

Contract Administration Unit

Paul Barner, Executive Vice President
James D. Henry, Vice President
Christopher Jackson, Director of City Delivery
Manuel L. Peralta Jr., Director of Safety and Health
Dan Toth, Director of Retired Members
Jim Yates, Director of Life Insurance

Annual leave carryover

On Sept. 3, 2020, the NALC and USPS agreed to a Memorandum of Understanding (MOU) Re: Annual Leave Carryover for Leave Year 2021, M-01928 in NALC's Materials Reference System, which increased the carryover limit to help avoid forfeiture of unused annual leave caused by the effects of the COVID-19 pandemic. As the pandemic continued to make travel and social gatherings difficult, this increased carryover was extended into the 2022 and 2023 leave years. Although the impact of the pandemic continues to fade, the parties recently agreed to a new MOU, M-01993, to maintain the increased annual leave carryover for leave year 2024. This month's Contract Talk will explain the annual leave provisions, annual leave carryover, and the agreed-upon provisions of M-01993.

Article 10 of the National Agreement covers general leave provisions such as choice of vacation period, vacation planning and sick leave. Article 10, Section 2, incorporates Section 510 of the *Employee and Labor Relations Manual (ELM)*, which contains the rules and procedures related to the Postal Service leave program. Section 512.321 of the *ELM*, which contains the provision regarding annual leave carryover, states:

The maximum carryover amount, i.e., the maximum amount of previously accumulated annual leave with which an employee may be credited at the beginning of a year, is as follows:

- a. Bargaining Unit Employees. The maximum leave carryover for bargaining unit employees is 55 days (440 hours).

As explained in the *ELM*, the typical maximum carryover amount is 440 hours. Accumulated annual leave exceeding 440 hours at the end of the leave year is lost and not rolled over into the next leave year.

Under the provisions of the current agreement, the maximum carryover from leave year 2023 to leave year 2024 is increased to 520 hours. This is explained in M-01993:

The parties agree that for leave year 2024, regular work force career employees covered by the USPS-NALC Agreement may carry over 520 hours of accumulated annual leave from leave year 2023 to leave year 2024.

In all other respects, the Employee and Labor Relations Manual (ELM) provisions for payment of accumulated leave are not changed because of this Memorandum.

This MOU will expire December 31, 2024.

Just as in the predecessor agreements, M-01993 also affects terminal leave payments, which are made to separating employees for their balance of accrued annual leave. These payments are increased to a maximum of 520 hours through the life of M-01993, which expires Dec. 31, 2024. The provisions regarding terminal leave payments are found in Section 512.732.b of the *ELM*, which states in part:

b. Bargaining Unit Employee. Bargaining unit employees may receive a lump sum leave payment:

- (1) If separating other than under the Voluntary Early Retirement Authority (VERA), for accumulated annual leave carried

over from the previous year; accrued annual leave for the year in which they separate, up to the carryover maximum for their bargaining unit (see 512.32); any unused donated leave; and for full-time and part-time regular employees, holidays that fall within the terminal leave period. Any part of the unused annual leave earned during the leave year of separation that is in excess of the maximum carryover amount is granted prior to separation rather than paid out in the form of a lump sum payment. No payment is made for unused leave that the employee would have been required to forfeit at the end of the leave year.

The provisions of M-01993 apply only to career city letter carriers. City carrier assistants (CCAs) do not carry over leave from one appointment to another or when they are converted to career status. Instead, CCAs who are separated or converted to career status receive a terminal leave payment for any leave balance at the end of the CCA appointment.

Without additional extensions, the leave carryover and terminal leave payment will return to a maximum of 440 hours (as reflected in *ELM* Section 512.321.a) on Jan. 1, 2025.

Article 10, Section 3, of the National Agreement establishes a nationwide program for vacation planning for employees in the regular workforce, with emphasis on the choice vacation periods or variations thereof. Article 30, Sections B.4 through B.12, allow the local parties to negotiate provisions formulating a local leave program in the local memorandum of understanding (LMOU). Any LMOU provisions regarding the local leave program must be consistent with the general provisions of Article 10, Section 3.B, which states:

B. Care shall be exercised to assure that no employee is required to forfeit any part of such employee's annual leave.

Article 10, Section 4, sets out the procedure for vacation planning. Each year, the installation head shall meet with the representatives of the union to review local service needs as soon after Jan. 1 as practical. As stated in Article 10, the installation head shall then:

1. Determine the amount of annual leave accrued to each employee's credit including that for the current year and the amount he/she expects to take in the current year.
2. Determine a final date for submission of applications for vacation period(s) of the employee's choice during the choice vacation period(s).
3. Provide official notice to each employee of the vacation schedule approved for each employee.

In accordance with Article 10, during vacation planning, the local parties should determine the amount of annual leave accrued to each employee's credit, including that for the current year and the amount he or she expects to take in the current year. As the carryover maximum will return to 440 hours from leave year 2024 to leave year 2025, care should be taken to ensure that no employees are required to forfeit any part of their annual leave.