



OFFICE OF THE DIRECTOR

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, DC 20415-1000  
NOV - 1 2004

**MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

**FROM:** Kay Coles James  
Director   
**SUBJECT:** Extending Coverage of the Higher Annual Leave Accrual Rate

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. Section 202(b) became effective on October 30, 2004, the last day of the October 17-30 pay period. Because the law provides that employees accrue annual leave on the basis of full pay periods (5 U.S.C. 6303), the higher accrual rate applies to all SES and SL/ ST employees who are employed for the full pay period that began on October 17, 2004.

**Extension of Coverage to Equivalent Pay Systems**

The new law also authorizes the Office of Personnel Management (OPM) to extend the coverage of this provision to employees covered by a pay system "equivalent" to either the SES pay system or the SL/ST pay system. I am pleased to announce my determination that the following pay systems are equivalent to the SES or SL/ST pay system for the purpose of applying this provision: (1) the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, (2) the Senior Foreign Service, (3) the Defense Intelligence Senior Executive Service, (4) the Senior Intelligence Service, and (5) the Senior Cryptologic Executive Service. This extension of the 8-hour annual leave accrual to these groups of employees will be effective for the pay period of October 31-November 13, 2004. OPM will revise the annual leave accrual regulations in 5 CFR part 630 to conform to the changes made by section 202(b) in the near future.

**Requests to Cover Additional Categories of Employees**

Agency heads may request that OPM authorize an 8-hour annual leave accrual rate for employees who hold positions covered by pay systems which they believe are equivalent to the SES or SL/ST pay system. Such requests must include an explanation of the rationale for considering the affected pay system to be "equivalent" to the SES or SL/ST pay system.

**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