

February 12, 2004

DISTRICT MANAGERS, FINANCE  
DISTRICT MANAGERS, HUMAN RESOURCES  
MANAGERS, PERSONNEL SERVICES

SUBJECT: Memorandum of Policy—Leave Computation Date Corrections—Erroneous Credit

This memorandum is to announce the new policy and process for handling Leave Computation Date Corrections when an employee has been erroneously credited for prior military or civilian service that is not creditable under USPS leave policy. This new policy is effective for any accounts receivables processed on or after February 7, 2004 (pay period 05/04).

In the past, collection for an erroneous credit of annual leave was accomplished by reducing the employee's annual leave balance by the amount of leave that they were not entitled to. The employee's balance would not be reduced to less than 80 hours annual, and the remainder of the indebtedness, if any, was set up as an accounts receivable, with the employee being invoiced for the remaining debt.

Accounts receivables processed on or after February 7, 2004, (pay period 05/04) will no longer have hours deducted from current annual leave balances. Invoices (and letters of demand, if bargaining unit) will be issued for erroneous credits.

Additional detailed processing information, as well as a sample Letter of Demand, may be found in SOP 56 on Compensation's Web page at <http://hrishq.usps.gov/hrisp/comp/sops.cfm>. Please ensure that this information is shared with all Human Resources Staff as well as all Installation Heads that issue Letters of Demand.

Please contact Trine King at (202) 268-8547 if you have questions regarding this new policy.

  
Lynn Malcolm

cc: Area Managers, Finance  
Area Managers, Human Resources

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FEB 26 2004

VICE PRESIDENT'S  
OFFICE  
NALC HEADQUARTERS

LABOR RELATIONS



March 17, 2004

Mr. Gary Mullins  
Vice President  
National Association of Letter  
Carriers, AFL-CIO  
100 Indiana Avenue, N.W.  
Washington, DC 20001-2144

Dear Gary:

This is in response to your request for a copy of the SOP 56 referenced in the "Memorandum of Policy – Leave Computation Date Corrections – Erroneous Credit." As requested, I have enclosed a copy of the SOP 56.

If you have any questions, please contact Rhonda Mayfield of my staff at (202) 268-5262.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Tulino".

Doug Tulino  
Manager  
Labor Relations Policies and Programs

Enclosure

**RECEIVED**

MAR 19 2004

VICE PRESIDENT'S  
OFFICE  
NALC HEADQUARTERS

**SOP 56, Correcting Leave Computation Dates (NOA 882)**

Created: 2/07/2004

**Note:** This procedure supercedes LCD change procedure previously shown in EL-301, Guidelines for Processing Personnel Actions, 342.

**Personnel Office**

1. Establish the Retirement, Thrift, and Reduction in Force (RTR) record to determine the correct leave computation data (LCD) (see **SOP 2**).
2. Compare the RTR results to the LCD on the employee's payroll record on U01A (segment A, page 1) in DDE/DR. **If the leave computation date derived from RTR indicates the date in DDE is erroneous:**
  - a. Process retroactive Form 50 with the effective date of the current career appointment
  - b. Enter standard remark code 548 to document that an adjustment will be initiated at Eagan ASC.
  - c. Use one of the following Standard Remarks to fill in the appropriate reason:
    - "LCD adjusted due to erroneous credit given for: Prior Military Service."
    - "LCD adjusted due to erroneous credit given for: Prior Civilian Service."
    - "LCD adjusted due to erroneous credit given for: Prior Military and Civilian Service."
    - "LCD adjusted to provide credit for civilian or military service time not previously entered."
  - d. Update the Next Step PP-YR field to indicate the pay period and year on which the employee will advance to the next category.
3. **If the LCD change is a result of LWOP in excess of 6 months in a calendar year (not including OWCP hours or Military LWOP hours):**
  - a. Process Form 50 with a current effective date.
  - b. Use the following Standard Remark: "LCD change as a result of LWOP in excess of 6 months"

**Eagan ASC**

4. If the employee is due annual leave due to the LCD error, credit the employee's annual leave balance with the number of hours that the employee should have earned.
5. If the employee was credited with annual leave erroneously due to the LCD error and:

If the error...	Then...
Continued for 3 or more years prior to the time the error was corrected	Follow the Finance Accounts Receivable 3-Year Policy.

<p>Occurred within the past 3 years</p>	<ul style="list-style-type: none"> <li>■ Convert the number of erroneous leave hours to a dollar amount, based on annual leave used most recently. (For example, if the employee owes 40 hours of annual leave, it will be calculated based on the amount paid for the last 40 hours used)</li> <li>■ Generate an accounts receivable invoice and mail it to the appropriate installation head.</li> <li>■ Generate a statement to the employee showing debt owed and any payment activity on a monthly basis.</li> </ul>
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**Installation Head**

6. Choose the correct action on the basis of duration of error.

If the error...	Then...
<p>Continued for 3 or more years prior to the time the error was corrected</p>	<p>Notify employee that he or she will see a change made to his or her Leave Computation Date (LCD), but that the indebtedness incurred as a result of this LCD correction will be waived under the Finance Accounts Receivable 3-Year Policy.</p>
<p>Occurred within the past 3 years</p>	<ul style="list-style-type: none"> <li>■ Prepare and present to the employee a Letter of Demand (see sample, <b>W SOP 56A</b>) for the indebtedness, along with the accounts receivable invoice.</li> <li>■ Explain to the employee that he or she may choose one of the following options:                         <ol style="list-style-type: none"> <li>1. Repay the amount due in <i>full</i> via check or money order.</li> <li>2. Repay the amount due in increments via automatic salary deduction by either:                                 <ol style="list-style-type: none"> <li>a. Paying at 15 percent of disposable income or 20 percent of gross income each pay period.</li> <li>b. If payment of the amount due at the rate of 15 percent of disposable income would result in severe financial hardship, requesting an alternative offset schedule and paying the amount due accordingly.</li> </ol> </li> <li>3. Repay the debt making use of reduction of his or her current annual leave balance by either:                                 <ol style="list-style-type: none"> <li>a. Reducing his or her current annual leave balance by the full number of hours indebted, provided he or she can do so and still have at least 80 hours remaining in his or her earned annual leave balance.</li> <li>b. Reducing his or her current annual leave balance by the number of hours available over and above</li> </ol> </li> </ol> </li> </ul>

the 80 hours that must remain in his or her earned annual leave balance and paying the remaining debt either:

1. Via check or money order.
2. Via automatic salary deduction at 15 percent of disposable income or 20 percent of gross income each pay period; or at an alternative offset schedule if 15 percent would result in severe financial hardship.

*Note: Repayment making use of reduction of leave balance by an amount other than that shown in the options above is not an available option.*

**Have the employee complete W SOP 56B if he or she chooses this option.**

4. Request a waiver of the debt in accordance with ELM 437. (Such a request will not stay the collection process.)

