



National Postal Mail Handlers Union

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February 6, 2025

TO: All Local Presidents
National/Regional CAD
National Executive Board

FROM: Paul Hogrogian, National President *PH*
Kevin P Tabarus, National Secretary-Treasurer *KPT*
Teresa Harmon, Manager, Contract Administration Department *TH*

RE: One Time Retirement Incentive MOU – Q&As

The recently announced Voluntary Early Retirement and One Time Retirement Incentive has generated many questions from our members. The NPMHU and the Postal Service have jointly agreed on a series of questions and answers to assist our members with understanding the options that are being offered.

Please disseminate this information as you deem appropriate.

Memorandum of Understanding Re: One time Retirement Incentive Questions and Answers

1. Who is eligible for the Retirement Incentive?

Answer: Employees in the NPMHU bargaining unit who are already eligible for retirement or who meet the criteria by OPM for Voluntary Early Retirement (VER).

2. Who is not eligible for this Retirement Incentive?

Answer: Employees who have received a Notice of Removal or a Letter of Decision, as of the effective date of retirement or voluntary resignation, employees who separate via Disability Retirement and employees who separate via transfer to another federal agency.

3. What is OPM's Criteria for VER Eligibility?

Answer:

OPM's eligibility for an "Early Out" – a Voluntary Early Retirement – are based on minimum age and service requirements of at least 50 years of age with at least 20 years of creditable Federal service or any age with at least 25 years of creditable Federal Service. An employee must have at least 5 years of creditable civilian service to be eligible for a voluntary early retirement. This means service in a federal government position that is not an elected position and not military service.

4. Does an employee's accumulated sick leave count toward eligibility for the VER?

Answer: No, unused sick leave cannot be used to meet service eligibility for the VER. Unused sick leave can be used to increase service credit that is calculated by OPM in determining the monthly annuity in retirement.

5. Does accumulated earned annual leave count towards retirement eligibility or benefits?

Answer: No. Unused earned annual leave is paid out upon retirement.

6. Can military veterans who have not previously bought back their military time now do so in order to reach eligibility criteria?

Answer: Yes, but the buyback of military time must be completed before the cutoff dates of the retirement incentive offer contained in the MOU.

- 7. Does this MOU apply to employees covered under both the Civil Service Retirement System (CSRS) and the Federal Employment Retirement System (FERS)?**

Answer: Yes

- 8. How will employees be notified of their eligibility?**

Answer: The USPS will mail two separate mailings to the address of record for every VER eligible employee no later than January 31, 2025. Full-time eligible employees will receive a letter with information on the VER requirements, their annuity estimate and a notice of retirement package mailing. The second mailing will include all required documents needed to take advantage of the VER and incentive. Part Time employees will need to request their annuity by contacting HRSSC at 1-877-477-3273, option 5, by email at jj7nb0@usps.gov or by fax at 202-268-0110. The letters will not include an explanation of any penalties. Any penalties will be described in the VER webinars and in more detail during the retirement counseling sessions.

- 9. If an employee retired prior to the January 13, 2025 date of the MOU, are they eligible for the incentive?**

Answer: No

- 10. If an employee's paperwork for retirement was submitted prior to the January 13, 2025 date of the MOU, but has an effective date after January 13, 2025, are they eligible for the incentive?**

Answer: Yes, but the retirement date must be prior to April 30, 2025. If the already planned retirement date is later than April 30th, the employee will have the opportunity up to March 7th to change the effective date to April 30th to become eligible for the one-time incentive.

- 11. Are there any reductions in retirement benefits if an employee retires under the terms of this MOU?**

Answer: There are no reductions for a Civil Service (CSRS) employee who retires under the incentive and timeline terms of this MOU. However, there may be reductions for certain FERS employees. There is a small group of FERS employees who are eligible for "optional" retirement due to reaching the minimum retirement age but do not have the number of years for full retirement. If an employee retires in this category, there will be reductions in their retirement. There is no annuity reduction for FERS employees who meet the OPM eligibility requirements and accept the Voluntary Early Retirement (Early Out).

For employees who meet the VER eligibility requirements and have not yet reached their minimum retirement age (MRA), the Social Security Supplement for such employees will not commence until a FERS covered employee reaches the MRA. In addition, Management letters to eligible employees will contain basic eligibility requirements and information for group and individual counseling. Once an employee attends a group counseling session, they may request an individual counseling session if they have additional questions about potential penalties unique to that individual.

12. How will an employee find out the full financial impact of taking an early out?

Answer: The full financial impact of the VER will vary based on the service history and age of the participating employee. Participating in the retirement counseling sessions offered as part of this MOU will provide information on potential impacts. The decision to accept an early out opportunity is an important one with financial implications and underscores the importance of engaging in the counseling process. Employees may also contact Shared Service at 877-477-3273 (Option #5) for further information.

13. During both group and individual counseling sessions, will the USPS representatives give advice on whether taking the offer of early retirement is beneficial or not for an individual?

Answer: No, the decision of whether to take an "early out" retirement is strictly that of the individual employee. The role of the USPS and their counselors is to provide accurate facts including financial implications, not to determine whether retirement is beneficial or not for an individual.

14. Will there be any break in health insurance coverage for those who choose to retire under the terms of the MOU?

Answer: No. If an employee is already covered under PSHP/FEHB, health coverage in retirement will be handled the same as with any other retirement process. Once an eligible employee retires, the premiums are deducted from retirement annuities on a monthly basis.

15. Will the USPS continue to contribute to the TSP accounts once an employee retires under the terms of the VER?

Answer: No, once an employee retires, whether through optional retirement or through Voluntary Early Retirement, the TSP contributions end.

16. Are there any caps or limits on who is eligible to receive the incentive?

Answer: No, there are no caps or limits. The incentive will be provided to all eligible employees who elect to take advantage of the offer.

17. How will disputes that arise in regard to this MOU be handled?

Answer: Any disputes will be referred to the National Administrative Committee for discussion and resolution



**Doug Tulino
Deputy Postmaster General & Chief
Human Resources Officer
United States Postal Service**

Date: February 6, 2025



**Paul Hogrogian
National President
National Postal Mail Handlers Union**

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