



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Memorandum

Subject: **ACTION:** Creditable Service for Annual Leave Accrual

Date: **MAY 4 2005**

From: 
Patricia A. Prosper
Director, Departmental Office
of Human Resource Management

Reply to
Attn. of:

To: Human Resources Council Members

The Office of Personnel Management has issued interim regulations that allow the use of non-Federal service in determining annual leave accrual rates. The interim regulations allow a newly appointed employee or an employee reappointed after a break in service of at least 90 days, to receive credit for non-Federal experience directly related to the position being filled.

The interim regulations have also modified longstanding rules governing how service credit is granted to military retirees. Military retirees are now eligible to receive service credit for annual leave accrual for all years of active duty in which the individual performed work directly related to the position being filled.

Each Operating Administration within the Department of Transportation is delegated the authority to implement these regulations. In addition, Operating Administrations must:

- Develop procedures by which an individual self certifies that the non-Federal work experience was directly related to the position being filled. The certification must include the type of work performed, the name of the organization or organizations for which the work was performed, and the years in which the identified work was performed. See attached *Sample Statement of Relevant Non-Federal Service* developed by the Departmental Office of Human Resource Management.
- Establish procedures for management officials to request that credit be given to new appointees for non-Federal work experience. The authority to grant credit for non-Federal experience will reside with the Human Resources Officer or Director within each Operating Administration.
- Include all eligible non-Federal experience on the SF-144A to be included in the employee's OPF to serve as a verifiable record for the rest of the employee's Federal career.

The interim regulations are retroactive to April 28, 2005 and are available at <http://www.regulations.gov/fredpdfs/05-08681.pdf>. Comments on the interim regulations must be submitted to DeShawn Shepard, OST/M-13, Nassif Building room 7411 or via email at DeShawn.Shepard@ost.dot.gov **no later than June 3, 2005**.

Even if you have no comment, each Operating Administration will need to report on the use of this flexibility from April 28 through May 29 by the above deadline. Reports shall include the total number of employees for which the flexibility was used; the grade level of each employee; and how much experience was credited for each employee.

If you have any questions or need further information, DeShawn may be reached on (202) 366-9435.

Attachments

**Questions and Answers on Providing Credit for
Determining an Employee's Annual Leave Accrual Rate**

Q1. May an employee receive credit for non-Federal service or active duty uniformed service for determining his or her annual leave accrual rate?

Yes. Under 5 U.S.C. 6303, which was amended by section 202(a) of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004), a newly appointed or reappointed employee may receive service credit for prior non-Federal service or active duty uniformed service that otherwise would not be creditable for the purpose of determining his or her annual leave accrual rate. The head of the agency or designee must determine that the skills and experience the employee possesses were acquired through performance in a non-Federal or active duty uniformed service position having duties which directly relate to the duties of the position to which he or she is being appointed and are necessary to achieve an important agency mission or performance goal.

Q2. When did this provision become effective?

This provision became effective on April 28, 2005. The interim regulations are available at <http://www.regulations.gov/fredpdfs/05-08681.pdf>.

Q3. Are all employees covered by this provision?

No. This provision applies only to a newly appointed employee or an employee who is reappointed following a break in service of at least 90 calendar days.

Q4. How much service credit may be granted for prior non-Federal or active duty uniformed service work experience?

Management officials, as designated by each Operating Administration, have the discretion to determine the amount of service credit to be granted to an employee. However, the amount of service credited to an employee may not exceed the actual amount of service during which he or she performed duties directly related to the position to which he or she is being appointed. An employee has no entitlement to credit for non-Federal service or active duty uniformed service that otherwise would not be creditable for the purpose of determining his or her annual leave accrual rate.

Q5. May an Operating Administration retroactively apply this provision to an employee who was newly appointed or reappointed to a position prior to April 28, 2005?

No. This provision may only be applied upon an employee's appointment to a position on or after April 28, 2005.

Q6. What documentation is required from an employee to receive credit for prior non-Federal service or active duty uniformed service?

Each Operating Administration is responsible for developing procedures by which an individual self certifies that the non-Federal work experience is directly related to the position being filled. The certification must include the type of work performed, the name of the organization or organizations for which the work was performed, and the years in which the identified work was performed. Documentation from the military services is required for military retirees to receive credit for active duty honorable uniformed service.

Q7. When does the employee receive credit for non-Federal service or active duty uniformed service?

Credit for non-Federal service or active duty uniformed service is granted to the employee upon the effective date of his or her initial appointment or reappointment to Federal service.

Q8. How long does service credit granted to an employee remain creditable for annual leave accrual purposes?

Credit granted to an employee for non-Federal service or active duty uniformed service remains to the credit of the employee unless he or she fails to complete 1 full year of continuous service with the appointing agency. If an employee separates from Federal service or transfers to another Federal agency prior to completing 1 full year of continuous service with his or her appointing agency, the employee is not entitled to retain service credit for prior non-Federal service or active duty uniformed service. The appointing agency must subtract the additional service credit from the employee's total creditable service, and a new service computation date for leave must be established before the employee separates or transfers to the new agency.

Q9. What happens to an employee's annual leave balance if he or she fails to complete 1 full year of continuous service with the appointing agency?

Any annual leave accrued or accumulated by an employee remains to the credit the employee, even if he or she fails to complete 1 full year of continuous service with the appointing agency. The agency must transfer the annual leave balance to the new employing agency if the employee is transferring to a position to which annual leave may be transferred, or provide a lump-sum payment for unused annual leave if the employee is separating from Federal service or moving to a new position to which annual leave cannot be transferred.

Q10. May an employee receive service credit for non-Federal work experience for purposes other than determining an employee's annual leave accrual rate?

No. Non-Federal service or active duty uniformed service is creditable only for the purpose of determining an employee's annual leave accrual rate.

Q11. May an employee receive credit for the same period of non-Federal service active duty uniformed service on more than one occasion?

An employee may not receive dual credit for service. Once an employee is permanently credited with a period of non-Federal service or active duty uniformed service (after completion of 1 full continuous year with the appointing agency), that period of service may not be considered for further credit if the employee has a future break in service. If an employee loses service credit for non-Federal service or active duty uniformed service because he or she fails to complete 1 full continuous year of service with the appointing agency, an agency may choose to provide credit for that period of time to the employee in the future if and when he or she is reappointed to a Federal position. An agency may provide credit for the same period of non-Federal service or active duty uniformed service if the employee has had a break in service of at least 90 calendar days and meets all of the conditions for receiving credit for such service.

Q12. What happens to service credit granted to an employee if he or she separates from Federal service or transfers to another Federal agency after completing 1 full year of continuous service?

Once an employee completes 1 full year of continuous service with the appointing agency, the period of service for which he or she was granted service credit for his or her non-Federal or active duty uniformed service work experience is permanently creditable for the purpose of determining his or her annual leave accrual rate for the duration of the employee's career.

Processing Actions

Q13. How should an agency document credit for non-Federal service or active duty uniformed service so that it may be verified throughout the employee's Federal career?

Non-Federal service or active duty uniformed service must be documented on the SF-144A or an agency equivalent form used in lieu of the SF-144A. Agency equivalent forms may be variations on the SF-144A or printouts from computer programs that calculate service computation dates. Such credit is to be granted in terms of years and months, and the exact number of years and months of credit being granted is recorded in Part 1, Column B, of the SF-144A. Additionally, include a reference in the "Remarks" section of the SF-144A indicating that the SCD-Leave includes creditable non-Federal service or active duty uniformed service work experience that otherwise would not be credited.

Q14. How is credit for non-Federal service and active duty uniformed service documented on the SF-50?

The period of service being credited must be included in Block 31 of the SF-50 that effects the appointment of the individual with the agency. Remark codes B73, B74, and M39 (include in remark M39 the total of all periods of active duty uniformed service for which the employee is receiving credits towards the Service Computation Date (SCD) for leave) also must be included on the SF-50, as appropriate.

Q15. If the service to be credited is properly documented and approved in advance, but the agency inadvertently does not include the credit in Block 31 on the SF-50 that was processed to effect the appointment, how is the oversight corrected?

The agency must process a personnel action to change the employee's SCD (Nature of Action (NOA) code 882/Change in SCD) showing the revised date in Block 31 of the SF-50. The NOA 882 action must show remark code B35 and include remark codes B73, B74, and M39 (include in remark M39 the total of all periods of active duty uniformed service for which the employee is receiving credit towards the SCD-Leave), as appropriate. The effective date of the NOA 882 action is the date the employee entered on duty.

Q16. What is the text of new remark codes B73, B74, and B75?

B73 - You are receiving (enter yrs. and mos., e.g. "2 yrs., 6 mos.") credit towards your SCD-Leave as shown in Block 31 for non-Federal service from (date) to (date). This credit will not hereafter cease to be creditable unless you fail to complete 1 full year of continuous service with this agency.

B74 - You are receiving (enters yrs. and mos., e.g. "2 yrs., 6 mos.") credit towards your SCD-Leave as shown in Block 31 for active duty uniformed service from (date) to (date). This credit will not hereafter cease to be creditable unless you fail to complete 1 full year of continuous service with this agency.

B75 - Changes SCD-Leave from (date) because employee failed to complete 1 full year of continuous service with the appointing agency.

Q17. If the service to be credited is properly documented and approved in advance and is included in Block 31 of the SF-50 that effects the appointment, but a mathematical error is detected once the action has been processed and distributed, how is the oversight corrected?

The agency must process a personnel action to correct the SF-50 that effected the appointment (NOA 002/Correction).

Q18. What action must an agency take to withdraw service credit if an employee fails to complete 1 year of continuous service?

Prior to processing the personnel action that separates the employee from Federal service or transfers the employee to another Federal agency, the agency must process a personnel action to change the employee's SCD-Leave (NOA 882/Change in SCD) subtracting out the referenced credit. The NOA 882/Change in SCD action must include remark code B75.

Alternatively, the agency may choose to process both the NOA 882/Change in SCD and the separation action on the same SF-50. If the agency processes both actions on the same SF-50, NOA 882/Change in SCD must be shown in Blocks 5-A and 5-B and the separation action in Blocks 6-A and 6-B.

SAMPLE
STATEMENT OF RELEVANT NON-FEDERAL SERVICE
To be Completed by Appointee

| 1. Name (Last, First, Middle Initial) | | | |
|--|--------------------|--------------------|---|
| 2. List below your non-Federal work experience for which you would like credited toward your annual leave service computation date. | | | |
| Name and Address of Organization | FROM | TO | Type of Work Schedule (Full-time, Part-time, seasonal, intermittent, etc) |
| | YEAR - MONTH - DAY | YEAR - MONTH - DAY | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| 3. Certification: | | | |
| I certify that the non-Federal work experience identified above is directly related to the position for which I have been selected. I have no other non-Federal experience for which I want to claim credit for annual leave accrual purposes. | | | |
| Appointee Signature | | | Date |