

**2016-2019 National Agreement:**

# Wage increase update

On Aug. 19, career letter carriers began earning the first two cost-of-living adjustments (COLAs) payable under the new contract that were effective Sept. 3, 2016, and March 4, 2017, as well as the 1.2 percent general wage increase that was effective Nov. 26, 2016. These increases will be reflected in the Sept. 8, 2017, paychecks. Back pay on these increases will be calculated from their effective date through Aug. 18, 2017.

Career letter carriers will begin earning the third COLA payable under the new contract, effective on Sept. 2, 2017. This will be reflected in the Sept. 22, 2017, paychecks. Back pay is not applicable for this increase as it will begin being earned on its effective date.

The U.S. Postal Service has informed NALC that due to the complexity of implementing the new pay scale for city carrier assistants, CCAs will begin earning their pay increases on Sept. 16, 2017. The increases will be reflected in the Oct. 6, 2017, paychecks.

The new CCA pay rates will include the 2.2 percent general wage increase that was effective Nov. 26, 2016, as well as the two step increases that were also effective on that date (\$0.50 per hour for those CCAs with 12 weeks of service and an additional \$0.50 per hour for those CCAs with 52 weeks of service). CCAs will be placed in their appropriate step based on their weeks of service. Back pay on these increases will be calculated from Nov. 26, 2016, through Sept. 15, 2017.

The Postal Service has indicated that it will take some time to calculate the back pay for the more than 210,000 letter carriers, but that all back pay will be processed and paid as soon as practicable.

These new pay rates can be seen at right in the new letter carrier pay schedule, which is also available for download from [nalc.org](http://nalc.org) and for review on the free NALC Member App for Apple and Android smartphones.

## USPS releases financial report for Fiscal Year 2017's 3rd quarter

The Postal Service released on Aug. 10 a report on its financial results for the third quarter of Fiscal Year 2017, covering April 1 through June 30.

"Today's financial report shows the underlying business strength of the U.S. Postal Service," NALC President Fredric Rolando said in a statement following the release, "while also indicating the need to address external matters beyond USPS control."

The quarterly report showed a USPS operating loss of \$587 million, which puts the agency in the red by \$55 million three-quarters through the 2017 fiscal year.

"These figures reflect the impact of last year's rollback in stamp prices," Rolando said. Without that two-cent reduction in stamp prices, this most recent quarter's revenue would be \$500 million higher and the year-to-date revenue would be \$1.5 billion higher.

"The figures would be on a par with those of the past three years, which had a combined operating profit of \$3.2 billion," the president said.

The April 2016 rollback in stamp prices was the first since 1919, and made little financial sense, Rolando said because the Postal Service already has the industrial world's lowest rates.

"The rollback reduces revenue at USPS which gets no taxpayer money by \$2 billion a year," he said.

The president noted that the Postal Regulatory Commission (PRC) is in the midst of a legally mandated review of the postage rate-setting system, and that it intends to issue a report later this fall.

"USPS is constricted in its ability to adjust postage rates by more than the Consumer Price Index (CPI)," Rolando said, "but the CPI is an economy-wide measurement of consumer goods and services that doesn't fit a transportation and delivery provider. The PRC has the ability to correct this mismatch and relieve the resulting financial pressure."

Rolando also renewed NALC's calls for Congress to address the pre-funding burden it imposed in 2006, which requires USPS alone among all public and private entities to pre-fund future retiree health care benefits decades into the future. This produces an onerous annual burden of billions of dollars.

"Addressing these external financial burdens would allow USPS which is based in the Constitution and which enjoys broad public and political support to continue providing Americans and their businesses with the industrial world's most affordable delivery network," the president said.

News media coverage following the report's release was robust. A generally balanced and thorough report by the Associated Press was widely run by a number of prominent news outlets, such as ABC News and *The Philadelphia Inquirer*. Stories about the report also appeared in *USA Today*, *Washington Examiner*, *Federal News Radio* and *FedSmith.com*. President Rolando and NALC were prominently quoted.

## Union Plus scholarships awarded to two NALC members' children



Two children of NALC members have won scholarships from the AFL-CIO-sponsored Union Plus program.

Alyssa Menko of Kulpmont, PA, whose father, David Menko, is a member of Harrisburg, PA Branch 500, was awarded a \$750 scholarship. Union Plus awarded David Tegtmeier of Las Vegas \$1,000; his father, David Tegtmeier, is a member of Las Vegas Branch 2502.

Menko will begin college this fall with a dual major in communications and English at West Chester University in Pennsylvania. While in high school, she earned 24 college credits through dual-enrollment classes at nearby Luzerne County Community College and Bloomsburg University. She is a National Honor Society member.

In 2013, Menko's mother sustained permanent nerve damage due to complications from back surgery. "My mom's condition has required ongoing assistance, which my father has been able to provide because of NALC's strong backing of the Family Medical Leave Act," she said. "It's comforting to know that unions are still actively protecting, securing and uniting their members today."

Tegtmeier will begin college this fall as a chemical engineering major. He reached the top Boy Scout rank of Eagle Scout in 2014 and volunteered during each summer of high school as a lifeguard at a local scout camp. He is a National Honor Society member and recipient of the President's Volunteer Service Award. Tegtmeier's grandparents were union members, and his mother, Kathleen, is a member of the International Brotherhood of Teamsters.

"Unions have provided for my family with a lifetime of employment and a means to support a family in an environment I proudly call home," he said. "Unions provide stability to the community by producing a strong workforce with an unshakable work ethic."

These scholarships were among the \$150,000 in assistance that Union Plus awarded this year to 106 students representing 31 unions. Now in its 26th year, the scholarship program bases its awards on outstanding academic achievement, personal character, financial need and commitment to the values of organized labor. The program is offered through the Union Plus Education Foundation.

Union Plus has awarded more than \$4.2 million in educational funding to more than 2,800 union members, spouses and dependent children. Union Plus Scholarship awards are granted to students attending a two-year college, a four-year college, graduate school or a recognized technical or trade school. The selection process is very competitive, and this year more than 5,100 applications were received from 65 unions. Visit [unionplus.org/](http://unionplus.org/) scholarship for applications.

In addition to the scholarship program, Union Plus provides a wide range of money-saving programs and services for union members and families.

## Contract ratification Letter Carrier Pay Schedule City Carrier Wage Schedule

The following salary and rate schedule is for all NALC-represented employees.

- This pay chart includes the following increases for career carriers:
  - Sept. 3, 2016: COLA of \$21 annually (paid beginning Aug. 19, 2017, reflected in paychecks Sept. 8, 2017)—back pay will be calculated from Sept. 3, 2016, through Aug. 18, 2017.
  - Nov. 26, 2016: 1.2 percent general wage increase (paid beginning Aug. 19, 2017, reflected in paychecks Sept. 8, 2017)—back pay will be calculated from Nov. 26, 2016, through Aug. 18, 2017.
  - March 4, 2017: COLA of \$333 annually (paid beginning Aug. 19, 2017, reflected in paychecks Sept. 8, 2017)—back pay will be calculated from March 4, 2017, through Aug. 18, 2017.
  - Sept. 2, 2017: COLA of \$270 annually (paid beginning Sept. 2, 2017, reflected in paychecks Sept. 22, 2017)—back pay not applicable.
- The next increase, effective Nov. 25, 2017, reflected in paychecks Dec. 15, 2017, will be as follows:
  - 1.3 percent general wage increase
- Back pay adjustments referenced above will be calculated and paid by USPS as soon as practicable.

**Table 1: City Carrier Schedule**

This schedule applies to all carriers with a career appointment date prior to Jan. 12, 2013

RSC Q (NALC)

CC Grade	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Most PREV. STEP
<b>Full-Time Regular Employees - Basic Annual Salaries</b>																
1	48,406	52,337	53,863	56,785	57,188	57,593	57,988	58,390	58,794	59,191	59,594	59,995	60,398	60,803	61,201	403
2	50,415	54,597	54,693	57,686	58,120	58,557	58,986	59,417	59,855	60,277	60,715	61,151	61,580	62,022	62,454	438
<b>Part-Time Flexible Employees - Hourly Basic Rates</b>																
1	24.20	26.17	26.93	28.39	28.59	28.80	28.99	29.20	29.40	29.60	29.80	30.00	30.20	30.40	30.60	
2	25.21	27.30	27.35	28.84	29.06	29.28	29.49	29.71	29.93	30.14	30.36	30.58	30.79	31.01	31.23	
<b>Full-Time/Part-Time Regular Employees - Hourly Basic Rates</b>																
1	23.27	25.16	25.90	27.30	27.49	27.69	27.88	28.07	28.27	28.46	28.65	28.84	29.04	29.23	29.42	
2	24.24	26.25	26.29	27.73	27.94	28.15	28.36	28.57	28.78	28.98	29.19	29.40	29.61	29.82	30.03	
<b>Step Increase Waiting Periods (in weeks)</b>																
Steps (From-To)	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	YRS.	
Grades 1 - 2	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4	

**Table 2: City Carrier Schedule**

This schedule applies to all carriers with a career appointment date on or after Jan. 12, 2013

RSC Q7 (NALC)

CC Grade	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Most PREV. STEP
<b>Full-Time Regular Employees - Basic Annual Salaries</b>																
1	37,640	39,321	41,005	42,687	44,372	46,054	47,737	49,419	51,104	52,785	54,468	56,152	57,836	59,519	61,201	1,682
2	38,410	40,126	41,845	43,561	45,279	46,996	48,714	50,432	52,150	53,867	55,585	57,301	59,019	60,736	62,454	1,718
<b>Part-Time Flexible Employees - Hourly Basic Rates</b>																
1	18.82	19.66	20.50	21.34	22.19	23.03	23.87	24.71	25.55	26.39	27.23	28.08	28.92	29.76	30.60	
2	19.21	20.06	20.92	21.78	22.64	23.50	24.36	25.22	26.08	26.93	27.79	28.65	29.51	30.37	31.23	
<b>Full-Time/Part-Time Regular Employees - Hourly Basic Rates</b>																
1	18.10	18.90	19.71	20.52	21.33	22.14	22.95	23.76	24.57	25.38	26.19	27.00	27.81	28.61	29.42	
2	18.47	19.29	20.12	20.94	21.77	22.59	23.42	24.25	25.07	25.90	26.72	27.55	28.37	29.20	30.03	
<b>Percent Step O</b>																
	61.50%	64.25%	67.00%	69.75%	72.50%	75.25%	78.00%	80.75%	83.50%	86.25%	89.00%	91.75%	94.50%	97.25%	100.00%	
<b>Step Increase Waiting Periods (in weeks)</b>																
Steps (From-To)	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	YRS.	
Grades 1 - 2	46	46	46	46	46	46	46	46	46	46	46	46	46	46	12.4	

**City Carrier Assistant Schedule**

Hourly Rates

RSC Q4 (NALC)

Applies to CCA hires with no previous TE service.

CCA Grade	CC	BB	AA
1	16.41	16.91	17.41
2	16.75	17.25	17.75

Applies to CCA hires with previous TE service after Sept. 29, 2007, who were on the rolls as of Jan. 10, 2013.

CCA Grade	CC	BB	AA
1	17.78	18.28	18.78
2	18.13	18.63	19.13

**Step Progression Criteria:**

- Step CC until 12 weeks of service as a CCA
- Step BB following 12 weeks of service until 52 weeks of service as a CCA
- Step AA after 52 weeks of service as a CCA

The Postal Service has informed the NALC that due to the complexity of implementing a new pay scale, including step increases, that the new pay rates for city carrier assistants will go into effect Sept. 16, 2017.

1. This pay chart includes the following increases for city carrier assistants:

- Nov. 26, 2016: 2.2 percent general wage increase (paid beginning Sept. 16, 2017, reflected in paychecks Oct. 6, 2017)—back pay will be calculated from Nov. 26, 2016, through Sept. 15, 2017.
- Nov. 26, 2016: CCA step increases of \$0.50 per hour when you reach 12 weeks of service as a CCA, another \$0.50 per hour increase after 40 more weeks of service as a CCA (paid beginning Sept. 16, 2017, reflected in paychecks Oct. 6, 2017)—back pay will be calculated from Nov. 26, 2016 through Sept. 15, 2017.

2. The next increase, effective Nov. 25, 2017, reflected in paychecks Dec. 15, 2017, will be as follows:

- 2.3 percent general wage increase

3. Back pay adjustments referenced above will be calculated and paid by USPS as soon as practicable.

## CVS Health donates money to Food Drive

CVS Health has stepped up to make generous monetary contributions to two food agencies as part of the 2017 Letter Carriers' "Stamp Out Hunger"® Food Drive.

In Clearwater, FL, CVS Health donated \$10,000 to Religious Community Services Mission food pantry in the name of Clearwater Branch 2008 member Brian Mueller. Mueller was the Food Drive coordinator at the Cleveland Street station in Clearwater and was killed in a traffic crash while riding his motorcycle home after working on this year's May 13 drive. Brian's wife and children, letter carriers from the Cleveland Street station and Postal Service managers were on hand for the special check presentation in August.

CVS Health donated another \$10,000 to the Food Bank of Northern Nevada. This donation was in recognition of the hard work of members of Reno, NV Branch 709 at the Philatelic Society's Ameristamp Expo in Reno in March. The event highlighted the unveiling of a Family Circus-themed Food Drive stamp. Volunteer uniformed letter carriers and NALC retirees were on hand in Reno to promote the food drive and honor the drive's 25th anniversary.



A number of Florida NALC members were on hand for the presentation of a check from CVS Health to Clearwater, FL's Religious Community Services Mission food pantry.

## Senate committee holds hearing on Hatch Act

On July 19, the Senate Homeland Security and Government Affairs Committee conducted a hearing that examined NALC's political program and questioned the Postal Service's decades-long policy of approving leave without pay (LWOP) for letter carriers to participate in political activity, most recently in 2016 campaigns.

Committee Chairman Ron Johnson (R-WI) called for the hearing to investigate whether granting such leave requests in some way violated the Hatch Act, a 1939 law (amended in 1993) that forbids all federal employees from engaging in certain political activities.

The hearing determined that, in fact, no letter carrier or other postal employee had violated the Hatch Act. However, the Office of Special Counsel (OSC), which protects federal employees and applicants from prohibited personnel practices, concluded that USPS' approval of LWOP for political activism as "union leave" constituted an "institutional violation" of the Hatch Act, a conclusion that NALC's lawyers and others have questioned.

Postmaster General Megan Brennan, who was among those called to testify before the committee, said that the Postal Service would adhere to the recommendations of the OSC and the USPS Office of the Inspector General.

Although NALC was not invited to testify before the committee, the union is continuing to monitor further proceedings on this matter and will continue to legally and contractually protect the ability of letter carriers to exercise their political rights.

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