



U.S. Department of Veterans Affairs

Office of the Chief Human Capital Officer

VA Central Office
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OFFICE OF THE CHIEF HUMAN CAPITAL OFFICER (OCHCO) BULLETIN

SUBJECT: Higher Annual Leave Carryover Limit Authorized under the National Defense Authorization Act for Fiscal Year 2021

This OCHCO Bulletin provides guidance to Human Resources (HR) offices on the provision affecting leave benefits under section 1111 of the National Defense Authorization Act (NDAA) for Fiscal Year 2021 (H.R. 6395), enacted on January 1, 2021.

Background. Section 1111 provides that the Director of the Office of Personnel Management (OPM) may authorize a temporary increase in the limitation on accumulation of annual leave for Executive branch employees to be applied at the beginning of the 2021 leave year (January 3, 2021). The [OPM memorandum](#), issued on January 5, 2021, documents the authorization of this higher annual leave carryover limit. The leave carryover ceiling is 125% of the normal leave carryover ceiling. This will prevent the forfeiture of any annual leave in leave year 2020 that is subject to the higher limit.

Sequencing. Regular leave restoration rules are applied before the increased carry over limit. This includes leave restored in accordance with emergency procedures for the [COVID-19 Pandemic Response](#). These processes are applied immediately after annual leave in excess of the normally applicable carryover are forfeited. Once all leave restoration rules have been applied, the provisions of section 1111 must be applied retroactive to January 3, 2021. These will be sequenced automatically, and employees do not have to take any action to implement the increased carryover.

Eligibility. The following groups of employees are eligible for coverage under section 1111:

- Title 5 and title 38 hybrid employees, excluding any individual occupying a position that is classified at or above the level of a senior executive service position (SES), Senior level (SL), Scientific or Professional (ST) or SES equivalent positions.
- Title 38 employees are eligible for coverage under section 1111 and are mandatorily covered by the OPM and agency policy established under section 1111, notwithstanding section 7421(a), section 7425(b), or any other provision of chapter 74.

Scheduling and Use of Section 1111 Excess Carryover Leave. VA employees may not have access to the excess maximum carryover hours until systems (VA's time and attendance and payroll provider) are updated. Once systems are updated, instructions on the payroll and timekeeping processes to support the additional leave carryover will be

issued to payroll offices by the Financial Services Center.

Excess annual leave re-credited under section 1111 must be scheduled for use in leave year 2021 or it will be subject to forfeiture at the beginning of next leave year (January 2, 2022). The excess leave must be used prior to using any other annual leave available (i.e. annual leave accrued during leave year 2021, advanced annual leave, donated annual leave, and restored leave), may not be donated under a leave transfer program, and is not eligible for a lump sum payment.

HR offices are encouraged to advise employees who transfer from/to another federal agency and may not have the excess annual leave re-credited to their leave balance prior to the transfer between agencies that they should monitor leave and earnings statements to ensure leave balances are correctly applied and excess leave is re-credited to their leave account.

The following table provides key differences between excess leave under section 1111 and restored leave under 5 U.S.C. § 6304(d):

Comparison of Section 1111 and 5 U.S.C. § 6304(d).

	Section 1111 Excess Leave	Section 6304(d) Restored Leave
Approach to allowing carryover above normal limits	Higher carryover limit prevents forfeiture (conditions for applying higher limit are determined by OPM Director)	Leave in excess of the carryover limit is forfeited and then restored if certain statutory conditions are met
Time limits on usage	Must be used during leave year 2021	Varies, but at least 2 years (See 5 C.F.R. § 630.306-630.310)
Inclusion in lump-sum annual leave payment upon separation	Not included	Is included
Limitation on amount	Leave carryover ceiling is 125% of normal ceiling*	No limitation (but cannot be more than a given employee can accrue in a full leave year)

*Employees under the title 5 leave system including title 38 hybrid employees may carryover up to 300 hours of annual leave.

*Title 38 employees who accrue and use leave in 15-minute increments may carryover up to 856.25 hours of annual leave (for employees who accrue and use leave in hourly increments the limit is 856 hours).

Cancellation of Annual Leave Donations. Donations of annual leave made to the voluntary leave transfer program (VLTP) that have been approved and processed by the servicing HR and Payroll Office may **not** be retroactively cancelled, even though the donated annual leave may be eligible for carryover under section 1111.

Questions. Employees with questions regarding this guidance should contact their HR office.

HR offices with questions regarding this guidance should contact the Worklife and Benefits Service at: vaco058worklife@va.gov.

Issued by: VA OCHCO/Worklife and Benefits Service