

Office of Inspector General | United States Postal Service

## Audit Report

# Salary and Wage Rate Retention

Report Number FT-AR-19-009 | September 20, 2019



# Table of Contents

Cover	
Highlights.....	1
Objective .....	1
What the OIG Found.....	1
What the OIG Recommended .....	2
Transmittal Letter .....	3
Results.....	4
Introduction/Objective .....	4
Background.....	4
Finding #1: Assignment.....	6
Finding #2: Monitoring Employee Eligibility .....	7
Recommendation #1.....	8
Recommendation #2.....	8
Management's Comments.....	9
Evaluation of Management's Comments .....	9
Appendices .....	10
Appendix A: Additional Information.....	11
Scope and Methodology.....	11
Prior Audit Coverage .....	12
Appendix B: Management's Comments.....	13
Contact Information .....	15

# Highlights

## Objective

U.S. Postal Service pay administration policies establish conditions and procedures for setting the salaries of Postal Service employees. Salary and wage rate retention provisions exist for employees involuntarily assigned to lower pay grade positions due to management action. The three rate retention types are:

- **Saved grade** - an employee receives saved grade status when a management action eliminates their current position.
- **Saved rate/saved salary** - an employee receives saved rate or saved salary status when a management action changes their job ranking or classification.
- **Protected rate** - similar to saved rate but limited to two years.

There are separate salary and wage rate retention provisions for bargaining and nonbargaining employees.

We initiated this audit based on analytic procedures performed on payroll systems data to determine the number of employees with salary and wage rate retentions. The analytics disclosed that the Postal Service had 4,554 employees as of November 24, 2018, with salary and wage rate retentions for more than two years, including 3,946 bargaining and 608 nonbargaining employees.

Our objective was to determine whether the Postal Service properly assigns and manages salary and wage rate retention for employees assigned to lower grade positions.

## What the OIG Found

The Postal Service did not always properly assign and monitor salary and wage rate retentions for employees involuntarily moved to lower grade positions. Management maintained Postal Service (PS) Forms 50, Notification of Personnel Action, electronically; however, PS Form 50 does not include source documentation for the management action. We requested further supporting documentation, but management did not always provide additional support.

Specifically, we statistically selected 203 employees (184 bargaining and 19 nonbargaining) from a universe of 8,965 employees with rate retentions as of March 16, 2019. We judgmentally selected five additional employees (two bargaining and three nonbargaining) to ensure coverage of all rate retention classifications. Of the 208 employees reviewed, management:

- Responded but did not provide documentation other than a PS Form 50 in some cases to support employee salary and wage rate retentions for 104 of the employees (50 percent).
- Did not respond or provide any documentation to support rate retentions for 29 employees (14 percent).
- Responded and provided support, such as memorandums of understanding, settlement agreements, and employee notifications for the remaining 75 employees (36 percent).

Further, we accessed PS Forms 50 for all 208 employees sampled to determine whether they contained information to support assigning employee salary and wage rate retentions. We reviewed the comments section for information on the rate retention and found that:

- Fifty-six (27 percent) did not have any comments regarding assignment of the rate retention.
- Seventy-eight (38 percent) referred to the assignment of the rate retention but did not have a description of management action initiating the rate retention, the duration of the rate retention, or were missing both.
- Sixty-seven (32 percent) did not include requirements for employee continued eligibility. Some of the forms were also missing a description of management's action or the duration of the rate retention, as described in the preceding bullet.
- Sixty-eight (33 percent) had information that sufficiently described the assignment and employee continued eligibility requirements.

Properly documenting rate retentions substantiates accountability and improves accuracy and timeliness of rate retentions. Because PS Forms 50 did not include all the supporting information needed, we were unable to determine proper rate retention assignments. Improper rate retention assignments may result in overpayment to employees.

We also found that management did not always monitor employee eligibility for salary and wage rate retention. Headquarters management stated that district-level employees were responsible for monitoring rate retentions. However, when we inquired with personnel at seven district Human Resources offices we found that:

- None of the seven offices monitored rate retentions or continued employee eligibility.
- Two offices indicated monitoring may be done at the field level even though headquarters management stated that district-level employees were responsible for monitoring rate retentions.
- One employee advised that they used data from WebCoins to compare salary and job level information. WebCoins is a web-based tool for managing and tracking complement information about employees. The employee used the system to identify who had rate retentions.

- Four of the seven district Human Resources managers did not know how many employees had rate retentions.

The Postal Service did not have policies and procedures for documenting, retaining information, and monitoring management action, duration, or continued eligibility requirements for employee salary and wage rate retention. As a result, the risk of overpayment to employees no longer eligible for the salary and wage rate retention increases. Because management did not monitor rate retentions, we questioned nearly \$8.5 million annually in salary differences between the saved grade level and lower job level.

As a result of our audit, management determined that 14 employees currently receiving rate retentions or higher-level salaries were no longer eligible. As of August 9, 2019, management completed the rate retention removal process for one employee and another has since retired.

## What the OIG Recommended

We recommended management:

- Develop policies and procedures, including assignment of responsibilities, for documenting and retaining salary and wage rate retention information and monitoring continued eligibility.
- Develop and implement a plan to periodically identify and address employees no longer eligible for salary and wage rate retention status.

# Transmittal Letter

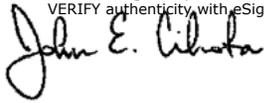


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 20, 2019

**MEMORANDUM FOR:** SIMON STOREY  
VICE PRESIDENT, EMPLOYEE  
RESOURCE MANAGEMENT

E-Signed by John Cihota  
VERIFY authenticity with eSign Desktop 



**FROM:** John E. Cihota  
Deputy Assistant Inspector General  
for Finance and Pricing

**SUBJECT:** Audit Report – Salary and Wage Rate Retention  
(Report Number FT-AR-19-009)

This report presents the results of our audit of Salary and Wage Rate Retention (Project Number 19BG005FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lorie Nelson, Director, Finance, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

# Results

## Introduction/Objective

This report presents the results of our self-initiated audit of salary and wage rate retention (Project Number 19BG005FT000). Our objective was to determine whether the U.S. Postal Service properly assigns and manages salary and wage rate retention for employees assigned to lower grade positions. See [Appendix A](#) for additional information about this audit.

*“Salary and wage rate retention provisions exist for employees involuntarily assigned to lower pay grade positions due to management action.”*

## Background

Postal Service pay administration policies establish conditions and procedures for setting the salaries of Postal Service employees. Salary schedules are a means for determining compensation by employment category and progressively higher pay grades exist within most categories. Major categories with separate schedules include clerks, city carriers, rural carriers, mail handlers, executive and administrative positions, and postmasters.

Salary and wage rate retention provisions exist for employees involuntarily assigned to lower pay grade positions due to management action. These actions are generally initiated by headquarters management decisions including national automation, plant closures, or changes to job criteria affecting grade levels. For bargaining employees,<sup>1</sup> headquarters Labor Relations will generally enter into a memorandum of understanding with the affected labor union. For nonbargaining employees,<sup>2</sup> Headquarters Resource Management determines terms and conditions for special situations granting rate retentions. Headquarters management issues processing instructions to district or field management, which directs the Human Resources Shared Service Center (HRSSC)<sup>3</sup> to establish rate retention for impacted employees.

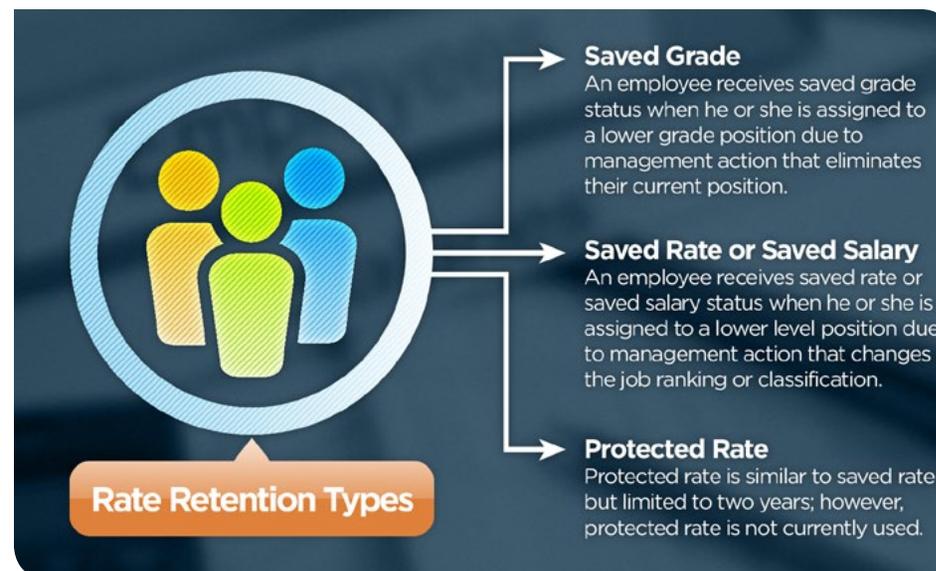
<sup>1</sup> Bargaining employees are career employees covered by nine collective bargaining agreements with seven unions.

<sup>2</sup> Non-bargaining employees are supervisory or other management personnel who are not subject to collective bargaining agreements.

<sup>3</sup> HRSSC processes human resource actions for Postal Service employees.

<sup>4</sup> There are multiple classifications within each rate retention type.

Rate retention types include saved grade, saved rate or saved salary, and protected rate<sup>4</sup> are defined below:



- **Saved grade** - an employee receives saved grade status when he or she is assigned to a lower grade position due to management action that eliminates their current position.
- **Saved rate or saved salary** - an employee receives saved rate or saved salary status when he or she is assigned to a lower level position due to management action that changes the job ranking or classification.
- **Protected rate** - protected rate is similar to saved rate but limited to two years; however, protected rate is not currently used.

Bargaining employees retain saved grade status for an indefinite period as long as they bid<sup>5</sup> for all vacant jobs in the saved grade for which they qualify. Further, they retain saved rate status as long as their rate is above the maximum pay range for the assigned position. Policies for bargaining employees reflect applicable articles of the collective bargaining agreements negotiated between the Postal Service and the officially recognized labor unions. When conflicts arise,

however, collective bargaining agreements dominate. Nonbargaining employees retain saved grade status in accordance with terms and conditions issued for special situations by management and maintain saved salary for a period not to exceed two years.

Table 1 shows the total number of employees by area with salary or wage rate retention status over the last five years.<sup>6</sup>

**Table 1. Salary or Wage Rate Retention by Postal Service Area**

Employees with Salary and Wage Rate Retentions						
Area <sup>7</sup>	2015	2016	2017	2018	2019	
Capital Metro	1,257	1,170	1,164	975	918	
Eastern	1,908	1,757	2,426	1,322	1,294	
Great Lakes	1,846	1,756	2,424	1,300	1,209	
Headquarters	379	439	426	362	371	
Inspection Service	55	13	9	9	22	
Northeast	2,304	2,137	2,785	1,485	1,282	
Pacific	1,516	1,438	2,282	1,042	948	
Southern	2,449	2,303	2,866	1,908	1,902	
Western	1,446	1,325	2,081	994	1,019	
<b>Total</b>	<b>13,160</b>	<b>12,338</b>	<b>16,913</b>	<b>9,397</b>	<b>8,965</b>	

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of data obtained from the Human Capital Enterprise System (HCES),<sup>8</sup> pay period 7, fiscal years (FY) 2015 through 2019.

<sup>5</sup> A request by a bargaining unit employee to be considered for a posted position.

<sup>6</sup> Data includes Rate Retention type "SE" (Special Exception). SE classification is not used for employees assigned to lower grades. It allows the payroll system to process pay for employees whose salaries are over the maximum for the position they occupy.

<sup>7</sup> Headquarters and Inspection Service are shown separately. They are not considered Postal Service areas.

<sup>8</sup> System used to support Postal Service employee's Human Resources needs.

## Finding #1: Assignment

The Postal Service did not always properly assign and monitor salary and wage rate retentions for employees involuntarily moved to lower grade positions. Management maintained Postal Service (PS) Forms 50, Notification of Personnel Action, which were available in Employee Personnel Action History (ePAH);<sup>9</sup> however, PS Forms 50 are processed for rate retention actions but do not include source documentation for the management action. We requested further supporting documentation, but management did not always provide additional support. Specifically, as shown in Table 2, of the 208<sup>10</sup> employees reviewed, management:

- Responded but did not provide documentation other than a PS Form 50, in some cases, to support employee salary and wage rate retentions, for 104 of the employees (50 percent).
- Did not respond or provide documentation to support rate retentions for 29 employees (14 percent).
- Responded and provided support, such as memorandums of understanding, settlement agreements, and employee notifications for the remaining 75 employees (36 percent).

**Table 2. Supporting Documentation for Rate Retentions**

Area	Employees Reviewed	Support Provided <sup>11</sup>	Percentage	Support Not Provided	Percentage	No Response Provided	Percentage
Capital Metro	21	7	33%	13	62%	1	5%
Eastern	20	4	20%	15	75%	1	5%
Great Lakes	41	13	32%	28	68%	0	0%
Headquarters	12	0	0%	0	0%	12	100%
Northeast	25	12	48%	7	28%	6	24%
Pacific	25	8	32%	9	36%	8	32%
Southern	47	21	45%	26	55%	0	0%
Western	17	10	59%	6	35%	1	6%
<b>Total</b>	<b>208</b>	<b>75</b>	<b>36%</b>	<b>104</b>	<b>50%</b>	<b>29</b>	<b>14%</b>

Source: OIG analysis of data obtained from HCES, pay period 7, FY 2019.

<sup>9</sup> ePAH is the repository for all employee Human Resources actions.

<sup>10</sup> Our sample included 22 rate retentions with the SE classification.

<sup>11</sup> Includes 15 postmaster 18B positions. Management categorized these positions as rate retention type S (saved salary) because a salary schedule does not exist for them. HRSSC personnel processed these for payroll purposes only, so we did not expect additional support.

Further, we accessed PS Forms 50 in ePAH for all 208 employees sampled to determine whether they contained information to support assigning employee salary and wage rate retentions. We reviewed the comments section for information on the rate retention and found that:

- Fifty-six (27 percent) did not have any comments regarding assignment of the rate retention.
- Seventy-eight (38 percent) referred to the assignment of the rate retention but did not have a description of management action initiating the rate retention, the duration of the rate retention, or were missing both.
- Sixty-seven (32 percent) did not include requirements for employee continued eligibility. Some of the forms also did not have a description of management action or the duration of the rate retention, as described in the preceding bullet.
- Sixty-eight (33 percent) had information that sufficiently described the assignment, and employee continued eligibility requirements.

HRSSC processes rate retentions based on Placement and Position Action Request forms or through eHRSSC Forms<sup>12</sup> from district or field personnel. Documentation supporting the management action that initiated the rate retention may or may not be provided to HRRSC with the notification. The HRSSC does not maintain documentation after the rate retention is processed.

This issue occurred because procedures did not exist for documenting and retaining information regarding the management action, duration, or continued eligibility requirements for rate retentions. Committee of Sponsoring Organization of the Treadway Commission's (COSO)<sup>13</sup> Internal Control Integrated Framework states documentation provides clarity around roles and responsibilities, which promotes organizational consistency of the adherence of policies and procedures.

<sup>12</sup> eHRSSC Forms is an automated system to create and submit actions for employee position changes.

<sup>13</sup> COSO, Overview of Framework, 2015.

<sup>14</sup> COSO, Principle 12, Deploys Control Activities Through Policies and Procedures.

<sup>15</sup> Includes Human Resources, Labor Relations, and Employee Resource Management.

<sup>16</sup> WebCoins is a web-based tool for managing and tracking complement information about employees.

COSO<sup>14</sup> also states unwritten procedures can be easy to circumvent, be costly to the organization if there is turnover in personnel, and reduce accountability.

Properly documenting rate retentions substantiates accountability and improves accuracy and timeliness of rate retentions. Because PS Forms 50 did not include all the supporting information needed, we were unable to determine proper rate retention assignments. Improper rate retention assignments may result in overpayment to employees.

## Finding #2: Monitoring Employee Eligibility

Management did not always monitor employee eligibility for salary and wage rate retention. Depending on the type of rate retention, employees can maintain the higher level pay while working at the lower level position for up to two years or for an indefinite period. Headquarters management<sup>15</sup> stated that district-level employees were responsible for monitoring rate retentions. However, when we inquired with personnel at seven district Human Resources offices we found that:

- None of the seven offices monitored rate retentions or continued employee eligibility.
- Two offices indicated that monitoring may be done at the field level even though headquarters management stated that district-level employees were responsible for monitoring rate retentions.
- One employee advised us that they used data from WebCoins<sup>16</sup> to compare salary level and job level information. WebCoins was a tool for the employee to identify who had rate retentions.
- Four of the seven district Human Resources managers did not know how many employees had rate retentions.

District Human Resources personnel provided various reasons for not monitoring rate retentions. For example, they stated they did not have access to data to

know which employees currently have rate retention status, monitoring rate retentions had not been a priority, and HRSSC was monitoring rate retentions. HRSSC personnel advised that employee special salary status information is maintained in HCES. However, district and field employees cannot view this information or include it in reports to monitor employee eligibility. They also advised us that they process rate retention actions based on information received. They do not determine employees' continued rate retention eligibility. Policies and procedures for monitoring rate retentions would clarify necessary access and establish responsibilities and priorities.

Policies and procedures do not exist for monitoring continued eligibility for salary and wage rate retention for either bargaining or nonbargaining employees. Rate retention could cease following determination that the employee is no longer eligible.<sup>17</sup> Reasons include a break in service, demotion or an employee-initiated change to a lower grade, promotion, change to higher rate, refusal of a reasonable assignment to higher grade position, or a change from nonbargaining unit to bargaining unit schedule. Further, for bargaining employees granted saved grade, policy requires employees to bid for all vacant jobs in the saved grade for which they are qualified. Failure to bid will result in loss of the saved grade immediately.<sup>18</sup> For nonbargaining employees involuntarily assigned to a lower-level position, Postal Service policy grants rate retention for a period not to exceed two years.<sup>19</sup>

Because management did not properly monitor rate retentions, we estimated they overpaid employees the difference between saved grade salary level and job salary level of \$16,987,386 for the prior two years (July 2017 through June 2019).<sup>20</sup> If management does not begin monitoring rate retentions, the Postal Service may overpay employees an additional \$16,987,386 for the next two years (July 2019 through June 2021).<sup>21</sup>

As a result of our audit, management determined that 14 employees currently receiving rate retentions were no longer eligible. For example:

- Management assigned a bulk mail clerk to a lower level mail processing clerk position and saved grade in August 2010. A review of bid history determined the saved grade should have been removed in April 2014. Based on the current year difference between the saved grade level and job level of \$1,243, we estimate this employee was overpaid about \$6,600 through July 2019.
- An employee was reassigned to another location when their position was eliminated in 1995. In December 1999, the employee voluntarily accepted reassignment back to original location so the saved grade should have been removed. Based on the current year difference between the saved grade level and job level of \$1,243, we estimate this employee was overpaid about \$24,400 through July 2019.

As of August 9, 2019, management had completed the rate retention removal process for one employee and another one has since retired.

### Recommendation #1

We recommend the **Vice President, Employee Resource Management**, develop policies and procedures, including assignment of responsibilities, for documenting and retaining salary and wage rate retention information and monitoring continued eligibility.

### Recommendation #2

We recommend the **Vice President, Employee Resource Management**, develop and implement a plan to periodically identify and address employees no longer eligible for salary and wage rate retention status.

<sup>17</sup> *Employee and Labor Relations Manual (ELM)*, March 2019, Sections 415.41, 421.514 and 421.523.

<sup>18</sup> ELM, Section 421.532.

<sup>19</sup> ELM, Sections 415 and 421.5.21.

<sup>20</sup> Questioned costs: unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, etcetera. May be recoverable or unrecoverable. Usually a result of historical events.

<sup>21</sup> Funds Put to Better Use: Funds that could be used more efficiently by implementing recommended actions.

## Management's Comments

Management agreed with the recommendations but disagreed with the monetary impact. Management stated they will review saved grade employees to ensure proper pay. They also stated they would establish documentation for saved wage employees even though the absence of documentation is not conclusive that a saved salary is improper. Management disagreed with the estimated financial risk because it assumes improper monitoring and the amount of inappropriate pay listed in the report has not been established.

Regarding recommendation 1, management stated they will develop written policies, including the assignment of responsibilities for documenting and retaining salary and wage rate retention information, and monitoring continued eligibility. Regarding recommendation 2, management will develop and implement a plan to periodically identify and address employees no longer eligible for salary and wage rate retention. Management plans to implement these actions by December 1, 2019.

See [Appendix B](#) for management's comments in their entirety.

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Regarding monetary impact, we continue to believe management overpaid employees because they did not properly monitor salary and wage rate retentions. Further, if management does not begin monitoring salary and wage rate retentions, the Postal Service will continue to overpay employees. Our calculation of the associated impact is based on actual salary information for employees assigned to lower level jobs with rate retentions longer than two years and is consistent with questioned costs and funds put to better use definitions in the Inspector General Act of 1978.<sup>22</sup>

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

<sup>22</sup> Public Law 95-452.

# Appendices

Click on the appendix title below to navigate to the section content.

Appendix A: Additional Information.....	11
Scope and Methodology .....	11
Prior Audit Coverage .....	12
Appendix B: Management’s Comments.....	13

# Appendix A: Additional Information

## Scope and Methodology

We initiated this audit based on analytic procedures performed on payroll systems data to determine the number of employees with salary and wage rate retentions. The analytics disclosed that there were 4,554 employees as of November 24, 2018, with salary and wage rate retentions for more than two years, including 3,946 bargaining and 608 nonbargaining employees. Based on those analytics, we reviewed employees with salary and wage rate retentions as of March 16, 2019.

---

***“We initiated this audit based on analytic procedures performed on payroll systems data to determine the number of employees with salary and wage rate retentions.”***

---

We obtained salary and wage rate retentions data from HCES and statistically selected a sample of 203 employees (184 bargaining and 19 nonbargaining) from a universe of 8,965 employees with rate retentions. We selected the random sample in proportion to the total for each classification within each rate retention type currently used. Because the number of rate retentions for some classifications was too small to include in the random sample, we judgmentally selected an additional five employees (two bargaining and three nonbargaining) to ensure coverage of all retention classifications, for a total sample of 208.

To achieve our objective, we:

- Reviewed flowcharts, system documentation, and policies and procedures for Postal Service Headquarters, HRSSC, and district offices related to salary and wage rate retention.
- Performed walkthroughs of processes and procedures used for salary and wage rate retention at the HRSSC and inquired about procedures at selected district offices.

- Reviewed processes for assigning and monitoring special salary and saved protected statuses for salary and wage rate retention.
- Tested the sample of employees to determine if their status was appropriate by reviewing PS Forms 50 available in ePAH and followed up with headquarters, area, and district Human Resources personnel for additional supporting documentation and evidence of bidding when required.
- Met with selected area and district Human Resources office personnel to determine rate retention procedures and whether they maintain supporting documentation, monitor employee eligibility, and initiate employee rate retention removals when no longer eligible.

We judgmentally selected the following area and district offices due to their proximity to our OIG audit offices:

- Capital Metro Area
- Capital (Capital Metro Area)
- Gateway (Great Lakes Area)
- Northern Virginia (Capital Metro Area)

We expanded our scope to include the following district offices based on the number of rate retentions as of March 16, 2019:

- Chicago (Great Lakes Area)
- Gulf Atlantic (Southern Area)
- Kentuckiana (Eastern Area)
- Northland (Western Area)
- South Florida (Southern Area)

We were not able to meet with Capital Metro Area and Chicago district office personnel during our audit.

We conducted this audit from April through September 2019, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 23, 2019, and included their comments where appropriate.

We assessed the reliability of HCES data by applying logical tests, tracing system data to PS Forms 50, and reconciling it with Payroll Systems<sup>23</sup> data for the same period. We determined that the data were sufficiently reliable for the purposes of this report.

### **Prior Audit Coverage**

The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

---

<sup>23</sup> A mainframe system used to compensate employees and maintain payroll history.

# Appendix B: Management's Comments

SIMON M. STOREY  
VICE PRESIDENT  
EMPLOYEE RESOURCE MANAGEMENT



September 13, 2019

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Audit Report – Salary and Wage Rate Retention  
(Report Number [FT-AR-19-DRAFT])

The following constitutes the Postal Service's response to the above referenced audit.

The Postal Service reviewed the findings of the above referenced audit. The Postal Service will be conducting a review of saved grade employees to ensure proper pay and establish documentation for saved wage employees.

The Postal Service would emphasize that employees are given saved salary and wage rate when they involuntarily assigned to lower grades due to management action. The term and length of this saved rate is dependent on the time and circumstances that resulted in the employee being assigned to a lower level grade. Thus, while the Postal Service agrees that it should improve the documentation of these cases, the absence of documentation is not conclusive that a saved salary is improper in any individual case.

The Postal Service does not agree with estimated financial risk listed in the report, which assumes inappropriate pay simply because it was not properly monitored. While the Postal Service is committed to better monitoring cases of saved pay, the amount of inappropriate pay listed in the report has not been established.

The Postal Service has reviewed the OIG recommendations and responds as follows:

**Recommendation #1:** We recommend the **Vice President, Employee Resource Management**, develop policies and procedures, including assignment of responsibilities, for documenting and retaining salary and wage rate retention information and monitoring continued eligibility.

475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-4201  
WWW.USPS.COM

- 2 -

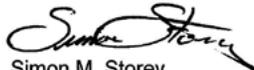
**Response:** The Postal Service agrees to accept the recommendation to develop updated and written policies including the assignment of responsibilities for documenting and retaining salary and wage rate retention information and monitoring continued eligibility. These would supplement the existing regulations found in ELM Section 420 **Wage Administration Policy for Bargaining Unit Employees**.

**Target Implementation Date: December 1, 2019**

**Recommendation #2:** We recommend the **Vice President, Employee Resource Management**, develop and implement a plan to periodically identify and address employees no longer eligible for salary and wage rate retention status.

**Response:** The Postal Service agrees to accept the recommendation to develop and implement a plan to periodically identify and address employees no longer eligible for salary and wage retention.

**Target Implementation Date: December 1, 2019**



Simon M. Storey



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

Contact us via our [Hotline](#) and [FOIA](#) forms.  
Follow us on social networks.  
Stay informed.

1735 North Lynn Street  
Arlington, VA 22209-2020  
(703) 248-2100

For media inquiries, contact Agapi Doulaveris  
Telephone: 703-248-2286  
[adoulaveris@uspsoig.gov](mailto:adoulaveris@uspsoig.gov)

