



CREDITABLE SERVICE FOR ANNUAL LEAVE ACCRUAL

For Non-Federal Work and Military Service Experience

Policy and Standard Operating Procedures



HANDBOOK 602.1

**Office of the Chief Human Capital Officer
OSS/Policy Development and Oversight Division
Policy Development Branch**

JULY 2012

Table of Contents

CHAPTER 1. GENERAL PROVISIONS

1-1 Introduction 1
 1-2 Purpose 1
 1-3 Applicability 1
 1-4 Definitions 2

CHAPTER 2. ROLES AND RESPONSIBILITIES

2-1 The Assistant Secretary for Administration/CHCO 3
 2-2 The Director, Recruitment and Staffing Division..... 3
 2-3 The Director, Human Capital Services 3
 2-4 The Chief, Policy Development Branch 4
 2-5 Program Office Assistant Secretary/General Deputy Assistant Secretary 4

CHAPTER 3. CREDITABLE SERVICE REQUIREMENTS

3-1 Creditable Skills and/or Experience 5

CHAPTER 4. REQUESTS AND DOCUMENTATION PROCEDURES

4-1 Program Office- Procedures for Requesting Approval 7
 4-2 HCS/RSD – Procedures for Reviewing Documentation 8
 4-3 HCS/Pay, Benefits and Retirement Division 8

CHAPTER 5. DEPARTURE OR NON-PAY STATUS OF EMPLOYEES GRANTED THIS BENEFIT

5-1 Forfeiture of Service Credit 10
 5-2 NonPay Status, Transfers and Separations 10

CHAPTER 6. INTERNAL CONTROLS AND REPORTING REQUIREMENTS

6-1 Accountability and Oversight Internal Controls 12

ATTACHMENT

SF-144A Form

CHAPTER 1. GENERAL PROVISIONS

1.1 INTRODUCTION

In our continued effort to attract highly qualified applicants and to become the employer of choice, the Department of Housing and Urban Development (HUD) has the authority under 5 CFR 630.205 to grant credit for annual leave accrual purposes when appointing individuals new to the Federal Government, to a potential employee, or a potential employee who has had a break of at least 90 calendar days from the date of his/her last Federal civilian employment. Thus, eligible recruits would not be required to work the entire waiting period to start accruing (no more than) 6 hours of annual leave per pay period.

This is a discretionary flexibility agencies may use to meet their strategic human capital needs, and a potential employee has **NO entitlement** to this credit.

1.2 PURPOSE

The policy provides guidance in applying the credit allowed in the Federal Workforce Flexibility Act of 2004 (P.L. 108-411) and 5 CFR 630.205. This credit is for prior non-Federal or active duty military work experience, which otherwise would not have been creditable, when the skills and experience the potential employee possesses are:

- essential to the position and were acquired through performance in a prior position having duties that directly relate to the duties of the position to which he/she is being appointed; and are
- critical to achieve an important HUD mission or performance goal.

1.3 APPLICABILITY

1. This policy applies only to applicants with no Federal service experience or a former Federal potential employee who has had a break in service of at least 90 calendar days from the date of his/her last Federal civilian employment and meets all of the requirements stated in this Handbook. The approval for this benefit **must be prior** to the effective date of the appointment, i.e., prior to the potential employee reporting to duty and in conformance with the other requirements outlined in this policy.
2. The potential employee must be appointed to a position covered by the Federal annual and sick leave program, identified in 5 U.S.C., Chapter 63.
3. The appointment must be to a full-time or part-time permanent position.

4. This authority **does not** apply to employees appointed to positions in HUD **prior to the effective date of this Handbook**. **Retroactive credit for annual leave accrual under this Handbook is not permitted.**

1.4 **DEFINITIONS**

Mission Critical Position: For the sole use of this policy, a mission-critical position is one that is vital to the day-to-day operations and success of the Program Office and, but for the successful recruitment of the position, the activities of the program would suffer and ultimately hinder the overall success of the Department. Due to the importance of these positions, they are typically GS-13 and above positions.

When determining mission-critical positions, organizations must consider:

- A position's expected contribution to long-term organizational success; and
- The criticality and/or unique contribution of a position in achieving ongoing long-term objectives.

CHAPTER 2. ROLES AND RESPONSIBILITIES

- 2.1** The Assistant Secretary for Administration and/or the Chief Human Capital Officer or designee is responsible for the administration of this policy. Approval to deviate from this policy must be obtained from the Assistant Secretary for Administration and/or the Chief Human Capital Officer or designee.
- 2.2** The Director of the Recruitment and Staffing Division (RSD) will:
- a. Review and evaluate individual requests from the Program Office to ensure they meet all of the requirements of this Handbook;
 - b. Recommend approval or disapproval to the Director, HCS, for each request;
 - c. In coordination with the appropriate RSD Branch Chief and/or the appropriate Human Resources (HR) Specialist:
 - i. Request initial preparation of an SF-144A, Statement of Prior Federal Service Worksheet by the appropriate HR Specialist, to show the amount of annual leave being recommended to be credited to potential employee, as part of the request package going to the Director, HCS, for review;
 - ii. Advise the appropriate RSD Branch Chief and/or the appropriate HR Specialist when the Director, HCS has approved a request under this Handbook, to ensure that the appropriate paperwork is prepared timely and that the employee receives the additional service credit at time of appointment. See Paragraph 3.1 (4.) b. for additional information.
- 2.3** The Director, Human Capital Services (HCS) will:
- a. Advise the Chief, Human Capital Officer or his/her designee, on all aspects of the Department's policy for creditable service for annual leave accrual purposes when filling mission-critical positions, as reflected in this Handbook.
 - b. Ensure that this policy is implemented consistently throughout HUD and is communicated to management.
 - c. Provide administrative support and establish controls to ensure effective implementation of the policy.
 - d. Provide quarterly reports to OSS, POD, Policy Development Branch (PDB) on the use of this program.

2.4 The Chief, Policy Development Branch (PDB) will:

- a. Conduct program oversight of operations.
- b. Submit reports to OPM, if required and recommend changes as necessary to ensure responsible administration of the policy.

2.5 The Assistant Secretary (AS) or General Deputy Assistant Secretary (GDAS) of each Program Area (Housing, Public and Indian Housing, Community Planning and Development, etc.) is responsible for encouraging appropriate use of this authority by his/her managers in the various Regional and Field Offices and for monitoring its use for consistency with the Program Area's human capital strategies, strategic plans and organizational goals.

1. The AS or GDAS of each Program Area will designate a key member of his/her staff who will be responsible for:
 - a. Coordinating with selecting officials to ensure that only candidates selected for important mission critical positions in HUD who possess a high level of directly related work experience in non-federal or active duty military service are referred for consideration under the conditions of this Handbook.
 - b. Ensuring that the justification fully meets the criteria cited in this Handbook.
 - c. Submitting the completed request to the Director, RSD for consideration, **no less than seven (7) work days** prior to a selectee's tentative reporting date at HUD.
2. A Selecting Official, who wishes to have a candidate whom he/she has **tentatively** selected for a mission critical position to be considered for creditable service under this Handbook, shall prepare the required justification, along with all necessary documentation, as cited in this Handbook for review and approval **at least seven (7) work days prior** to any final arrangements for the candidate's official reporting date at HUD. The Selecting Official shall work closely with the servicing HR Specialist to determine a reasonable reporting date for the candidate, and to coordinate processing of the request package as required by this Handbook. **Retroactive approvals will NOT be given, and late/incomplete submissions will be returned without action.**

CHAPTER 3. CREDITABLE SERVICE REQUIREMENTS

3.1 **CREDITABLE SKILLS AND/OR EXPERIENCE: No more than 3 years of service may be applied, thereby limiting the maximum amount of annual leave accrual to 6 hours.**

1. A potential employee may be eligible for service credit for prior non-Federal or active duty military work experience, when selected for a **mission-critical** position at the Department, if the potential employee's skills and experience:
 - a. Are essential to the new position and were acquired through performance in a prior position that directly relate to the duties of the position to which he/she is being appointed (the description of duties and responsibilities contained in the official position description should be used to identify the kinds of work experience that would meet this requirement); and
 - b. Are critical to achieve an important HUD mission or performance goal.
2. Credit may be awarded for the entire period of time the potential employee performed duties **directly** related to the new position (e.g. full-time credit for full-time service; part-time credit for part-time service.) Service credit for less than full-time service should be based on the number of hours and the percentage of time the potential employee actually performed the duty.
3. The amount of credit granted to a potential employee **cannot** exceed the actual amount of time during which the potential employee performed duties directly related to the position for which she/he has been selected.
4. A potential employee who receives approval for additional service credit under the parameters of this Handbook will have the additional service creditable **only** for the purpose of determining the potential employee's annual leave accrual rate.
5. A potential employee who is a retired member of the uniformed service may receive credit for ANY period of ACTIVE duty military service during which he/she performed duties directly related to the mission-critical position to which the potential employee is being appointed.
6. Non-paid volunteer work, formerly non-creditable work experience in a quasi-Federal organization, or a combination of prior work experience and experience in a uniformed service performed by the prospective employee may be considered if it meets all of the conditions set forth in this Handbook.
7. Under no circumstances should a potential employee receive dual credit for the same period of employment or for a service that is otherwise creditable under existing leave regulations. If a potential employee meets the conditions of this Handbook, receives additional service credit, and completes one year of continuous service, but later separates from HUD (and retains that additional service credit), that period of time cannot be credited to him/her again at a later date.

8. The program selecting official must submit all required documentation for review and approval through his or her appropriate Assistant Secretary, to the Director, RSD, for a written decision by the Director, Human Capital Services (HCS) or her/his designee on whether the candidate meets the requirements of this Handbook, **prior to the candidate's official starting date at HUD.** In compliance with Federal regulations, requests for retroactive approval will not be considered and will be denied.
9. A potential employee who meets all requirements of this Handbook and receives approval from the Director, HCS, shall have the annual leave credit adjustment made as of the effective date of his or her appointment or reappointment to HUD.
10. No more than 3 years of experience may be credited. The maximum amount of annual leave that may be accrued is 6 hours.

CHAPTER 4. REQUESTS AND DOCUMENTATION PROCEDURES

4.1 PROGRAM OFFICE - PROCEDURES FOR REQUESTING APPROVAL

1. Justification:

- a. As soon as the selecting official has tentatively selected a candidate for a mission critical position who meets all conditions of this Handbook, the selecting official will submit a memo signed by an AS or GDAS to the Director, Human Capital Services with a justification and supporting documentation. **Incomplete packages will be returned without action and retroactive approvals will not be given.** Selecting officials are advised to contact the HR Specialist for any guidance needed in preparing timely and accurate packages, and to ensure timely coordination of the candidate's official starting date at HUD. Requests must be submitted a minimum of 7 work days prior to the proposed effective date for entry on duty of the tentative employee.
- b. The justification must include:
 - A brief description of the mission-critical position to be filled and why the position has been deemed as "mission-critical" as defined by this policy.
 - A brief description of how the candidate's high level of unique qualifications and/or experience would benefit HUD in this position.
 - A brief description of the candidate's prior work experience, and
 - How it is **DIRECTLY** related to the current position to be filled.

2. Documentation Required: The following documentation must accompany each request for annual leave credit for prior work experience for mission-critical positions:

- a. Justification from the selecting official as described above.
- b. A copy of the Position Description of the mission critical position to be filled.
- c. A copy of the candidate's resume that was submitted for the mission-critical vacancy. If the resume does not clearly demonstrate that the experience gained in the prior position directly relates to the current position, additional documentation from the candidate will be necessary. Work experience may be verified. Failure to provide additional documentation to substantiate the granting of service credit under the conditions of this Handbook, if requested by the Director RSD (directly or through the HR Specialist), will result in a negative determination.
- d. If a candidate has uniformed service that is being considered under the conditions of this Handbook, he/she must obtain and submit written documentation from the military (i.e. Form DD-214, letter from the Veterans Administration, if required), before any credit is given for any uniformed service.

4.2 HCS/RSD - PROCEDURES FOR REVIEWING DOCUMENTATION

1. The HR Specialist will review the package from the selecting official within 2 work days of receipt of a request.
2. If the request appears to be supportable, the HR Specialist will prepare on a “Statement of Prior Service Worksheet”, SF-144A – Part 1. (http://www.opm.gov/forms/pdf_fill/sf144a.pdf). Credit is to be granted in terms of years and months, and the exact number of years and months of credit being requested must be 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.
 - a. The recommendation for approval must be documented in the **remarks** of the SF-144A and must be initialed by the Director, RSD.
 - i. The package is then forwarded to the Director, HCS for final approval. The PDB will also concur in the remarks section of the SF-144A.
 - b. The recommendation for disapproval must be documented in the SF-144A and must be initialed by the Director, RSD and the Director of HCS.
3. The Director, RSD, or if delegated authority, the HR Specialist will immediately communicate the decision to the request in writing via email to the Selecting Official with a full explanation of the findings.
4. The decision to offer this flexibility **MUST** be documented and approved **BEFORE** the potential employee can be officially offered the benefit.

4.3 HCS/Pay, Benefits and Retirement Division

1. The approved package will be forwarded to the Pay, Benefits and Retirement Division (PBRD) and filed on the right side of the employee’s Office Personnel Folder. This package will include the request, the SF-144A (if approved) and any other supporting documentation.
2. If approved, the period of service must be documented in Block 31 of the SF-50 that effects the appointment of the individual with the agency. As appropriate, the following Remark codes must be included on the SF-50:
 - B73, B74 and M39 (include in remark 39 the total of all periods for which the employee is receiving credits towards the Service Computation date

for leave (SCD-Leave)) also must be included on the SF-50, as appropriate.

3. PBRD is responsible for ensuring all employees departing from the Department's rolls meet the service requirements to retain this benefit. If the requirements are not met, corrective action must be taken to correct the SCD-leave date.

CHAPTER 5. DEPARTURE OR NON-PAY STATUS OF EMPLOYEES GRANTED THIS BENEFIT

5.1 FORFEITURE OF SERVICE CREDIT

1. An employee who received service credit under the parameters of this Handbook for prior non-Federal or active duty military experience, but **does not complete one full year of continuous service at HUD** prior to separation or transfer from HUD, **will forfeit such credit**. Prior to separating from HUD, the employee's service computation date (SCD) will be recomputed to subtract the additional service credit previously given to the employee under this Handbook, and a new SCD will be established.
2. Upon PBRD decision to adjust the SCD based on forfeiture, a remark will be added to the separation SF-50.

5.2 NONPAY STATUS, TRANSFERS AND SEPARATIONS

1. If an employee meets the conditions set forth in this Handbook and receives credit for the prior non-Federal or active duty military skills and experience, the service time will become a permanent part of the employee's record. **If the employee fails to complete one continuous year at HUD before separation or transfer:**
 - a. Any service credit granted to the employee under the provisions of this Handbook **must** be subtracted from his/her total creditable service. **A new SCD for leave accrual purposes must be calculated prior to the employee's separation or transfer.** An SF-50 must be processed to change the SCD, and the change must be documented in the employee's OPF.
 - b. If an employee accrues or accumulates any annual leave as a result of receiving credit under the conditions of this Handbook, but separates prior to completing one continuous year of service at HUD, **that leave will remain to the employee's credit and shall not be reduced or forfeited.** HUD must:
 - i. Transfer the annual leave balance to the new employing agency, if the employee transfers to another federal agency; or
 - ii. Make a lump-sum payment for any unused annual leave if the employee is separating from Federal service or is transferring to a position where annual leave cannot be transferred.
2. If an employee is placed in a leave without pay status during the 1-year period of continuous service required by this Handbook, the 1-year period of continuous service must be extended by the amount of time in a leave without pay status unless:

- a. The employee separates or is placed in a leave without pay status to perform service in the uniformed services (as defined in 38 U. S.C. Section 4303 and 5 C.F.R Section 353.102) and later returns to civilian service through the exercise of a reemployment right provided by law, Executive order, or regulation.
 - b. The employee separates or is placed in a leave without pay status because of an on-the-job injury with entitlement to injury compensation under 5 U.S.C. Chapter 81 and later recovers sufficiently to return to work.
3. If an employee loses service credit for non-Federal or active duty military experience because she/he failed to serve one full year of continuous service with the appointing agency, **but is later reappointed to Federal service after a break of at least 90 days**, HUD may choose to provide service credit to the employee for that period of time.

CHAPTER 6. INTERNAL CONTROLS AND REPORTING REQUIREMENTS

6-1 Accountability and Oversight Internal Controls: As deemed necessary, the Strategic Planning and Accountability Branch will conduct reviews/audits of activities within OCHCO.

1. The OCHCO, HCS will develop and implement operating procedures (to include an internal Quality Control Program), within 60 days of issuance of this policy to ensure adherence to this policy. The review/audit will determine compliance by:
 - a. HR Specialists in performing their duties and responsibilities, in conformance with Federal regulations and the policies as contained in this Handbook.
 - b. The review of the service deemed creditable.
 - c. Supervisor/managers requests and authorizations.
2. Copies of the procedures will be provided to the OCHCO, Strategic Planning and Accountability Branch (Accountability Program Manager) who will ensure the review of this activity is included when conducting reviews/audits of the human capital recruitment and placement activities. Additionally, as needed, documentation may be requested from HCS for documentation/audit activities.