

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL POSTAL MAIL HANDLERS UNION

Re: One-time Retirement Incentive

The parties agree that the Postal Service will make lump sum incentive payments totaling \$15,000 (less applicable taxes and deductions) to eligible full-time career employees who choose optional retirement, retire pursuant to a Voluntary Early Retirement Authority (VERA), or voluntarily resign from the Postal Service. Part-time employees shall be eligible for a prorated amount, as provided below. These payments are subject to the following terms and conditions:

1. All career employees covered by the USPS-NPMHU 2006-2011 National Agreement are eligible for incentives pursuant to this Memorandum of Understanding (MOU) except for:
 - Employees in a probationary status on the date of retirement or voluntary resignation
 - Employees who have received a Notice of Removal or Letter of Decision as of the effective date of retirement or voluntary resignation.
 - Employees who separate via disability retirement
 - Employees who separate via transfer to another Federal Agency
2. Employees must indicate in a manner prescribed by the Employer on or before July 2, 2012, their intent to participate in the incentive program by indicating that they wish to take optional retirement, retirement pursuant to a VERA, or voluntary resignation and separate effective August 31, 2012.
 - On the date of this MOU, eligible employees who had a previously scheduled retirement date that is earlier than August 31, 2012, may retire on their scheduled date and receive the incentive.
 - On the date of this MOU, eligible employees who had a previously scheduled date that is later than August 31, 2012, must change their date to August 31, 2012, and meet retirement eligibility on that date, in order to receive the incentive.
 - Eligibility for optional or VERA retirement, with incentive, will be based on a August 31, 2012, effective date.
 - Employees who indicate they are taking a VERA under the terms of this MOU and wish to revoke their decision must do so on or before July 2, 2012, which is the irrevocable date provided in the written offer letter.
 - All retirement counseling will be conducted via phone in group sessions not to exceed 10 retirees. Any employee seeking additional assistance after participation in a group session will be accommodated on an individual basis.
3. The \$15,000 incentive for eligible full-time career employees will be paid as Follows:
 - \$7,500 to be paid on 12/21/2012
 - \$7,500 to be paid on 12/20/2013

Part-time flexible and part-time regular employees shall receive incentive payments that are prorated based on the number of hours paid in the twenty-six full pay periods prior to the effective date of their retirement or resignation in accordance with the following schedule:

<u>Number of Paid Hours</u>	<u>Percent of Incentive Payment</u>
Under 520	25
520 and under 1020	50
1020 and under 1520	75
1520 and over	100

The prorated percentage shall be applied separately to each of the two incentive payments (\$7,500 & \$7,500). These payments shall be made on the same dates as for full-time employees.

An employee who accepts the incentive payment, and subsequently seeks future career employment with the Postal Service, must return the incentive payment received to the Postal Service as a precondition for employment, unless a period of two years has passed from the date of retirement or separation and the date of rehire.

4. The parties agree to relax some of the contractual restrictions in those installations where employees accept the one-time retirement incentive. The Postal Service may replace each career Mail Handler who accepts the incentive with a casual employee for a period not to exceed ninety (90) days from the effective date of the voluntary separation or the August 31 separation date. The hiring of these casuals will not be subject to the "in lieu of" restrictions contained in Article 7.1.B of the national agreement. This provision does not provide authority to exceed the 12.5% casual cap when the number of casuals to be hired under this section can be accomplished under the existing cap.
5. When career employees are excessed into, or transfer to, those installations where employees have accepted the one-time retirement incentive and casuals have been hired, the number of casual employees in Section 4 above will be reduced by the number of career employees brought into the installation. If an installation is under the 12.5% cap and can justify the casual use under existing contractual requirements, then this reduction will not apply.
6. The parties further agree that there will be no excessing of Mail Handlers from one installation to another from the effective date of this Memorandum of Understanding until August 11, 2012, so that if excessing is necessary, the parties will be able to determine the appropriate impact consistent with the provisions of Article 12. This temporary stay on excessing will not apply to other planned excessing events already scheduled for implementation.

The parties further agree that these incentives will be provided to all eligible employees who elect to take advantage of the offer with no limit or cap

Any disputes arising under this MOU will be referred to the National Administrative committee for discussion and resolution.

This MOU is without prejudice to the positions of the parties on any issue and shall not be cited in any dispute resolution proceedings, except for the purpose of enforcing its terms.



Doug A. Tulino
Vice President, Labor Relations
U.S. Postal Service



John F. Hegarty
National President
National Postal Mail Handlers Union

Date: 5/22/12