

VOLUNTARY EARLY RETIREMENT

Teresa Harmon, Manager, CAD



The USPS announced on January 4, 2018 that it had received authority from the Office of Personnel Management (OPM) to offer Voluntary Early Retirement (VER Authority) to eligible mail handler and clerk craft employees. There had been no prior notification or discussion with either impacted union prior to this date. After receipt of this announcement, the NPMHU requested a meeting with postal officials to discuss this unilateral, early retirement offer. We also submitted various requests for additional information on the early retirement itself and its effect on any employees who take it.

The NPMHU has learned that the Postal Service submitted the request for approval for this VER Authority to OPM on August 22, 2017, to assist with the downsizing and reshaping of its workforce due to the dramatic short and long-term decline in mail volume. The Postal Service stated in its request that 2,500 mail handlers were subject to being impacted by involuntary excessing from their facilities, reassignment, and/or separation, and that a VERA would give the agency the opportunity to reduce the number of involuntary personnel actions that might be necessary. At the time of its request, there were 39,850 career mail handlers with 5,570 being eligible for early retirement. This number of 5,570 did not include those mail handlers who are eligible for regular retirement. (As of January 2018, there were 7,788 career mail handlers that are eligible for VER. The Postal Service has projected that less than 3% of eligibles, or 210 mail handlers, will accept this VER offer.) OPM approved the request, giving the Postal Service authority to offer a VER through December 31, 2018.

To be eligible to retire under the VERA, an employee must have completed at least 20 years of credible service and be at

least age 50, or have completed 25 years of credible service and be any age. At least five (5) years must be credible civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility.

Eligible employees who wish to retire under the VER may chose one of three effective dates – January 31, 2018, February 28, 2018, or March 31, 2018.

The timeline that the Postal Service has established for this VER is as follows:

- Mailing of Annuity Estimates and VER Packages 1/8/18–1/12/18
- VER Window Period 1 1/15/18–1/26/18
- Irrevocable Date 1 for VER Decision to Retire 1/26/18
- VER Effective Date 1 1/31/18
- VER Window Period 2 1/15/18–2/23/18
- Irrevocable Date 2 for VER Decision to Retire 2/23/18
- VER Effective Date 2 2/28/18
- VER Window Period 3 1/15/18–3/23/18
- Irrevocable Date 3 for VER Decision to Retire 3/23/18
- VER Effective Date 3 3/31/18

There is no monetary incentive being offered with this VER, unlike the ones previously offered in 2009 and 2012. Mail handlers or other employees who accept this offer will simply be able to retire before they reach the required age and years of service. To include a monetary incentive, the Postal Service is required to bargain with the Union on the value of that incentive. The Postal Service believes that it is not required to bargain with the affected Unions when no monetary incentives are offered in conjunction with the VER offer. At this point, the Postal Service has given no indication of its desire to bargain on this matter.

The decision to retire under this VER offer is a personal individual choice. Each eligible employee should carefully

Please take advantage of this retirement counseling prior to making your final decision.

consider how a voluntary early retirement would affect their future retirement benefits and make an informed decision based on this information before accepting this offer.

Some points that need to be considered before making a decision:

- If you are an employee covered by CSRS, you will have your annuity reduced by 2% for each year that you are under age 55.
- If you are covered by FERS, you will earn 1% of your salary as an annuity for each year worked. An example — If you worked 20 years, your annuity will be 20% of your high-3 average salary.
- If you are under the Minimum Retirement Age (MRA), you will not receive the Social Security Supplement until you reach the MRA.
- You will not receive Cost Of Living Allowances (COLAs) on your annuity until you reach MRA.
- You cannot make additional contributions to TSP or receive employer contributions as you would with continued employment.

- Your health plan premium payment will increase to the level paid by all other federal annuitants (and federal employees) rather than receiving the more favorable Postal Service employer health benefits contribution. You also do not get the tax break for pretax payment of health insurance.
- Your Dental and/or Vision Benefits premiums will not be paid at the pretax rate.
- Flexible Spending Accounts are not available to annuitants.

Any employee considering this VER offer should carefully read the packet that is being sent out by the Postal Service. This packet provides essential information, including your annuity estimate and information about benefits that would be available or not available with an early out retirement. There also will be information on who to contact and how to arrange for USPS retirement counseling. Please take advantage of this retirement counseling prior to making your final decision. Other valuable information can be found on Liteblue at <http://liteblue.usps.gov>, OPM at <https://www.opm.gov>, TSP at <https://www.tsp.gov>, and FSAFEDS at <https://fsafeds.com>.



**Imagine what you could
do to your home
with \$2,000.**

- New kitchen cabinets!
- Brand new deck!
- Flooring for your basement!
- Double-paned windows!

Enter today at **unionplussweepstakes.org**
Hurry! Entry deadline is **March 31, 2018**

See reverse side for details.

**ENTER
FOR A
CHANCE TO WIN**

\$2,000

TODAY!



UNIONPLUS

Working hard for union families since 1986