



NALC

Number 20-09

Nov. 25, 2020

Bulletin

NALC, USPS reach tentative National Agreement

Nolan interest arbitration proceeding suspended pending ratification vote

The National Association of Letter Carriers and the U.S. Postal Service have reached tentative agreement on a new 44-month national labor agreement, covering approximately 205,000 active city letter carriers across the United States. The agreement emerged after several months of continuous bargaining sessions, even as the parties pursued a resolution through an interest arbitration conducted via video link with a three-member panel chaired by Arbitrator Dennis Nolan. The Nolan proceeding has been suspended pending the results of a membership ratification vote.

The tentative agreement provides four annual general wage increases and seven cost-of-living adjustments (COLAs). In addition, effective Nov. 19, 2022, a new top step (Step P) will be added to the career letter carrier pay scales, which will be \$444 annually greater than Step O. The agreement also provides for the automatic conversion of city carrier assistants (CCAs) to career status no later than after 24 months of relative standing, providing full fringe benefits and peace of mind to non-career carriers. It also maintains existing protections against subcontracting and layoffs.

NALC President Fredric Rolando issued the following statement after the NALC Executive Council unanimously recommended approval of the tentative settlement:

"I'd like to thank all the officers and staff—as well as our counterparts in postal management—who worked so hard to reach this tentative National Agreement. As I have reported repeatedly over the past several months, NALC followed a dual-track approach to achieve a new contract with both ongoing negotiations and the presentation of the best possible case for our proposals in interest arbitration. That we have done. I am proud of the case and the evidence we amassed in the interest arbitration proceeding up to this point, but I am even more pleased that letter carriers will get to decide whether or not to accept this tentative agreement in a ratification vote, following the procedure outlined in the *NALC Constitution*. The Executive Council unanimously recommends ratification of this contract."

The major features of the contract are summarized below. Full details about the tentative agreement, along with projected pay charts, other contractual changes, and information about new and amended memorandums of understanding (MOUs), will be presented in the December issue of *The Postal Record*. They will also be distributed through the union's electronic platforms in the days to come.

In view of the ongoing COVID-19 pandemic, we are still discussing how to conduct a virtual rap session on the new contract and the mechanics for safely convening a ballot committee to oversee a contract ratification vote in compliance with the *NALC Constitution*. We will use all of our communication channels in the days and weeks ahead to inform the membership as we work out the details.

NATIONAL ASSOCIATION OF LETTER CARRIERS HIGHLIGHTS OF TENTATIVE AGREEMENT WITH THE U.S. POSTAL SERVICE

2019-2023 NATIONAL AGREEMENT

Contract term

The 2019 National Agreement will last 44 months, covering the period Sept. 20, 2019, to May 20, 2023.

General wage increases

All letter carriers, career and non-career alike, will receive four wage increases under Article 9 as follows:

- 1.1 percent effective Nov. 23, 2019, paid retroactively.
- 1.1 percent effective Nov. 21, 2020, paid retroactively.
- 1.3 percent effective Nov. 20, 2021.
- 1.3 percent effective Nov. 19, 2022.

CCAs will receive additional wage increases of 1 percent on these four dates for a total of: 2.1 percent on Nov. 23, 2019 (paid retroactively); 2.1 percent on Nov. 21, 2020 (paid retroactively); 2.3 percent on Nov. 20, 2021; and 2.3 percent on Nov. 19, 2022. These additional 1 percent increases will be paid in lieu of COLAs for CCAs.

Cost-of-living adjustments for career letter carriers

All career letter carriers will receive seven COLAs based on changes in the Consumer Price Index (CPI-W) using the existing COLA formula and the July 2019 CPI-W as the base month. The first two will be paid retroactively:

- The first COLA will be \$166 annually effective Feb. 29, 2020, paid retroactively.
- The second COLA will be \$188 annually effective Aug. 29, 2020, paid retroactively.

The remaining five will be paid in the future as follows:

- The third COLA will be effective March 2021.
- The fourth COLA will be effective September 2021.
- The fifth COLA will be effective March 2022.
- The sixth COLA will be effective September 2022.
- The seventh COLA will be effective March 2023.

The COLAs will be applied to the two pay tables for career city carriers in the same manner used in the 2016 National Agreement.

Wage schedule changes

The contract provides for the addition of a new top step to Tables One and Two on Nov. 19, 2022. The new career Step P will be \$444 annually greater than Step O. Carriers with at least 46 weeks in Step O on Nov. 19, 2022, will advance to Step P. Those with fewer than 46 weeks will advance to Step P upon reaching 46 weeks in Step O.

Effective June 19, 2021, the CCA Step CC hourly pay rate (currently \$17.29) will be eliminated, and CCA Step BB and its higher pay rate (currently \$17.79) will become the new entry step for newly hired CCAs.

A new PTF Step AA, with a waiting period of 46 weeks to PTF Step A, has been created as the starting wage for CCAs converted to career under the new 24-month automatic conversion. The hourly pay of PTF Step AA will equal the hourly pay of Full-time Regular Step A.

New 24-month automatic conversion of CCAs to career status

While the Postal Service will maintain additional CCAs afforded to it under the Sunday package formula mutually agreed to during the previous contract, all CCAs in every size office who would have otherwise continued as non-career employees after 24 months of relative standing will now be automatically converted to career status. Those CCAs who have reached 24 months of relative standing without being converted to career will be converted to part-time flexibles and placed in a new PTF Step AA in Table Two. The Step AA hourly rate will equal the Full-time Step A hourly rate, and the waiting period in PTF Step AA to PTF Step A will be 46 weeks. Upon conversion to full time, regardless of the PTF step they are currently in, PTFs will be placed in the full-time step commensurate with their number of weeks as a PTF, and retain their time credit toward the next step.

Recently retired letter carriers

Letter carriers who have retired over the last several months will receive applicable retroactive general wage increases and COLAs. The Office of Personnel Management will also make any annuity adjustments made necessary by the retroactive increases.

Health insurance

In 2020 and 2021, there is no reduction in the Postal Service's share of premium costs for career letter carriers' health insurance (73 percent of the weighted average Federal Employees Health Benefits [FEHB] Program plan premium, capped at 76 percent of any given plan's premium). The Postal Service's share will decline by 1 percentage point to 72 percent in 2022 and 2023, and will be capped at 75 percent of any given plan's premium. The biweekly impact of this Article 21 change will depend on which plans carriers enroll in, but will, in any case, represent a small fraction of the biweekly pay increases provided by Article 9 of the tentative agreement.

On health insurance for CCAs, the tentative contract maintains the Postal Service's biweekly contribution of \$125 toward self-only coverage in the USPS Non-career Health Plan for Plan Years 2020 and 2021. For CCAs who wish to select self-plus-one or self-and-family coverage under the USPS plan, the first-year contribution by USPS will be 65 percent in Plan Years 2020 and 2021, rising to 75 percent in their second year of service. However, effective in Plan Year 2022, the Postal Service will contribute 75 percent of the premiums for self only, self plus one or self plus family, regardless of the year of employment.

Uniform allowance

Increase in uniform allowance on May 21, 2021, to \$487 (5 percent increase from current rate) and on May 21, 2022, to \$499 (another 2.5 percent increase). Additional allowance credits for newly eligible employees have been increased by the same percentages.

Job security protections for letter carriers

The no-layoff clause that protects letter carriers after six years of service as career employees is retained in the tentative agreement, as well as the prohibitions against contracting out city carrier work.

Another option for full-time letter carriers who work their holiday

Article 11, Sections 3 and 4 have been modified to now allow full-time employees who work their holiday to elect to have their annual leave balance credited with up to eight hours of annual leave in lieu of receiving holiday pay.

Other notable MOUs

The new contract updated, revised and combined several MOUs, continued dozens of others, and added several new MOUs on a variety of topics. Among the most notable new MOUs are:

MOU Re: Qualifying period—exception for City Carrier Assistants—CCAs with a minimum of 90 days of service prior to conversion to career status without a break in service are exempt from the Ninety-Day Qualifying Period in *ELM* 512.313. Previously, all newly converted employees, regardless of time in service, were required to complete 90 days of employment as a career employee prior to being allowed to take annual leave.

MOU Re: Managed Service Point Scans—No later than 60 days from the ratification date of the 2019 collective-bargaining agreement, Managed Service Points (MSPs) will be removed from the street delivery portions of city letter carrier routes.

MOU Re: City Delivery and Workplace Improvement Task Force—This renamed MOU modifies the MOU Re: City Delivery Task Force and expands the role of the task force for the purposes of jointly seeking methods to improve the cultural and operational environment in city delivery offices.

MOU Re: City Carrier Uniform Task Force—Establishes a national-level task force to improve the efficiency and accessibility of the uniform program and to improving the overall quality of available uniform items in a cost-effective manner. The task force will also explore ways to incorporate improved materials and uniform designs into the uniform program while continuing to supply city carriers with sufficient uniform items.

Finally, of special interest to NALC branch leaders, the contract set the dates for local MOU negotiations:

MOU RE: Local Implementation—The local implementation period will be April 29, 2021, to May 28, 2021.

Look for updates on the NALC Member App and visit nalc.org for further information on the new contract and the ratification process. A more detailed summary of the contract will be provided in the December issue of *The Postal Record*.

National Association of Letter Carriers

100 Indiana Ave. NW
Washington, DC 20001-2144
202-393-4695 | www.nalc.org

Fredric V. Rolando, President

EDITORIAL STAFF:
Philip Dine, Director of Communications and Media Relations
Mike Shea, Designer/Web Editor
Rick Hodges, Writer/Editor
Jenessa Wagner, Writer/Editor
Clare Foley, Editorial Assistant

NALC Bulletin is published semi-regularly by the National Association of Letter Carriers. Postage paid at Washington, DC, and at additional mailing offices.

POSTMASTER: Send address changes to Membership Department, NALC, 100 Indiana Ave. NW, Washington, DC 20001-2144.

CHANGE OF ADDRESS? Contact the Membership Department.

© 2020 by the National Association of Letter Carriers.
Circulations: 10,000. Union-printed using soy-based inks.

Follow us on Facebook, Twitter, Instagram and YouTube by going to NALC.org.

