NATIONAL POSTAL MAIL HANDLERS UNION

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2022 Contract Update #12

SUMMARY OF TENTATIVE AGREEMENT
ESTABLISHING TERMS OF 2022 NATIONAL AGREEMENT

The following is a summary of the tentative agreement reached between representatives of the NPMHU and the Postal Service to establish the terms of the 2022 National Agreement.

Term

The 2022 National Agreement will cover a period of three years, and will expire at midnight on September 20, 2025.

General Wage Increases

All career Mail Handlers will receive three general wage increases during the term:
-- the first, retroactively effective to November 19, 2022, will be 1.3%;
-- the second, effective on November 18, 2023, will be 1.3%; and
-- the third, effective on November 16, 2024, will be 1.3%.

In addition, for career employees hired since February 2013, an additional 1% will be provided to Steps BB, AA, and A retroactively effective to November 19, 2022. As explained below, within six months of ratification, Step BB will be eliminated and all Mail Handlers at that step will be advanced to Step AA and will advance to Step A following the appropriate step waiting period.

For Mail Handler Assistants (MHAs), the first three general wage increases will be 1% higher per year, or 2.3% retroactively effective to November 2022, 2.3% in November 2023, and 2.3% in November 2024.

Cost-of-Living Adjustments

All career Mail Handlers will receive six cost-of-living adjustments, using the July 2022 CPI index as the base:
-- the first COLA will be effective in March 2023
-- the second COLA will be effective in September 2023
-- the third COLA will be effective in March 2024
-- the fourth COLA will be effective in September 2024
-- the fifth COLA will be effective in March 2025
-- the sixth COLA will be effective in September 2025

All cost-of-living adjustments paid during the 2022 National Agreement will be rolled into basic salary immediately, and will follow the formulas set under prior agreements.

The exact amount of the COLAs will be based on future increases in the Consumer Price Index. As Mail Handlers know from previous years, because of largely unpredictable fluctuations in the rate of inflation, economists have great difficulty in accurately projecting the amount of these COLAs. For example, the six COLAs paid during the 36-month term of the 2019 National Agreement averaged $1,016 per COLA, even though one COLA was $166 and another was only $188 because of then-minimal inflation in the economy.

Changes to the Steps for Mail Handlers Appointed to Career on or after February 15, 2013

In addition to the general wage increases and COLAs, the 2022 National Agreement makes two changes to the wage scale for those career employees appointed on or after February 15, 2013:

- Elimination of Step BB (to be effective within six months of ratification). As a result, the wage scale will be reduced from 17 to 16 steps.
- Reduction of the waiting period to advance to the next step on the wage scale from 52 weeks to 48 weeks.

The result of these two changes is that the time for a career mail handler to move from the entry level step to the top step (P) has been reduced by more than 2 years (from more than 17 years to 15 years), a total reduction of 116 weeks.

MHA Wage Changes

In addition to the general wage increases discussed above, the MHA rate for Grade 4 and Grade 5 will be increased by $0.50 retroactive to November 19, 2022.

Additionally, effective no later than the first full pay period 180 days after ratification, a new step, Step B, will be added to the MHA wage scale for Grade 4 and Grade 5. Step B will be $0.50 higher than the Step A rate, and the step waiting period to reach Step B will be 6 months.

Once Step B is effective, any MHA with 6 months or more of relative standing will automatically move to Step B.

Overall Impact of Wage Increases

For a Level 4 Mail Handler at top step, the wage increases during the three years of the 2022 National Agreement – not including COLA – will total $2,715, with each increase totaling $905. For a Level 5 Mail Handler at top step, these general wage increases – again not including COLA – will total $2,760 over the three years of the contract, with each increase totaling approximately $920. When projected COLA payments are added at the consensus estimate of $250 per increase, 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 2022 National Agreement. And, of course, protection against future inflation is precisely why the COLA provision remains an important component of the National Agreement.

For MHAs, at Level 4, the rate that started in 2013 at $13.75, and has recently been $17.32, will immediately go to $18.22 per hour retroactively effective in November 2022. By November 2024, the Level 4 rate will go to $19.02.

No Layoff Clause

All career Mail Handlers employed as of September 20, 2022 will be protected against layoff or force reduction during the entire term of the Agreement, unless Congress repeals or significantly relaxes the Private Express Statutes.

Automatic Conversion of MHAs

Effective no later than the first full pay period 180 days after ratification, MHAs in 200 man year offices will automatically convert to career after they reach 24 months of relative standing. Automatically converted MHAs will convert to a new career classification called Full-Time Flexible ("FTF"). This classification will only be used for MHAs who auto convert. MHAs who convert to career before the MHA reaches 24 months of relative standing will continue to be converted into a Full-Time Regular position.

FTF employees will have flexible reporting times, flexible non-schedule days, and flexible reporting locations within the installation depending upon operational requirements as established on the Wednesday preceding the service week. The work schedules for FTF employees will consist of five workdays per week, eight hours per day, with two consecutive rest days.

A new entry step will be established for automatically converted FTFs. The wage rate at the time of implementation will equal at least $19.68 per hour for a Level 4 Mail Handler and at least $20.47 per hour for a Level 5. These numbers will be increased by all intervening COLAs, including the COLA to be set for March 2023, adjusted proportionally to 57.50%. After 48 weeks, automatically converted MHAs who may still be FTFs will progress into the regular pay schedule at Step AA.

MHAs who automatically convert to FTF after 24 months of relative standing and who later transition to FTR positions (based on their relative standing as an MHA) will be slotted into the FTR pay step commensurate with their number of weeks as an FTF and will retain time in step credit.

To obtain this automatic conversion to career of MHAs after two years of MHA service, the union also agreed to a very small increase in the percentage of MHAs in each Installation, from 24.5% to 25.0%. Also minor changes have been made in the exception periods for unlimited MHAs (to be the same 8 week period in all Installations around the country, which 8 weeks must fully fall within the months of November and December), and in the ramp up to those pay periods, when 1%, 2%, 3%, and 4% leeway for more MHAs on the rolls for the 4 weeks prior to the exception period).

Night Shift Differential

NPMHU was again successful at increasing the night shift differential rate for both career and MHAs. Rates will be increased for employees in both wage scales in Steps A through P as follows: 1% effective May 20, 2023; 1.5% effective May 18, 2024, and 2% effective May 17, 2025. For employees in Step AA or below, night shift differential rates will be increased by 2% each year.

Health Insurance

Essentially, there will be no change in health insurance, especially contribution rates, for the first time in several decades of contracts. For career employees, there will be no change in the percentage of employee contribution to health insurance. For the duration of this agreement, the Postal Service's share of the cost of health insurance will be 72% of the weighted average formula used by OPM for federal employees. At 72%,

the Postal Service will pay the same as the federal government pays for health insurance costs for federal employees, who receive exactly the same health insurance benefits.

For MHAs, during their first year of employment, MHAs will be able to maintain their participation in the USPS Noncareer health plan. The Postal Service will continue to pay $125 per pay period for self-only coverage, and 65% of the total premium for any MHA who chooses to participate in the USPS Noncareer plan for self-plus-one or family coverage.

After an MHA completes one 360-day appointment, beginning in each MHA's second year of employment, an MHA will be able to choose coverage under the USPS Noncareer health plan (at $125 per pay period for self only, or with the Postal Service paying 75% of the total premium for self-plus-one or family coverage) or the MHA will be able to use the same dollar amounts from the Postal Service to obtain coverage from the MHBP Consumer Option or the MHBP Value Plan, which are two of the three plans sponsored in the Federal Employees Health Benefits program by the NPMHU.

Clothing Allowance

There will be a 2.5% increase in clothing allowance during each year of the contract. Additionally, unused portions of an eligible employee's clothing allowance will be carried over, provided that an eligible employee's uniform or work clothing allowance balance may not exceed the sum of two (2) years of the employee's annual allowance entitlement.

Additional Highlights

Under Article 2, a new MOU has been added about Dignity and Respect in the Workplace. In this MOU, the parties commit to improving workplace relationships and to treating each and every individual employee with dignity and respect.

Under Article 8, NPMHU was able to secure a guarantee that, in postal installations which 200 or more man year of employment, career employees shall have consecutive scheduled days off. Additionally, the negotiated agreement includes a guaranteed nonscheduled day each service week for MHAs and PTFs.

For MHAs, the parties have agreed that, after completion of an initial 360-day term as an MHA and immediately upon reappointment to any subsequent appointments, MHAs will be advanced 40 hours of annual leave. PTFs will also be advanced their forty hours of annual leave. Additionally, MHAs with a minimum of 90 days of continuous service as an MHA prior to conversion from career status will be exempt from the 90-day qualifying period for use of annual leave.

A new MOU was negotiated concerning 204(b) temporary supervisors, which provides that the Postal Service is in the process of developing alternate approaches to recruiting, staffing, and filling temporary supervisor positions, including the possibility of creating EAS positions to do so. To the extent that the Postal Service implements an alternative program, the parties at the National Level agreed to meet to discuss the status of the current 204(b) program.

Other Contractual Provisions

Article 2 was updated to include updates to the MOU on reasonable accommodations for the deaf and hard of hearing.

Under Article 2, the statement of nondiscrimination principles has added express language on pregnancy and on individuals with disabilities.

The MOU on Bereavement Leave was modified to include leave in the event of the death of a grandchild.

Article 11.1 was amended to add the Juneteenth National Independence Day holiday.

Article 12 and related MOUs were amended in the following respects:

- 12.2.F1 is amended to make clear that, in installations with 200 or more man years, when, at the employee's request, the employee moves from one postal installation to another or from another craft to the Mail Handler craft, the employee will begin a new period of seniority as a full-time regular.

- 12.3.B.6 is amended to make clear that, when there is a change in starting time for a position that exceeds one hour and up to and including four hours, if the incumbent does not accept the new reporting time, the incumbent shall become an unassigned full-time regular.

- 12.2.G5 is amended to clarify that when an employee is returned to the Mail Handler craft for not being able to meet the qualification standards for a job in the same installation, the employee regains their former Mail Handler seniority which shall not include the period of intervening employment in the other craft.

- 12.3G.8 was amended to provide that when it is necessary to resolve a tie in seniority between two or more Mail Handler craft employees, who were converted on or after March 25, 2023, "Total postal service in the Mail Handler craft" shall be added as the fourth tiebreaker.

- The MOU concerning the Joint Task Force on Article 12 was amended to clarify that either party may refer an Article 12 issue to the Task Force that is part of a grievance appealed to Step 3, that if the Task Force agrees upon a resolution the grievance shall be returned to the Regional/Area parties for implementing the agreed-upon resolution, and that if there is no resolution, the Step 3 grievance is returned to the Regional/Area parties for further processing through the grievance and arbitration process;

- The MOU on Section 12.3 Principles of Posting is amended to make clear that, after the expedited bidding process, the junior employee left without a duty assignment shall retain the right to retreat to the section from which withdrawn.

- A new CIM provision will be added providing that unassigned career Mail Handler employees who are detailed to a 204b or EAS position shall be placed into a residual vacancy duty assignment in accordance with Article 12.3B11.

Article 13.4 is amended to provide that when an employee is unable to perform their regularly assigned duties due to illness or injury, the effort to made to reassign the employee within the employee's craft shall be made even if such assignment reduces the number of hours of work for the MHAs.

Article 14.8D and E are amended to make clear that a Union representative from the local Safety and Health Committee may participate in certain inspections at the Union's option.

A new MOU was added to ensure that NPMHU Regional Safety and Health Representatives have access to safety training available to management safety personnel.

Two letters will be issued by USPS management.

- GATS: to make clear that GATS is to be promptly updated when a decision is made at each grievance step. The parties agreed that prompt updating is vital to support timely processing of disputes and settlements and to ensure GATS integrity and accuracy.
- Work Clothes: to make clear that, when an MHA is converted to a career position and is eligible for a work clothes allowance, the allowance is to be processed and made available in a timely manner.

Article 35 is amended to provide that the parties agree to work jointly in the development of the expanded Employee Assistance Program and in improvements in the existing EAP. The amendments further specify the responsibilities of the National EAP Committee, in which the NPMHU will continue to serve as a participating member.

The MOU on Purging Letters of Warning has been obtained again for all Mail Handlers, and it will again apply to MHAs.

The Article 32 MOU on Subcontracting has been continued, as the parties continue to discuss insourcing of work from the Surface Transportation Centers and the Mail Transport Equipment Service Centers (MTEC).

The MOU on Health Insurance for MHAs was amended to require the Postal Service to provide the Union with periodic information about the health plan, including but not limited to, a list of MHAs enrolled in the plan; information about premiums, claims experience, and plan performance; and its proposed plan design for the upcoming year.

A CIM provision will be added allowing the Union an ample opportunity to address new career or non-career mail handlers in a group session during virtual or remotely conducted orientations.

All other MOUs and Letters of Intent, including the MOU on Filling of Residual Vacancies, have been continued.

The Joint Education and Training Fund will be continued, with additional funding of $1 million per year.

All other provisions of the 2019 National Agreement are being maintained, except for date changes or other cosmetic changes that may be necessary to accommodate the new contract.

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