



MAIL HANDLER UPDATE

NATIONAL POSTAL MAIL HANDLERS UNION

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NPMHU AND USPS ANNOUNCE SETTLEMENT

ON TERMS OF 2019 NATIONAL AGREEMENT



Michael J. Hora
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**3 YEARS, 4 WAGE INCREASES,
AND 6 COLA PAYMENTS**

CASUALS ELIMINATED

NIGHT SHIFT DIFFERENTIAL INCREASED

**MHAs GET RAISES, OVERTIME AFTER 8
HOURS PER DAY, MORE HEALTH INSURANCE
OPTIONS AND CONDITIONAL ONE-TIME
CONVERSION TO FULL-TIME STATUS**

After several months of extended bargaining since the initial September 20, 2019 deadline, the NPMHU has reached a tentative agreement with the Postal Service to finalize the terms of the 2019 National Agreement. This agreement is subject to a ratification vote of the entire NPMHU membership, which will commence in January 2020.

The new contract covers a period of three years, to expire at midnight on September 20, 2022. The Union's top priorities have been met, with general wage increases and COLAs secured, new language eliminating casuals to be replaced by unionized MHAs, improving wages and work rules for MHAs, and updating night differential by percentage increases for the first time in decades.

For career employees, general wage increases will occur four times during the agreement, and there will be six Cost of Living Adjustments (COLAs). MHAs will receive their own set of wage increases, with overtime pay after 8 hours in a day, and with new conversion opportunities.

For a Level 4 Mail Handler at top step, the wage increases during the 2019 National Agreement — not including COLA — will total \$2,370, including \$668 retroactively effective in November 2019; \$607 effective in November 2020; and \$1,093 effective in November 2021. Higher amounts will be applicable for a Level 5 Mail Handler at top step. When projected COLA payments are added at an estimate of \$250 per semi-annual COLA, at top step for career employees there will be an additional \$1,500 in base wage increases — over and above the general wage increases described above — during the term of the 2019 National Agreement. And, of course, protection against future inflation is precisely why the COLA provision remains a crucial component of the National Agreement.

For MHAs, at Level 4, the rate that started in 2013 at \$13.75, and has recently been \$16.21, will immediately go to \$16.55 per hour retroactively effective in November 2019. By November 2021, the Level 4 rate will be at \$17.36.

All career Mail Handlers employed as of September 20, 2019 will be protected against layoff or force reduction, in the usual manner. Meanwhile, within 120 days of ratification, all casual employees in the Mail Handler craft will be eliminated, with the percentage cap for

MHAs increased from 18.5% by District and 23.5% by Installation to 24.5% by Installation only (with the District cap no longer applicable). This is a historic achievement in the fight for expanded career employment, with approximately 1,400 additional members added to the NPMHU bargaining unit.

The tentative agreement includes a one-time conversion of MHAs in installations which have 200 or more man years of employment, with the conversion to take place within 60 days of ratification. As of the date of ratification, any MHA with 2.5 or more years as an MHA at that time will automatically be converted to full-time career status, without the need to serve another probationary period.

Night differential will be unlocked for the first time since 1996, as each May of the contract will see a 2% increase in the flat dollar amount of night differential at each grade and step of the wage scales.

For career employees, in 2020 there will be no change in the percentage of employee contribution to health insurance. Following this, in 2021, the Postal Service's share of the cost of health insurance — currently 73% — will see a final 1% reduction. Thus, the Postal Service will contribute 73% of the weighted average in 2019 and 2020 and 72% of the weighted average in 2021 and 2022. This 72% is equivalent to the amount contributed by the federal government for identical federal employee health benefits. In today's dollars, the 1% increase in health care contributions is equivalent to an increase of approximately \$75 per year for self-only coverage and between \$100 and \$175 per year for family coverage, depending on the particular health plan selected. These amounts automatically are paid with pre-tax dollars, so the actual out-of-pocket cost to each Mail Handler is less by the percentage of income taxes paid.

For MHAs in their first year of employment, participation in the USPS Noncareer health plan will remain available. The Postal Service will continue to pay \$125 per pay period for self-only coverage, but under the tentative agreement the Postal Service will pay significantly more — 65% of the total premium — for any MHA who chooses to participate in the USPS Noncareer plan for self-plus-one or family coverage.

MHAs beginning their second year of employment will be able to choose coverage under the USPS Noncareer health plan with a 75% contribution from the Postal Service, OR use the same dollar amounts from the Postal Service (\$125 per pay period for self only, larger amounts for self-plus-one and family coverage) to obtain coverage from the MHBP Consumer Option or the MHBP Value Plan.

There will be a 2.5% increase in clothing allowance during each year of the contract.

A new MOU under Article 2 makes progress toward a Workplace Free of Harassment. The NPMHU and

Postal Service reiterate their commitment to providing employees with a safe, productive, and inclusive workplace, and a new, joint Task Force on Preventing Harassment will be established to ensure that employees are fully aware of policies and procedures available to them to further combat harassment.

Other changes in work rules also are included in the tentative agreement:

- A letter will be issued by USPS management to make clear that MHAs can request use of annual leave in increments between one (1) and forty (40) hours.
- Article 12.2C will require management to provide union representatives with a hard or electronic copy of the seniority list at the Installation level.
- The MOU on Relative Standing of MHAs and Subsequent Conversion to Career Mail Handler will require management to provide, upon request by union representatives, a hard or electronic copy of the relative standing list at the Installation level.
- Article 12.5 will ensure that meetings about potential relocation of mail handlers will be held at the Regional level, and that Local Union representatives may attend.
- Article 16.5 will provide that—if a timely grievance is appealed to Step 2—a suspension of fourteen (14) days will not be served until disposition of the grievance, either by settlement, withdrawal, or an arbitrator's final and binding decision.
- The parties have agreed to another MOU on Purging Letters of Warning, for all Mail Handlers, including MHAs.
- Article 32's MOU on Subcontracting will continue, as the parties continue to discuss insourcing work from the Surface Transportation Centers and the Mail Transport Equipment Service Centers (MTEC).
- An Article 35 Task Force will be established to facilitate NPMHU representation on EAP committees at the District and National Levels.
- The Joint Education and Training Fund will be continued, with additional funding of \$1 million per year.

The completed new contract draft, with all changes noted and explained, will be included in the ratification brochure to be circulated with voting materials early in 2020.

The NPMHU thanks the entire membership for its continuous patience, support, and perspective during the past six months of contract negotiations.



Please Post!!

January 2020