

RATIFICATION REVIEW AND IMPLEMENTATION TIMELINE

Michael J. Hora, National Secretary-Treasurer



The process of negotiating and ratifying a National Agreement is an exciting and demanding exercise.

It is viewed as an opportunity to improve wages, benefits, and the terms by which the parties hold each other collectively accountable. While the NPMHU's preparations for bargaining started as early as September 2021, bargaining formally kicked-off in the Ben Franklin Room at USPS headquarters on June 10, 2022 and was followed by intense bargaining for the next 3 months. With the contract set to expire on September 20, 2022, the parties mutually agreed to extend national negotiations noting that sufficient progress had been made towards reaching a tentative agreement. On December 15, 2022, the NPMHU held a nationwide conference call to brief all Local Presidents on the status of national bargaining and announced that the NPMHU had reached a tentative agreement with the Postal Service. Consistent with ratification procedures adopted by the Board, the ballot count occurred in Washington D.C. on March 13, 2023. I am pleased to report that the membership approved the tentative agreement with 84% voting in the affirmative.

Now comes the task of implementing the negotiated changes. Because implementation is contingent on ratification, several provisions of the new 2022 National Agreement will be implemented following ratification but will be applied retroactively. For example, the new National Agreement contains three general wage increases of 1.3%, and the first of those three increases is retroactive to November 19, 2022. In addition, career employees at Steps BB, AA, and A of the pay scale will receive an additional 1.0%, also retroactive to November 2022. Lastly, the new National Agreement provides for six cost-of-living adjustments during calendar years 2023 through 2025, with the first COLA effective in March 2023. With ratification, the USPS is finalizing, and we will disseminate, the newest wage chart reflecting the COLA increase associated with the January 2023 Consumer Price Index referenced in Article 9.3.

This begs the most popular question: how quickly will the Postal Service implement the wage-related increases? The USPS faces significant operational and software challenges to the speed in which it can implement these increases. For perspective, it took more than three months to process the

dues increase that went into effect in Pay Period 25-2022 and this was a relatively simple change. We know that other postal unions have experienced similar challenges getting negotiated increases and contract changes implemented. For these reasons, the 2022 National Agreement contains specific timelines for when the Postal Service must implement certain increases.

Specifically, effective no later than the first full pay period 180 days after ratification:

- a new step, Step B, will be added to the MHA wage scale for Grade 4 and Grade 5 with applicable increases;
- Step BB will be eliminated from the RSC M7 wage scale for designated activity codes: 120, 320, and 420;
- the step waiting periods in the RSC M7 wage scale will be reduced from 52 weeks to 48 weeks between all steps; and
- any MHAs who work in 200-man year facilities and have reached 24 months of relative standing, will be automatically converted into the new full-time flexible (FTF) role.

We will be working closely with the Postal Service to ensure that these timelines are met and will share additional details in the coming weeks about the Postal Service's progress in doing so.

Finally, we are printing the new National Agreement for distribution to all NPMHU members. All members are encouraged to save and use the ratification booklet until 2022 National Agreements are printed and distributed.

Thank you for your continued support.

In Unity,

Michael J. Hora
National Secretary-Treasurer

NATIONAL POSTAL MAIL HANDLERS UNION

A DIVISION OF LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO

DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$11,066,164	\$10,064,763
Accounts receivable — local unions	39,806	32,015
Accounts receivable — other	2,141,098	1,621,107
Tax refunds receivable	1,815,025	2,353,553
Interest receivable	35,736	41,089
Prepaid expenses	211,522	229,102
Total current assets	15,309,351	14,341,629
INVESTMENTS		
Marketable securities - at fair value	7,206,037	6,812,605
FIXED ASSETS		
Furniture, fixtures and equipment	2,018,110	1,998,139
Leasehold improvements	490,156	488,782
	2,508,266	2,486,921
Accumulated depreciation and amortization	(2,002,183)	(1,744,120)
Total fixed assets	506,083	742,801
OTHER ASSETS		
Deposits	300,963	299,848
Net funded pension asset	1,809,874	1,134,928
Total other assets	2,110,837	1,434,776
TOTAL ASSETS	\$25,132,308	\$23,331,811

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$2,351,402	\$2,208,108
Dues collected for local unions	452,908	28,920
Deferred registration fees	17,750	15,250
Deferred dues revenue	26,414	9,870
Deferred rent liability	116,885	83,752
Total current liabilities	2,965,359	2,345,900
LONG-TERM LIABILITIES		
Deferred rent liability	33,208	37,685
Total long-term liabilities	33,208	37,685
TOTAL LIABILITIES	2,998,567	2,383,585
NET ASSETS WITHOUT DONOR RESTRICTIONS	22,133,741	20,948,226
TOTAL LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS	\$25,132,308	\$23,331,811

STATEMENTS OF ACTIVITIES

	2021	2020
REVENUE		
Per capita assessments		
Member per capita	\$8,587,159	\$7,541,456
Associate per capita	970,515	947,682
	9,557,674	8,489,138
MHBP service fee	5,629,692	5,361,612
Investment return, net	(45,708)	552,771
National Billing Program	138,574	139,971
Royalties	261,183	247,394
Miscellaneous	19,611	37,657
Total revenue	15,561,026	14,828,543
EXPENSES		
Per capita taxes	2,652,767	2,419,688
Salaries and wages	3,239,471	3,384,872
Payroll taxes and employee benefits	1,604,921	1,516,174
Net periodic pension cost — service cost	399,613	337,301
Other components of net periodic pension cost	(79,609)	(34,908)
Revenue Sharing Program, net	2,626,808	2,470,512
Income and property taxes	1,285,507	1,200,228
Automobile and housing	130,295	127,361
Bank charges	70,491	65,600
Charitable contributions	33,958	31,763
Computer services	91,876	88,857
Convention	5,411	44,594
Depreciation and amortization	263,609	264,303
Election	-	113,655
Insurance and bonding	30,005	37,617
Leased equipment	24,795	26,184
Meetings and conferences	243,320	422
Miscellaneous	7,615	5,955
Office supplies and postage	156,668	207,959
Printing and publications	450,682	516,119
Professional fees	654,228	709,689
Rent	558,547	546,972
Repairs and maintenance	33,143	26,248
Scholarships	42,000	44,000
Telephone	88,495	91,103
Travel and lodging	255,845	111,576
Total expenses	14,870,461	14,353,844
EXCESS OF REVENUE OVER EXPENSES	690,565	474,699
Pension-related changes other than net periodic pension cost	494,950	696,379
Increase in net assets without donor restrictions	1,185,515	1,171,078
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	20,948,226	19,777,148
End of year	\$22,133,741	\$20,948,226