the difference at the start of the new leave year. If the personal leave ceiling falls below 720 hours at the end of the leave year, it is eliminated and the SES member becomes subject to the 720-hour limit.
- If an SES member earns more annual leave than she/he uses between the effective date and the end of the 1994 leave year, or in future leave years, then the excess hours would be forfeited at the start of the new leave year.

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(EXAMPLE: An SES member has 1,000 hours of annual leave as of October 15, 1994. This becomes the member's personal leave ceiling. During the remainder of the 1994 leave year, the member uses 100 hours more annual leave than she/he earns. The member's personal leave ceiling for the 1995 leave year would be 900 hours (1000 minus 100 hours). During 1995, the employee earns 100 hours more annual leave than she/he uses. The member's personal leave ceiling for the 1996 leave year would remain at 900 hours; the 100 excess hours would be forfeited.)

- If an SES member separates from Federal service before the end of the leave year, she/he would be paid in a lump sum for all accumulated annual leave (plus any unused restored leave), even if it exceeds the personal leave ceiling.
- Regulations regarding restoration of unused annual leave now apply to SES members. Since SES members are now subject to an annual leave ceiling, they should schedule leave in advance if they would otherwise be subject to forfeiture of unused leave at the end of the leave year. 5 USC 6304(d) provides for the temporary restoration (usually for up to 2 years) of annual leave forfeited due to the exigencies of the public business or sickness, provided that the annual leave was scheduled in advance. The decision to schedule annual leave must be made in writing before the start of the third pay period prior to the end of the leave year.
- The personal leave ceiling applies only to the amount of annual leave which can be carried over from one leave year to the next. During a leave year, the amount of annual leave an SES member has accrued can fluctuate above or below the personal leave ceiling established on October 15, 1994. Restored annual leave is not counted against the personal leave ceiling.

These changes will be incorporated into 370 DM 630 and 370 DM 920 when those Chapters are revised.

  
Woodrow W. Hopper, Jr.  
Director of Personnel

INQUIRIES: Terry Steele, Division of Staffing, Classification, and Executive Resources Management, Room 5023, Mail Stop 5203 MIB, Telephone (202) 208-4231, Telefax (202) 219-2184