



NATIONAL ARBITRATIONS

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UPDATE

In this issue, I want to give a brief update on some of the things that have been occurring in the last six months.

NACI BACKGROUND CHECK

On March 12, 2024, the NPMHU initiated a Step 4 dispute to challenge the Postal Service's discharge of non-probationary employees based on the results of a NACI background check. The Postal Service has taken the position that the separations of these employees are "administrative" separations and that, as a result, the Postal Service does not need to establish any cause — let alone just cause — notwithstanding that the employees have completed their probationary period. Moreover, as so-called administrative separations, the employees may not contest their discharge through the grievance and arbitration procedures in Articles 15 and 16 of the National Agreement.

All four Postal Unions filed grievances on this issue, and the grievance filed by the APWU advanced to arbitration first, with the hearing held on December 12, 2024. The NPMHU along with the NALC and NRLCA intervened in that arbitration.

The NPMHU argument at the hearing was straightforward: once employees complete their probationary period, any removal of those employees is subject to the just cause protections set forth in the National Agreement and subject to review under the grievance and arbitration procedures in Articles 15 and 16 of the National Agreement.

While the plain language of the National Agreement makes that argument clear, further cementing that point is the fact

that the ELM allows for separations "that results from the failure to meet conditions specified at the time of appointment (such as failure to qualify by conduct or capacity during the probationary period)." Dispositively, that type of separation "applies only to employees who have not completed their probationary period." Accordingly, the NPMHU argued at the hearing, the only type of separation permitted under the ELM — consistent with the terms of the National Agreement — is a "removal" which, according to the ELM, must be supported by "cause."

Post hearing briefs were filed and the decision will be distributed once an award is rendered. The next scheduled National hearing will be on October 21st and 22nd, 2025. The case has not yet been determined.

NATIONAL RI-399 ARBITRATION

On April 2nd and 3rd, 2025, there was a National Level RI-399 arbitration held with Arbitrator Margaret Brogan that was appealed by the APWU. In 2021, the NPMHU was successful in several facilities, by having the USPS staff the AI/ATHS associated with the FSM 100 with Mail Handlers. Prior to this, local management staffed these two functions with Clerks. This action was in direct violation with the national determination on these operations. The USPS agreed that with the RI-399 Update MOU that the dispute from the APWU was withdrawn and that the proper staffing on the AI/ATHS was the MH craft. The Service moved the Clerks off these operations and properly replaced them with MH's. The APWU filed a national dispute on this action stating that the parties must leave this staffing as is until all local and regional disputes are

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adjudicated. The USPS countered that by failing to correct their errors immediately, it could cause a substantial financial remedy to be awarded to the MH craft. The NPMHU position is that this was not a national issue and should have been handled at the Regional level. A decision will be distributed once an award is rendered.

The next scheduled National Level RI-399 case will be November 18th and 19th 2025 dealing with the NPMHU disputes on the SDUS and SIPS.

ONE-TIME RETIREMENT INCENTIVE

On January 13, 2025, the NPMHU and the USPS reached an agreement on the terms of a One Time Retirement Incentive. The parties agreed that the Postal Service would make lump sum incentive payments totaling \$15,000 (less applicable taxes and deductions) to eligible full-time career employees who choose optional retirement or retire pursuant to a Voluntary Early Retirement (VER). Eligible part-time career employees were eligible for a prorated amount based on their paid hours.

To be eligible to retire under the Voluntary Early Retirement (VER), there are minimum age and service requirements. The requirements are:

- At least age 50 with at least 20 years of creditable Federal service OR
- Any age with at least 25 years creditable Federal service.
- An employee must have at least 5 years of creditable civilian service to be eligible for an early voluntary retirement.

Eligible employees were sent notification to their home address on record by First-Class Mail in early February. There was a total of 13,809 eligible mail handlers, 9,580 of those were eligible for optional retirement and 4,229 were eligible for VER retirement. Eligible employees had to indicate on or before March 7, 2025, their intent to participate in the incentive program.

Under the terms of the Memorandum of Understanding, eligible Mail Handlers who choose to leave employment with the USPS through optional retirement or pursuant to the VER will receive incentive payments totaling up to fifteen thousand dollars (for full-time employees). The fifteen thousand dollars incentive for eligible full-time career employees will be paid as follows:

- \$10,000 on August 15, 2025
- \$5,000 on August 28, 2026

The incentive checks will be sent to the office where the mail handler was last employed. From there, the retiree can pick it up from the office. If the employee has filled out a PS 3077 — Request to Forward Salary Check, the manager will

mail the check to the address provided by the employee on that form.

Employees taking advantage of the incentive should complete the form, which provides the address where they would like the check sent (usually their final check/terminal leave) and give it to their manager/supervisor.

Then, when the check arrives at the postal unit, the manager will mail the check to the address provided by the employee.

There are a total of 1,626 mail handlers who retired with this incentive.

UNIFORM AND WORK CLOTHES ANNUAL ALLOWANCE CARRY OVER

I am still being asked many questions regarding the new language in the 2022 National Agreement regarding the Uniform and Work Clothes Annual Allowance Carry Over.

Effective on March 13, 2024, the following provision of Article 26, Section 26.3 of the 2022 National Agreement was implemented:

Unused portions of an eligible employee's annual allowance for uniform and work clothing will be carried over and available for use beginning twelve (12) months after the end of each anniversary year. An eligible employee's uniform and work clothing allowance balance may not exceed the sum of two (2) years of the employee's annual allowance entitlement. This uniform and work clothing program adjustment will be implemented no later than twelve (12) months from the ratification date of the 2022 Agreement.

Any unused portion of an eligible employee's annual allowance starting 3/13/2024 would be accumulated and would be reflected in the employee's uniform allowance accounts starting 03/13/2025 at the end of each employee's anniversary year.

There has been a lot of confusion about when the actual carryover begins. While this provision was implemented on 03/13/2024, the unused portion of an eligible employee's annual allowance for uniform and work clothing for 2024 does not rollover until starting 03/13/2025 with that being dependent on the employee's anniversary dates. To explain this better an example of this would be an employee's clothing anniversary date for 2024 is on June 1st, if that employee does not use the entire amount of their clothing allowance for 2024, the remaining balance would carry over to their 2025 allowance which would become effective on June 1, 2025.

CONTRACT NEGOTIATIONS

With our National Agreement expiring later this year, the National Office has been busy preparing for the upcoming round of bargaining. Bargaining will officially begin on June 25, 2025.

Once bargaining starts, the National office will be sending out regular updates on its progress.