

THE POSTAL SUPERVISOR

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A Pay Package . . . At Last

Many months and meetings after we began, NAPS and the Postal Service have finally reached a pay and benefits agreement in principle. The four-year agreement is retroactive to November 1994 and ends on November 1998. The consultative process that we worked hard to get Congress to approve has served both parties well for the most part. The threat of a protracted, public battle over pay policies and programs was something we both hoped to avoid, and often kept us both at the consultative meetings long after we might have wanted to walk away in frustration. But fact-finding is an imperfect process and it does not supersede Section 1003 of Title 39, which states that the Postal Service must set pay and benefits in keeping with commonly accepted business practices in the private sector. And in the private sector there a lot of people reading books like "Danger in the Comfort Zone." Fact-finding kept us from moving into the absurd workplace that book recommends, but didn't prevent some changes our members will find unpleasant.

Here are my general comments on the overall agreement:

- Some of the benefits we've come to take for granted are gone for good.
- Some new benefits have been added.
- The pay differential between supervisors and craft employees is preserved.
- The maximum salary for most EAS pay bands increases, and the starting salaries for all EAS pay bands decreases.
- A new merit process provides a way for all EAS employees to move to the top of their pay grade.
- A variable pay component Economic Value Added (EVA) allows exempt EAS employees to share monetary awards with the officers when the Postal Service does well.

Let's review the nine components of the agreement:

1. Implementation Work Group

Upon implementation of this agreement the USPS/NAPS implementation work group will be formed. This work group will ensure smooth implementation of the market-based pay program over the agreement period. Topics and issues the group will address include:

- identifying positions to be converted from FLSA nonexempt to FLSA exempt;
- identifying EAS-19s and below who supervise craft employees;
- defining performance appraisals, including rating criteria, program administration and documentation of results.

The first assignment of the work group is to establish positions that will be classified as FLSA exempt and those that will remain nonexempt. Their second task is to name every position in levels EAS-18 and below that will be eligible for straight time after forty hours worked supervising craft employees in a production mode. We will provide information on the group's progress as they meet.

2. EAS Pay Structure Design and Annual Structure Adjustment

As soon as possible, \$2,142 earned COLA will be rolled into base pay structure. At implementation for 1996 and thereafter, USPS adopts a market-based structure design, including: band widths of 27 percent—32 percent from minimum to maximum, designed symmetrically around the midpoint. This includes increases to the maximum of the pay grade, starting with EAS-12 of .25 percent to EAS-26 with an increase of 5.31 percent. These increases are in effect for the 1995 merit and for the 1996 merit which will be paid in January 1997. In 1997 and 1998 increases to the maximum of the range, with variable increases starting at EAS-12 with a 0.25 percent to EAS-26 with increases of 2.50 percent. Refer to the pay charts for exact figures.

3. Merit Pay Program Administration

In the first major component the maximum of all pay ranges have been expanded. Now let us explain how you get through the pay range.

For FY 1995 only, performance ratings and the accompanying merit percentages, paid retroactive to March 1996, are as follows:

- for "not rated" or "unacceptable" there is no increase;

Vince Palladino



- for "meets/exceeds standards" the increase is two percent;
- for "far exceeds standards" the increase is three percent, with a ten percent limit on employees receiving this rating.

For FY 1996, 1997, and 1998, performance ratings and the accompanying merit percentages are as follows:

- for "not rated" or "unacceptable" there is no increase;
- for "meets/exceeds standards" the increase is two percent for employees above their grade level midpoint, three percent for employees below their grade level midpoint;
- for "far exceeds standards" the increase is three percent for employees above their grade level midpoint, four percent for employees below their grade level midpoint, with a ten percent limit on employees receiving this rating.

For all four years, employees at the top of their grade have a limit on the merit, which is paid as lump sum above the maximum depending on the merit rating:

- for "meets/exceeds standards" the maximum is one and a half percent;
- for "far exceeds standards" the maximum is two percent.

USPS will calculate all merit payments after rolling in the COLA and adjusting grade levels.

4. Variable Pay

Variable pay is a new component of the EAS pay structure that makes EAS nonexempt employees eligible for cash awards in accordance with a standard USPS distribution process, such as Economic Value Added (EVA).

For 1995 employees will receive a cash award of a percentage of their base pay after the COLA has been rolled in and the range expanded. Exempt employees will receive six percent. Nonexempt will receive three percent. An additional one percent will be given to those employees who convert to exempt status. Those employees in the seven clusters that did not meet 1995 EXFC goals will have those percentages cut in half. They are Alabama, Atlanta, Central Illinois, Mid-Carolinas, Mississippi, New Hampshire and South Florida.

For 1996 those employees converted to exempt will only receive a half share of the EVA payout. In 1997 and 1998 all exempt employees will receive a full share of the EVA awards.

5. FLSA Designation and Overtime Pay Calculation

NAPS and USPS will work together to identify eligible positions and plan for their conversion from FLSA nonexempt to exempt effective January 1, 1997. Using FLSA criteria, supervisors/managers who supervise two or more craft employees are eligible for exempt status. In accordance with market practices at implementation, only those FLSA exempt employees in ranges EAS-18 and below will be paid straight time for hours worked in excess of forty per week, provided they are engaged in the direct supervision of bargaining unit employees in a production

operation. To calculate straight time pay, these supervisors divide their annual salary by 2,080, and multiply that number times hours worked over forty hours. To ensure that these employees are not abused, a joint NAPS/USPS implementation group will work together on implementing this and other changes.

6. Shift Differential, Sixth, Seventh, Sunday and Holiday Premium Pay

There will be a nine percent night differential, calculated from 6:00 a.m.-6:00 p.m. Sunday premium pay will remain at twenty-five percent, but only for hours worked. This issue will be reviewed again by NAPS and the Postal Service in 1998.

7. Promotional & Upgrade Increases and Higher-Level Pay

Effective with this agreement, any employee promoted, regardless of the number of grade levels, will receive a salary increase of zero to eight percent. Normally this would not be less than four percent. Upgrade increases will receive a cash payment of two percent of base pay. Higher level pay will be provided only after ten working days in the position.

8. Upgrade of Postal Police

Police sergeants will be upgraded from EAS-14 to EAS-15 and lieutenants will be upgraded from EAS-15 to EAS-16.

9. Benefit Programs and Paid Time Off

- There is no change in annual leave carryover.
- At implementation and thereafter, employees will be able to sell back up to 100 hours of earned annual leave.
- There is no change in the Flexible Spending Accounts program.
- Under the new Family Emergency Leave Program, effective upon implementation, up to eighty hours of sick leave may be used to attend to a sick child or family member.
- Leave sharing remains the same.

Should We Have Gone to Fact-finding?

Some members will suggest that we never should have accepted this agreement, that we should have gone to fact-finding. It was a difficult decision for the board to make, and one we took a long time to consider in March.

What some members often forget is that fact-finding is not binding on the Postal Service. It is a process in which an independent panel reviews each side's proposal, then renders a decision as to which is the more appropriate and reasonable. Whatever the panel's decision, the Postal Service still has the option of disregarding it.

The issue over which most suggest we should have gone to fact-finding is the conversion of almost 33,000 EAS employee from FLSA nonexempt to exempt. But this was never an issue we could have won in fact-finding or in court. Both

CONTINUED ON PAGE 26

Miami, FL



CHARLES (SKIP) ZELENKOSKE
BRANCH 146
PRESIDENT

Dear Harold,

On February 10 I attended the Southeast Area Training Seminar in beautiful Orlando. Eleven of our branch members, along with others from Georgia and Florida, participated. Southeast Area Vice President Tim Ford invited three guests who also attended: President Vince Palladino, DDF consultant Charlie Scialla, and Postal Inspector John Tucker.

In Charlie's well received presentation he discussed ELM Section 650 and MSPB appeals. He answered many questions about adverse action issued to supervisors, a problem that has become much worse in the past eighteen months.

After attending this training, Harold, I read an article in *Communication Briefing*, a business newsletter. In it Steve Goldfarb claims that in many companies sixty percent of employees don't believe what their executives tell them. When you lie to employees or deliberately mislead employees, according to Goldfarb, they:

- get angry, and the angriest are your best employees;
- mimic your behavior when communicating with other employees and customers;
- direct their energies elsewhere.

To build credibility with employees, Goldfarb suggests these steps:

- Tell the truth always; don't lie. If caught in a lie, your credibility is gone—perhaps forever.
- Share important information—even if its bad news.
- Keep ideas realistic. If you say you're going to pay for performance, make sure employees believe that you do.
- Act on information employees provide. The biggest problem in many companies is executives who listen but don't follow up. This is a big turnoff, especially for employees with ideas.

Until next month.

Palladino

CONTINUED FROM PAGE 5

our attorneys and our pay consultants agreed unequivocally that the Postal Service can convert almost all EAS employees who supervise two or more craft employees. The only obligation they have is to consult. It is really that simple. So why hasn't the Postal Service converted these individuals before? Because we are in a new era of cost-saving under new leadership that believes fundamental change in the Postal Service is essential to its survival. The USPS theory is if you stop paying overtime, the need for it goes away.

But just because we've agreed that the Postal Service can convert these positions to exempt status does not mean the Postal Service can routinely abuse these individuals and demand that they work unlimited hours off the clock every

week. Protection for these individuals was the primary obstacle to reaching a final decision sooner than we did.

Although our agreement provides protection against abuse, that will happen only if our members on the front line demand that their managers observe the law and our agreement. The potential for abuse has always been present, and this new agreement doesn't change that. This must all be resolved in our implementation work groups. With an agreement in hand it is everyone's responsibility to see that it is adhered to.

Change Continues

This agreement concludes a long and difficult period for the resident officers, the board and the general membership. However, we will not have long to catch our breath. By now I think everyone understands how serious the Postal Service is about reducing staffing and overhead once again, and how serious they are about contracting out as much work done by EAS employees as is possible. Everything is under review and no functional area is safe.

We can look at this review as a threat to our livelihood and let it cause many sleepless nights, or we can look at it the same way we do postal reform in Congress. Sometimes people don't know what a good deal they're getting because they take what they have for granted. Those who want to privatize the Postal Service find support quickly among those with a recent, single bad experience with USPS. But when you begin to explain the full consequences of postal privatization, they quickly reconsider their position and come to realize that the Postal Service is actually a pretty good deal after all.

I think the same will be discovered by our more recently hired senior postal managers who came from the private sector, and who consider the Postal Service ripe for change. Once they take a closer look at the work we do, I believe they will find that much of it is already being done better and cheaper than it could be done by the private sector. I also believe they'll see that the continuity postal employees provide is essential to providing good service.

Will that mean we won't see the elimination of some EAS jobs? Absolutely not, especially with some of the lower-level EAS positions. We know that some functions will be "commercialized" as early as this year. But NAPS will not stand for all-out conversion of our jobs to the private sector when these senior managers cannot prove that the result is better for the Postal Service—and better for postal customers.

We face some difficult days ahead. We won't have the job security we've been used too or some of the benefits we've had for several decades. What we have that we can count on is each other. The importance and the value of an association for supervisors and managers has never been more obvious. You may not like everything in the new pay and benefits agreement. I know I don't. But it is the best package we could negotiate in a time of tremendous change for business and government. We've got to ride out this new, and sometimes misguided, campaign for change, and we'll survive it if we remain committed to the organization that provides our livelihood and the association that has helped determine that organization's direction for almost a century.

EAS Salary Structure

EAS Grade	Starting Basic Salary Range *		Effective February 3, 1996		Effective January 4, 1997		Effective January 3, 1998	
	Minimum	Midpoint	Minimum	Midpoint	Minimum	Midpoint	Minimum	Midpoint
1	22,879	24,695	20,875	23,693	20,875	23,693	20,875	23,693
2	23,564	25,472	21,559	24,470	21,559	24,470	21,559	24,470
3	24,241	26,261	22,269	25,275	22,269	25,275	22,269	25,275
4	25,102	27,262	23,167	26,294	23,167	26,294	23,167	26,294
5	25,898	28,150	23,939	27,170	23,939	27,170	23,939	27,170
6	26,698	29,098	24,802	28,150	24,802	28,150	24,802	28,150
7	27,445	30,117	25,818	29,304	25,818	29,304	25,818	29,304
8	28,439	31,271	26,853	30,478	26,853	30,478	26,853	30,478
9	29,451	32,443	27,902	31,668	27,902	31,668	27,902	31,668
10	30,438	33,590	28,931	32,836	28,931	32,836	28,931	32,836
11	31,772	35,152	30,340	34,436	30,340	34,436	30,340	34,436
12	32,640	36,360	31,638	35,909	31,717	35,998	31,796	36,089
13	33,806	37,722	32,950	37,398	33,115	37,585	33,280	37,773
14	35,190	39,338	34,498	39,155	34,757	39,449	35,017	39,745
15	36,685	41,093	36,207	41,095	36,569	41,506	36,935	41,921
16	38,003	42,643	36,761	42,643	37,496	43,496	38,246	44,366
17	39,378	44,534	38,392	44,534	39,159	45,425	39,942	46,333
18	41,030	46,490	40,077	46,490	40,879	47,419	41,697	48,368
19	42,683	48,451	41,977	48,694	42,817	49,667	43,673	50,660
20	43,977	50,557	44,258	51,340	45,140	52,363	46,042	53,409
21	45,829	52,773	46,404	53,828	47,332	54,905	48,279	56,003
22	47,773	55,097	48,706	56,499	49,902	57,887	51,149	59,333
23	49,792	57,538	51,338	59,552	52,621	61,041	53,937	62,567
24	51,864	60,095	53,878	62,499	55,225	64,061	56,606	65,663
25	54,081	62,783	56,592	65,646	57,973	67,248	59,422	68,929
26	56,772	65,600	59,380	68,880	60,864	70,602	62,386	72,367

Changes To Range	Maximums
0.00%	26,511
0.00%	27,380
0.00%	28,281
0.00%	29,422
0.00%	30,402
0.00%	31,498
0.00%	32,789
0.00%	34,103
0.00%	35,435
0.00%	36,742
0.00%	38,532
0.00%	40,280
0.25%	42,056
0.50%	44,141
0.75%	46,443
1.00%	49,495
2.00%	51,690
2.00%	53,960
2.00%	56,518
2.00%	59,585
2.00%	62,478
2.50%	65,871
2.50%	69,460
2.50%	72,897
2.50%	76,524
2.50%	80,340

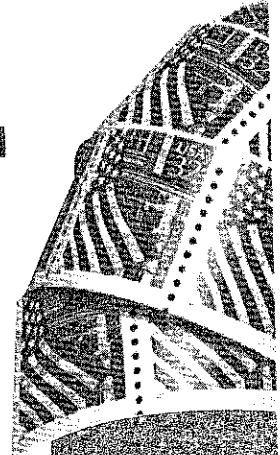
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0.00%	31,498
0.00%	32,789
0.00%	34,103
0.00%	35,435
0.00%	36,742
0.00%	38,532
0.00%	40,180
0.25%	41,846
0.50%	43,812
0.75%	45,983
1.00%	48,525
2.00%	50,677
2.00%	52,902
2.00%	55,410
1.99%	58,421
2.00%	61,253
2.46%	64,292
2.50%	67,766
2.50%	71,119
2.44%	74,701
2.50%	78,381

Changes To Range	Maximums
0.00%	26,511
0.00%	27,380
0.00%	28,281
0.00%	29,422
0.00%	30,402
0.00%	31,498
0.00%	32,789
0.00%	34,103
0.00%	35,435
0.00%	36,742
0.00%	38,532
0.25%	40,080
0.50%	41,638
0.75%	43,486
1.06%	45,501
2.63%	47,283
1.99%	49,690
1.83%	51,950
2.20%	54,219
2.25%	57,136
2.57%	59,716
3.00%	62,420
3.80%	65,283
4.09%	68,325
4.50%	71,485
5.31%	74,427

* Reflects current basic salaries after full roll-in of \$2,142 COLA.

THE 

POSTAL SUPERVISOR



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Operational excellence stressed by Henderson

Discussing legislative reform as a means to ensure universal mail service and create a 21st century Postal Service, Postmaster General William J. Henderson has warned against the kind of narrow thinking that could hobble the agency's future.

"No one is standing still, and neither can we," Henderson said in remarks before a Cato Institute symposium on the future of the Postal Service. President Vincent Palladino and Executive Vice President Ted Keating attended the symposium.

At a time when service and financial performance remain at record levels, the

PMG said, the USPS faces increasing competition from foreign postal administrations, as well as from rapidly expanding electronic services and domestic profit-seeking companies.

There are some, Henderson warned, who would use legislative reform to reregulate the Postal Service.

"Deregulation of the postal monopoly is likely to occur," Henderson said, repeating an earlier prediction, "and the competitive environment will become more dynamic. We need to be so operationally excellent that it simply won't matter whether or not we have a monopoly."

The PMG was quick to add, however, that he is not advocating giving up a monopoly that was "put in place to protect universal service and universal access." Nonetheless, he added, the agency is preparing for a deregulated environment in the long term by improving operations today.

PMG said, the USPS faces increasing competition from foreign postal administrations, as well as from rapidly expanding electronic services and domestic profit-seeking companies.

The first of the supervisory modules overlaps significantly (an estimated 85 percent) with the 11 targeted Associate Supervisor Program (ASP) modules. Pilots of these three modules are expected to roll out to the Great Lakes, Mid-Atlantic and Southeast areas in January, March and April, respectively, with a national roll-out in June, NAPS has been informed.

Training will be conducted by contractors. The goal is to train 5,500 supervisors and managers this year. ■

Correct mail addresses needed for tax papers

It is important for all postal supervisors to have their current mailing address on file at their distribution data entry/distributed reporting (DDE/DR) site in order to facilitate the processing of 1998 tax information and to ensure correct and timely receipt of Form W-2, "Wage and Tax Statement."

If a supervisor had earnings in more than one state in 1998, a separate Form W-2 is issued for each state reported. To request a duplicate Form W-2 for wages and/or relocation, employees should submit a written request to the finance office at the local DDE/DR site. To request a corrected Form W-2 for wages, write to: Attn: Payroll Processing BR-W-2, U.S. Postal Service, Minneapolis Accounting Service Center (MNASC), 2825 Lone Oak Parkway, Eagan, MN 55121-9600.

All requests must be signed and include the following: Name, current address, Social Security number, name of office where employed (or previously employed if not a current postal employee) and relevant years. When a corrected

Jeffy Noted

CMP Update

The Postal Service has corrected an earlier statement concerning the new Career Management Program (CMP) for supervisors (see Dec. 18, 1998, issue of *The Postal Supervisor*—Ed.). CMP will provide training and development for EAS employees Levels 15 through -22, instead of Levels 16 through -22 and above, as earlier reported.

Under CMP, previously known as GAP training, competency models have been developed for supervisors and managers, as well as training components for those competen-

The Truth about COLA vs. EVA

The facts concerning COLA versus EVA must again be told in order to counter the misinformation attributed to the National Association of Postmasters (NAPUS) in a recent *Federal Times* article ("Union COLAs Shock Postmasters," Dec. 14, 1998, issue—Ed.).

While it is understandable that NAPUS does not want its members to know the truth about their big pay blunders of the past, it should either remain silent or come clean on the subject of what *really* happened during the last pay negotiations. It's time for NAPUS to stop perpetuating "the big lie."

The choice not to join NAPS in consultation with the Postal Service was made by both postmaster organizations prior to the last pay meetings. In December 1995, NAPUS and the League of Postmasters signed an agreement with the Postal Service to *abolish* COLA. They agreed to accept a 3 percent cash bonus for non-exempt employees and a 6 percent cash bonus for exempt employees, in effect pitting one group against the other.

Additionally, the postmaster organizations agreed to no increase for EAS-11s; a quarter-percent increase for EAS-12s; a half-percent increase for EAS-13s; three-quarters of a percent increase for EAS-14s, and a 1 percent increase for EAS-15s. It was the Postal Service's intention not to expand salary ranges for EAS-12 to -15 for the following three years.

Postal Headquarters announced the deal and issued bonus checks to postmasters, Headquarters and area personnel in time for Christmas 1995. Attempts were made to humiliate NAPUS by waving checks at our members and taunting, "Here's ours; where's yours?"

NAPUS then was left alone to attempt to recover from the damage caused by both postmaster organizations. The package to which NAPUS agreed was signed in April 1996. Adjustments to pay ranges won by NAPUS for EAS-16s and above later were given to postmasters, Headquarters and area employees.

Many of the current discussions center solely on COLA and EVA, as if that were all that was received. Here's a true comparison:

Craft employees at the highest step (5-0) have received increases in base pay over the past four years, amounting to \$1,373 in COLA and \$859 in general increases. By comparison, *EAS employees* at the top of their pay scale would make equal that amount with only *three* 2 percent merit increases—yet a fourth is due Jan. 2, 1999. Higher-level employees with higher salaries, of course, would do even better.

For all employees who were below the midpoint for the past four years, the increase in base pay with 3 percent merits is even better. This doesn't even take into consideration any EVA.

In addition to EAS-11 through -15 postmasters being hurt, the other groups harmed because of the postmasters' agreement—which we couldn't overturn—were our own EAS-11s through -15s. Their salary ranges were not expanded to absorb a 2 percent base-pay (merit) increase.

If NAPUS truly is interested in pursuing what its postmaster members want, it should poll its EAS-18s and above to see whether they *really* prefer COLA to the package NAPUS negotiated. Our postmaster friends—most of whom are -18s and above—overwhelmingly approve of EVA.

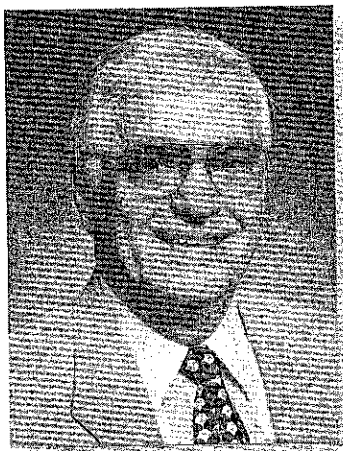
In opposing EVA, NAPUS is again demonstrating it no longer represents the interests of Level-18-and-above postmasters.

The real question, of course, does not rest solely on COLA *or* EVA. Our merits raise our base pay more than COLA and the general increases of the craft *combined*. In examining our last agreement, look at the entire pay package—not just COLA *or*

EVA. The only argument we cannot defend comes from supervisors who formerly worked a lot of overtime and now are getting only straight time.

As we have explained in the past, though, the USPS exercised its option to make some employees exempt, despite our protests. The agency also claimed it was going to reduce craft OT so that our loss wouldn't be so great. Instead, craft overtime went *up*.

We can't wait to hear the Postal Service's claims this year. ■



A handwritten signature in cursive script that reads "Vince".

Vince Palladino
President

THE POSTAL SUPERVISOR

Agreement Termed 'Acceptable' by NAPS

New, Two-Year Pay Agreement Includes Merit Increases, Salary Structure Improvements

At press time, NAPS Headquarters received the Postal Service's field EAS compensation decision covering the pay and benefits of postal supervisors and other EAS employees (see pages 3 and 4-Ed.) for Fiscal Years 1999 and 2000.

Generally, the package provides for increased merit pay percentages for employees who "meet" or "far exceed" expectations. It also increases the midpoints

and maximums of the salary structure for EAS-11s and above. Adjustments to the salary structure will expand the salary ranges to allow for the merit increases to postal supervisor salaries. Although NAPS had requested that the increases take effect in December 1999, they will not be effective until January 2000.

"I can assure members that this two-year pay and benefits package was negotiated in good faith," said President Vince Palladino. "NAPS considers it to be an acceptable package, given the competitive and economic realities facing the Postal Service. Even though we didn't get everything we wanted for our members, such as area wages and paid delegate leave for conventions, we believe the pay consultation process generally worked well."

Other key provisions of the package include:

- an increased range of 3 percent to 8 percent for promotions;
- an increase of 2 percent in basic salary for upgrades;
- an increase to 85 percent in the Postal Service's contribution toward FEHBP health plan premiums; and
- an increase from \$2,600 to \$5,000 in the limit on a supervisor's contribution to a health care flexible spending account (FSA).

The package also spells out new rules covering special-exempt employees as follows:
Effective Oct. 23, 1999, FLSA special-exempt supervisory employees in Levels-18 and below will become eligible for additional straight time pay when they are authorized to work more than 8.5 hours in a work day, or at any time on a nonscheduled day.

Merit Increases

For FY-99 and -00 performance, merit increases and payments will be made after the end of the calendar years. Supervisors who "meet" objectives/expectations will receive a 3.1 percent increase for FY-99 and a 3.2 percent increase for FY-00. Those below the midpoint of their new salary range will receive an increase of 3.5 percent for

offices with more than 100 man-hours, the lunch period may be 'up to one hour.' NAPS officers should be able to obtain an agreement that [the practice] of [requiring longer lunch periods] will be stopped immediately. A verbal agreement is okay, as long as there's a witness.

"If officers cannot get a local agreement, they should go to their district manager or his/her representative and get a response from the district office. If the response is not satisfactory, the appropriate NAPS area or regional vice president should go to the area office with the problem.

"We must be firm in our commitment to fairness; we do have a life outside the Postal Service!"

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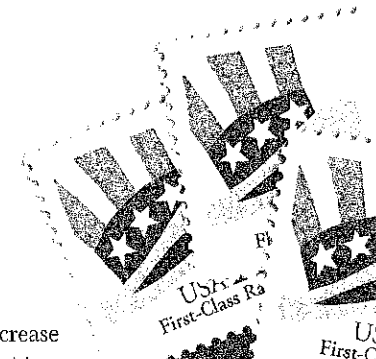
For Members Only

NAPS Addresses Lengthy Lunch Periods

Following are responses posted by President Vince Palladino to several recent NAPS web page queries:

• "It is most disturbing to hear of required three- or four-hour lunch periods, which force individuals into 11- or 12-hour days. The position of NAPS is that lunch periods should not exceed a maximum of one hour. We consider anything more than one hour as an abuse.

"Local NAPS officers should pursue this, first by visiting or calling the responsible manager/postmaster. What they are doing is contrary to postal policy. [Postal regulations state that, in of-



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both years. If the percentage increase exceeds the maximum of the new ranges, the excess will be paid in a lump sum not to exceed 1.5 percent.

For those supervisors who receive a "far exceeds" objectives/expectations rating for FY-99 and -00, the increases will be 4.1 and 4.2 percent, respectively. Supervisors *below* the midpoint will receive a 4.5 percent increase to basic salary for both years. With this rating, a lump-sum payment not to exceed 2 percent of the maximum will be paid.

Salary Structure Increases

Effective Jan. 1, 2000, and Dec. 30, 2000, the maximums of the EAS salary structure will increase 2.55 percent for EAS-11s through 15s, and the midpoints also increased.

Effective Jan. 1, 2000, the maximums will increase 3.1 percent for EAS-16s through 21s, and 3.25 percent for EAS-22s through 26s. Effective Dec. 30, 2000, the maximums will increase 3.2 percent and 3.5 percent, respectively. Again, there was some improvement to the midpoints.

Workload service credits will be changed as follows for stations and branches: Level-16, 1,000 to 3,000 points; Level-17, 3,001 to 5,000 points; Level-18, 5,001 to 9,000 points; Level-19, 9,001 to 17,000 points; Level-20, 17,001 to 26,000 points; Level-21, 26,001 to 35,000 points;

Level-22, 35,001 to 78,000 points; and Level-24, 78,001 points and up. ■

Delivery Confirmation a hit, but package status confusing

While Delivery Confirmation is a big hit—it's been used on more than seven million packages since March—some customers are confused about how they get information on the status of packages.

Some users, for example, believe information automatically will be sent to them. They aren't aware they need to initiate such a request.

NAPS negotiating discount airfares to Anchorage, AK

NAPS is negotiating with a major air carrier and its two domestic partners to provide discounted airfares from anywhere in the 48 contiguous states to Anchorage, AK, for the NAPS 57th Biennial National Convention next year.

"While we haven't finalized all the details," said President Vince Palacino, "we expect that

NAPS members will be able to take advantage of a 10 percent savings in published airfares by using the official convention carrier. We're negotiating an additional 5 percent discount for those who obtain their tickets at least 60 days prior to travel."

The 10 percent discount could mean, for

example, that a postal supervisor flying to Anchorage from the East Coast might pay \$540, instead of the regular \$600 fare. Deduct the 5 percent early-booking discount, and the sample fare drops to \$513.

When air travel negotiations are finalized, complete details will be provided in *The Postal Supervisor*. ■

The Postal Service is asking for help from postal supervisors and Retail employees in telling customers how easy it is to find out when a package has been delivered. Two ways to check package status—visit the USPS Internet Web site at www.usps.com, or call the toll-free number, 800-222-1811.

Instructions also are printed on the receipt portion of the Delivery Confirmation label, *PS Form 152*. ■

NAPS members can help thwart UPS lie campaign

NAPS members are well aware of the orchestrated public relations campaign being waged against the Postal Service by UPS (*see page 3, June 4 issue of The Postal Supervisor—Ed.*). The campaign is designed to sway state and national legislators and to influence public opinion against the Postal Service, said Executive Vice President Ted Keating.

Deborah Willhite, senior vice president, Government Relations, has pointed out that the ultimate goal of these attacks is to drive the Postal Service out of the parcel and overnight delivery business and limit its function to delivering "a shrinking pool of letter mail."

If UPS were to be successful in this attack, Willhite noted, consumer choice would be limited and unregulated price increases would result in the parcel delivery

Continued on page 6

Briefly Noted

Retail Special-Exempt

NAPS members are reminded that *all* supervisors, Retail, EAS-16, are classified special exempt, *not* exempt. As such, they are to be compensated for all hours worked in excess of eight a day and for all Saturday work.

Changes to REC Closings

Concerning the recently announced remote encoding center closings

(*see May 27, 1999, issue—Ed.*):

• In Hayward, CA, the Oakland plant moving date has been moved up to Sept. 1. The change will not affect the previously announced closing date of Sept. 4 for the Hayward site.

• In Western Nassau, NY, the JFK plant moving date has been moved up to Feb. 5, 2000. Additionally, the Hackensack, NJ, inaging now will be sent to Fishkill, NY. The closing date for the Western

Nassau site will be Feb. 12, 2000, instead of the previously announced Aug. 5, 2000, date.

USPS a Winner, Too!

For the second year in a row, Priority Mail has been selected as the official delivery service provider in balloting for the Heisman Trophy, college football's premier award.

Ballots will go out in mid-November to almost 900 sportswriters and voting will continue through early December. ■

Field EAS Compensation Decision

1. Duration—The compensation policy set forth below is effective until changed through future pay consultations as required by statute. Implementation dates for the various changes described herein are provided with the explanation of each change.

2. Salary Ranges—The salary structure for EAS pay grades will be adjusted as indicated on the EAS Salary Structure table (page 4). The effective dates for these structure changes are Jan. 1, 2000, and Dec. 30, 2000. The adjustments to the salary structure will not automatically change employee salaries. Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the merit basic salary adjustment process as discussed in number 3 below.

3. Merit Pay Program—Effective Jan. 1, 2000, and Dec. 30, 2000, the EAS merit pay program will be revised to provide pay adjustments for FY-99 and -00 individual performance as indicated in the chart below.

The current 10 percent limitation of the number of "far exceeded" ratings will remain in effect.

4. Supervisory Differential Adjustment—Within the salary structure, EAS exempt employees in Grades 15 to 18 who directly supervise two or more full-time equivalent bargaining-unit employees will be paid no less than 1.05 times the maximum annual rate for the most populated grade and step in the largest postal bargaining unit, which is currently Step O, Grade 5, of the APWU salary schedule.

5. Additional Straight-Time Pay—The current method for identifying special-exempt employees will remain in effect, i.e., FLSA code S will be used to identify supervisors of bargaining-unit employees in a production operation. However, effective Oct. 23, 1999, FLSA special-exempt supervisory employees in Grades 18 and below will become eligible for additional straight-time pay when they

are authorized to work more than 8.5 hours per scheduled work day, or at any time on a non-scheduled work day. All time worked that exceeds the normal work schedule will be paid at straight time if the authorized work exceeds one half-hour per day. All authorized time worked on a non-scheduled work day will receive the additional straight-time pay.

6. EAS to EAS Higher-Level Pay—Effective Oct. 23, 1999, higher-level pay within the EAS schedule, following the 10-day waiting period, will be calculated at 5 percent of the employee's actual salary, or an amount necessary to bring the employee's salary to the minimum of the higher grade level, whichever is greater. When an EAS nonexempt employee is on higher-level detail to an exempt position, the employee will retain his or her position of record nonexempt FLSA status, and will remain eligible for time-and-one-half pay for overtime work. Similarly, when a special-exempt employee is on higher-level detail to a regular-exempt position, the employee will retain his or her special-exempt status, and will remain eligible for additional straight-time pay.

7. Change to Lower Grade Levels—Effective Oct. 23, 1999, indefinite saved salary will be applied to all career nonbargaining employees for management-initiated and mutually agreed-upon actions that result in a change to a lower grade level. Indefinite saved salary means an employee's salary is unchanged if the salary is within the salary range for the lower-grade position; or if the employee's salary exceeds the salary maximum of the lower-graded position, the salary will be frozen until there is room under the new pay grade to receive a merit increase. If an employee initiates a voluntary change to a lower-grade position, is demoted for cause or refuses a reasonable assignment to a higher-grade position, the employee's salary will be reduced to the same relative percentile as in the higher grade.

8. Night Differential—The night shift differential premium for eligible hours worked between 6 p.m. and 6 a.m. will be changed from the current rate of 9 percent to a rate of 8 percent of basic pay effective Jan. 1, 2000.

9. Promotions and Upgrades—Effective Oct. 23, 1999, the promotion

EAS Merit Pay Program Award Matrix

Rating		Employee's Salary Position in Range		
		Below Midpoint	At or Above Midpoint	At or Above Maximum
FY-99	Far Exceeded Objectives/Expectations	4.5% basic salary increase	4.1% basic salary increase up to max; remainder in lump sum not to exceed 2% of the max	Lump sum of 2% of the max
	Met Objectives/Expectations	3.5% basic salary increase	3.1% basic salary increase up to max; remainder in lump sum not to exceed 1.5% of the max	Lump sum of 1.5% of the max
	Unacceptable	0%	0%	0%
	Not Rated	0%	0%	0%
FY-00	Far Exceeded Objectives/Expectations	4.5% basic salary increase [*]	4.2% basic salary increase up to max; remainder in lump sum not to exceed 2% of the max	Lump sum of 2% of the max
	Met Objectives/Expectations	3.5% basic salary increase ^{**}	3.2% basic salary increase up to max; remainder in lump sum not to exceed 1.5% of the max	Lump sum of 1.5% of the max
	Unacceptable	0%	0%	0%
	Not Rated	0%	0%	0%

* New basic salary cannot exceed 4.1% above the midpoint.

[†] New basic salary cannot exceed 4.2% above the midpoint.

** New basic salary cannot exceed 3.1% above the midpoint.

^{††} New basic salary cannot exceed 3.2% above the midpoint.

increase range will be established at 3 to 8 percent. The promotion increase may be adjusted higher, if necessary, to bring the salary to the minimum of the higher pay grade, or lower to keep the salary from exceeding the maximum of the higher pay grade, or lower to keep the salary from exceeding the 15 percent limit in a 12-month period.

Effective Nov. 6, 1999, the upgrade policy will be changed to provide a 2 percent basic-salary increase. The upgrade increase may be adjusted higher, if necessary, to bring the salary to the minimum of the higher pay grade, or lower to keep the salary from exceeding the maximum of the higher pay grade.

10. Manager, Customer Service, Evaluations—Effective Oct. 23, 1999, the evaluation system for Manager, Customer Service (station manager), will be adjusted to provide a consistent set of criteria that reflects the level of responsibility

for these positions. The offices will be measured utilizing criteria and cut-offs that identify more accurately the relative complexity of the positions across the full range of offices. Incumbents will be upgraded under the current upgrade policy, i.e., a 2 percent lump-sum payment.

Point Ranges for Stations

Grade	Point Range
16	1,000 – 3,000
17	3,001 – 5,000
18	5,001 – 9,000
19	9,001 – 17,000
20	17,001 – 26,000
21	26,001 – 35,000
22	35,001 – 78,000
24	78,001 and up

11. Military Leaves of Absence

Effective with the FY-00 Variable Pay Program and the FY-00 Merit Pay Program, credit will be granted under both

programs for time spent in a leave without pay (LWOP) status for those on military leave (time card code 44; PSDS code 44). All other LWOP situations will result in prorated reductions under the present terms of the two programs.

12. Health Benefits Contribution

Beginning with the 2000 plan year, the employer's contributions toward an active career employee's Federal Employees Health Benefits Program (FEHBP) plan will be increased to a rate of 85 percent of the total weighted average premiums for all FEHBP plans as determined by the Office of Personnel Management, but not to exceed 88.75 percent for any employee.

13. Health Care Flexible Spending Account Contribution

Beginning with the 2000 plan year, the limit on an employee's contribution to the health care Flexible Spending Account (FSA) will be raised from \$2,600 to \$5,000. ■

EAS Salary Structure											
EAS Grade	Effective Jan. 2, 1999			New Max Increase	Effective Jan. 1, 2000			New Max Increase	Effective Dec. 30, 2000		
	Minimum	Midpoint	Maximum		Minimum	Midpoint	Maximum		Minimum	Midpoint	Maximum
1	20,875	23,693	26,511	0.00%	20,875	23,693	26,511	0.00%	20,875	23,693	26,511
2	21,559	24,470	27,380	0.00%	21,559	24,470	27,380	0.00%	21,559	24,470	27,380
3	22,269	25,275	28,281	0.00%	22,269	25,275	28,281	0.00%	22,269	25,275	28,281
4	23,167	26,294	29,422	0.00%	23,167	26,294	29,422	0.00%	23,167	26,294	29,422
5	23,939	27,170	30,402	0.00%	23,939	27,170	30,402	0.00%	23,939	27,170	30,402
6	24,802	28,150	31,498	0.00%	24,802	28,150	31,498	0.00%	24,802	28,150	31,498
7	25,818	29,304	32,789	0.00%	25,818	29,304	32,789	0.00%	25,818	29,304	32,789
8	26,853	30,478	34,103	0.00%	26,853	30,478	34,103	0.00%	26,853	30,478	34,103
9	27,902	31,668	35,435	0.00%	27,902	31,668	35,435	0.00%	27,902	31,668	35,435
10	28,931	32,836	36,742	0.00%	28,931	32,836	36,742	0.00%	28,931	32,836	36,742
11	30,340	34,436	38,532	2.55%	30,340	34,927	39,515	2.55%	30,340	35,431	40,522
12	31,796	36,089	40,381	2.55%	31,796	36,603	41,411	2.55%	31,796	37,131	42,467
13	33,280	37,773	42,266	2.55%	33,280	38,312	43,344	2.55%	33,280	38,865	44,449
14	35,017	39,745	44,472	2.55%	35,017	40,312	45,606	2.55%	35,017	40,893	46,769
15	36,935	41,921	46,907	2.55%	36,935	42,519	48,103	2.55%	36,935	43,182	49,330
16	38,246	44,366	50,485	3.10%	38,246	45,148	52,050	3.20%	38,246	45,981	53,716
17	39,942	46,333	52,724	3.10%	39,942	47,150	54,358	3.20%	39,942	48,020	56,098
18	41,697	48,368	55,040	3.10%	41,697	49,222	56,746	3.20%	41,697	50,130	58,562
19	43,673	50,660	57,648	3.10%	43,673	51,554	59,435	3.20%	43,673	52,505	61,337
20	46,042	53,409	60,776	3.10%	46,042	54,351	62,660	3.20%	46,042	55,354	64,665
21	48,279	56,003	63,728	3.10%	48,279	56,991	65,704	3.20%	48,279	58,042	67,806
22	51,149	59,338	67,517	3.25%	51,149	60,430	69,711	3.50%	51,149	61,650	72,151
23	53,937	62,567	71,197	3.25%	53,937	63,724	73,511	3.50%	53,937	65,010	76,084
24	56,606	65,668	74,720	3.25%	56,606	66,877	77,148	3.50%	56,606	68,227	79,849
25	59,422	68,929	78,437	3.25%	59,422	70,204	80,988	3.50%	59,422	71,621	83,821
26	62,386	72,367	82,349	3.25%	62,386	73,705	85,025	3.50%	62,386	75,193	88,001

ANTHONY J. VEGLIANTE
VICE PRESIDENT, LABOR RELATIONS



September 5, 2001

Mr. Vincent Palladino
President, National Association of Postal Supervisors
1727 King Street, Suite 400
Alexandria, VA 22314-2753

Dear Vince:

By mutual agreement, we intend to establish policies for an interim merit for FY2001. The salary structure and merit matrix for EAS pay grades has been developed. Attached is the interim merit policy for FY2001.

As agreed by the parties, these policies will be effective on December 29, 2001.

Sincerely,

A handwritten signature in cursive script that reads "Anthony J. Vegliante".

Anthony J. Vegliante

Attachment

INTERIM MERIT FOR FY2001

1. SALARY RANGES

The salary structure for EAS pay grades will be adjusted as indicated below. The effective date for this structure change is December 29, 2001 (PP 02-02). The adjustments to the salary structure will not automatically change employee salaries. Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the merit basic salary adjustment process as discussed in number 2 below.

EAS Grade	Effective December 29, 2001				
	Minimum	25 th %-ile	50 th %-ile	75 th %-ile	Maximum
A-E	10.31	11.41	12.52	13.62	14.72
1	20,875	22,284	23,693	25,102	26,511
2	21,559	23,014	24,470	25,925	27,380
3	22,269	23,772	25,275	26,778	28,281
4	23,167	24,731	26,294	27,858	29,422
5	23,939	25,555	27,170	28,786	30,402
6	24,802	26,476	28,150	29,824	31,498
7	25,818	27,561	29,304	31,046	32,789
8	26,853	28,666	30,478	32,291	34,103
9	27,902	29,785	31,669	33,552	35,435
10	28,931	30,884	32,837	34,789	36,742
11	30,340	33,144	35,948	38,751	41,555
12	31,796	34,734	37,673	40,611	43,550
13	33,280	36,356	39,431	42,507	45,582

EAS Grade	Effective December 29, 2001				
	Minimum	25 th %-ile	50 th %-ile	75 th %-ile	Maximum
14	35,017	38,253	41,489	44,725	47,962
15	36,935	40,348	43,761	47,175	50,588
16	38,246	42,557	46,867	51,178	55,489
17	39,942	44,444	48,946	53,447	57,949
18	41,697	46,396	51,096	55,795	60,495
19	43,673	48,595	53,517	58,439	63,361
20	46,042	51,231	56,420	61,610	66,799
21	48,279	53,720	59,161	64,602	70,044
22	51,149	57,076	63,003	68,930	74,857
23	53,937	60,187	66,437	72,687	78,937
24	56,606	63,165	69,725	76,284	82,843
25	59,422	66,308	73,193	80,079	86,964
26	62,386	69,615	76,844	84,072	91,301

2. MERIT PAY PROGRAM

Effective December 29, 2001 (PP 02-02), the EAS merit pay program will be revised to provide the following pay adjustments for FY 2001 individual performance.

EAS Merit Pay Program Award Matrix for FY 2001 Performance					
Rating	Employee's Salary Position in Range				
	First Quartile ⁽¹⁾	Second Quartile ⁽¹⁾	Third Quartile ⁽¹⁾	Fourth Quartile ⁽¹⁾	At or Above Maximum ⁽¹⁾
Far Exceeded Objectives/ Expectations ⁽²⁾	5.2% basic salary increase ⁽³⁾	5.0% basic salary increase ⁽³⁾	4.7% basic salary increase ⁽³⁾	4.2% basic salary increase up to max; remainder in lump sum not to exceed 2.0% of the max	Lump sum of 2.0% of the max
Met Objectives/ Expectations	4.2% basic salary increase ⁽³⁾	4.0% basic salary increase ⁽³⁾	3.7% basic salary increase ⁽³⁾	3.2% basic salary increase up to max; remainder in lump sum not to exceed 1.5% of the max	Lump sum of 1.5% of the max
Unacceptable	0%	0%	0%	0%	0%
Not Rated	0%	0%	0%	0%	0%

(1) First quartile represents a salary that is 0% to 24% through the salary range.

Second quartile represents a salary that is 25% to 49% through the salary range.

Third quartile represents a salary that is 50% to 74% through the salary range.

Fourth quartile represents a salary that is 75% to 99% through the salary range.

Maximum represents a salary that is 100% through the salary range.

(2) The current ten percent limitation on the number of "far exceeded" ratings will remain in effect.

(3) New basic salary for an employee in a lower quartile cannot exceed the new basic salary for an employee in the next higher quartile with the same performance rating.

THE POSTAL SUPERVISOR

NAPS, USPS ink interim merit increase for FY-01

NAPS is pleased to have come to an agreement with the Postal Service concerning the merit increase for Fiscal Year 2001, which ended Sept. 7 (*see tables/information on page 3*). The agreement will constitute a percentage increase to basic pay and will be effective Dec. 29, 2001.

NAPS agreed to this because our last pay agreement only covered merit increases through FY-00. The next pay talks between NAPS and the Postal Service are not scheduled to begin until after the APWU negotiations are completed sometime next year.

Had we waited until that time, however, we would have had the problem of wanting the merit increase to be made retroactive, which would have been a totally separate issue. We did not feel it would be advantageous to us to have this additional issue further complicating or delaying our next pay talks.

Please keep in mind that increases (to the top of the ranges *only*) will be made *before* percentages take effect. The

percentage increases are: Levels 11 through 15, 2.55; Levels 16 through 21, 3.3; and Levels 22 through 26, 3.75. ■

FLSA-exempt employee criteria again clarified

For many years prior to 1996, the Postal Service had contended it had a right to make *all* first-line supervisors FLSA-exempt. (The Postal Service didn't want to pay so much overtime, or time and one-half.) However, the agency did not make the big change until 1996.

Although NAPS readily found out that, by law, the Postal Service could make first-line supervisors FLSA-exempt, we nevertheless fought to get whatever we could for whomever we could. Therefore, the USPS finally conceded to a "Special Exempt" internal USPS category. This was created for Level-18s and below who supervise at least two employees in a "production" operation. They receive straight time for hours worked over eight and one-half.

However, because of recent inquiries, NAPS asked our attorneys to specifically review the job descriptions of a Customer Service supervisor (CSS), EAS-16, and a supervisor, Distribution Operations (SDO), EAS-16, and provide an opinion on these two jobs. Unfortunately, our attorneys' response was the same as previously.

There are three classifications of exemption from FLSA—Exempt Executive, Exempt Administrative and Exempt Professional. NAPS is concerned only with the criteria used for managers (Exempt Executive) and that used for supervisors (Exempt Administrative).

Reprinted below is information excerpted from an article, "Labor Pains: Employer and Employee Rights and

Obligations," by Ethan A. Winning, copyright 1995-2001 (the complete text may be found at [www.ewin.com/articles/exneot.htm]). Other articles posted to this site that attempt to clarify issues regarding exemptions are "Docking Exempt Employees," "Salaried, But Still Nonexempt" and "A Title and 34 Cents Will Buy You a Stamp."

All criteria for the individual classifications defined below *must* be met simultaneously. If an employee *does not* meet *even one* of the criteria, he or she is *not* exempt from the provisions of the law. Job title is of no significance and wages are the least important provision. An employee needs to be paid only \$1,150 a month to meet the wage criterion (in California, \$1,993.33 per month).

Quoting from the article: "Paraphrased from the law, the criteria for being an **Exempt Executive** [emphasis ours] are as follows—

"1. The primary duty consists of the management of an enterprise or of a customarily recognized department or division by which he is employed; and

"2. who customarily and regularly directs the work (i.e., supervises) two or more employees; and



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For Members Only

Sales Force Augmentation Contract Expires

Effective Sept. 7, 2001, the Sales Force Augmentation contract with Manpower Personnel, Inc. expired and will not be renewed, the Postal Service has informed NAPS.

The temporary employees assigned to sales centers to assist the Sales Center Provider Analysts no longer will be needed. ■

"3. who has the authority to hire and fire other employees, or whose word in such decisions is given weight, and who customarily and regularly exercises discretionary powers; and

"4. who does not devote more than 20 percent of his hours to the work described in [items] 1 to 3 above; and

"5. who is compensated on a salary basis of not less than \$1,150 a month.

"An **Exempt Administrative** [emphasis ours] employee is one whose primary duty consists of

"1. the performance of office or non-manual work directly related to management policies or general business operations of his employer or his employer's customers; and

"2. who customarily and regularly exercises discretion and independent judgment; and

"3. who performs only under general supervision; or

"4. whose work is along specialized or technical lines requiring specialized training, experience or knowledge; and/or

"5. who executes special assignments and tasks under only general supervision, and who is compensated at a rate of \$1,150 a month."

Study the criteria. If you still are convinced your position has been wrongly classified, you may write to the Department of Labor and request an individual ruling. ■

New tracking technology results in 'talking' mail

Talking mail? Well, not exactly, but close.

New tracking technology is allowing the mail to communicate when and where it is in the postal mail-stream—and that's key to the success of the Postal Service's information platform (see article on page 5—Ed.).

Playing an important role in this effort is the Surface Air Support System (SASS). SASS, which was activated just last month, will enable the Postal Service to measure performance and verify accurate payments for all modes of transportation, including commercial air, highway and rail.

"We are transitioning into an environment where transportation carriers are required to scan mail at different hand-off points among their own carrier hubs, as well as when the mail is turned over to the Postal Service for final delivery," Paul Vogel, vice president, Network Operations, said.

"This data will provide the ability to pay contractors based on performance, making transportation suppliers more accountable for services they provide to the Postal Service," he added.

Vogel said SASS will provide a method of exchanging information with suppliers. The system will relay mail assignment data to transportation carriers, as well as use scanned data to match mail assignments and reconcile payment information.

"We have intertwined our vision with the FedEx contract negotiations, making FedEx the first supplier to fit the model," Vogel noted. He was referring, of course, to the transportation agreement with FedEx to transport Express Mail, Priority Mail and some First-Class and international mail.

"FedEx will scan the dispatch and routing tags on each mail sack, tray or

parcel and transmit the data back to us," he explained. "SASS then will perform a 'match' routine in order to reconcile payment." ■

Postal Service considering expansion of *PostalEASE*

NAPS has been informed of USPS plans for possibly expanding postal supervisors' and other employees' access to *PostalEASE*.

Currently, *PostalEASE* is accessible to employees through an interactive voice recognition program (IVR) for several self-service activities. These include Thrift Savings Plan (TSP) transactions, payroll allotments and net-to-bank transactions, Flexible Spending Account (FSA) transactions and Economic Value Added (EVA) Variable Pay Program balance inquiries.

Plans and projected implementation dates for additions and expansions to *PostalEASE* are as follows:

Late October 2001—Create a self-service module on the USPS Intranet site for payroll allotments and net-to-bank transactions (currently on the IVR).

Nov. 15, 2001—Create a self-service module on the USPS Intranet site and IVR for annual leave exchange transactions.

March 2002—Create self-service modules on the USPS Intranet site for TSP and FSA transactions and EVA VPP balance inquiries (all currently on the IVR).

June 2002—Create a self-service module on the USPS Intranet site and IVR

for *W-4* federal tax withholding transactions.

For employees who are unable to use the IVR or USPS Intranet site for self-service transactions and inquiries, local personnel offices will continue to input these transactions, as they have with previous *PostalEASE* offerings. ■

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THE
POSTAL SUPERVISOR

Sept. 25, 2001 • Volume 92, Number 19

Interim Merit for FY-01

1. Salary Ranges

The salary structure for EAS pay grades will be adjusted as indicated below. The effective date for this structure change is Dec. 29, 2001 (PP 02-02). The adjustments to the salary structure will not automatically change employee salaries. Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the merit basic salary adjustment process as discussed in number 2 below.

EAS Grade	Effective Dec. 29, 2001				
	Minimum	25th %-ile	50th %-ile	75th %-ile	Maximum
A-E	10.31	11.41	12.52	13.62	14.72
1	20,875	22,284	23,693	25,102	26,511
2	21,559	23,014	24,470	25,925	27,380
3	22,269	23,772	25,275	26,778	28,281
4	23,167	24,731	26,294	27,858	29,422
5	23,939	25,555	27,170	28,786	30,402
6	24,802	26,476	28,150	29,824	31,498
7	25,818	27,561	29,304	31,046	32,789
8	26,853	28,666	30,478	32,291	34,103
9	27,902	29,785	31,669	33,552	35,435
10	28,931	30,884	32,837	34,789	36,742
11	30,340	33,144	35,948	38,751	41,555
12	31,796	34,734	37,673	40,611	43,550
13	33,280	36,356	39,431	42,507	45,582

EAS Grade	Effective Dec. 29, 2001				
	Minimum	25th %-ile	50th %-ile	75th %-ile	Maximum
14	35,017	38,253	41,489	44,725	47,962
15	36,935	40,348	43,761	47,175	50,588
16	38,246	42,557	46,867	51,178	55,489
17	39,942	44,444	48,946	53,447	57,949
18	41,697	46,396	51,096	55,795	60,495
19	43,673	48,595	53,517	58,439	63,361
20	46,042	51,231	56,420	61,610	66,799
21	48,279	53,720	59,161	64,602	70,044
22	51,149	57,076	63,003	68,930	74,857
23	53,937	60,187	66,437	72,687	78,937
24	56,606	63,165	69,725	76,284	82,843
25	59,422	66,308	73,193	80,079	86,964
26	62,386	69,615	76,844	84,072	91,301

2. Merit Pay Program

Effective Dec. 29, 2001 (PP 02-02), the EAS merit pay program will be revised to provide the following pay adjustments for FY-01 individual performance:

EAS Merit Pay Program Award Matrix for FY-01 Performance					
Rating	Employee's Salary Position in Range				
	First Quartile ⁽¹⁾	Second Quartile ⁽¹⁾	Third Quartile ⁽¹⁾	Fourth Quartile ⁽¹⁾	At or Above Maximum ⁽¹⁾
Far Exceeded Objectives/ Expectations ⁽²⁾	5.2% basic salary increase ⁽³⁾	5.0% basic salary increase ⁽³⁾	4.7% basic salary increase ⁽³⁾	4.2% basic salary increase up to max; remainder in lump sum not to exceed 2.0% of the max	Lump sum of 2.0% of the max
Met Objectives/ Expectations	4.2% basic salary increase ⁽³⁾	4.0% basic salary increase ⁽³⁾	3.7% basic salary increase ⁽³⁾	3.2% basic salary increase up to max; remainder in lump sum not to exceed 1.5% of the max	Lump sum of 1.5% of the max
Unacceptable	0%	0%	0%	0%	0%
Not Rated	0%	0%	0%	0%	0%

- (1) First quartile represents a salary that is 0% to 24% through the salary range.
Second quartile represents a salary that is 25% to 49% through the salary range.
Third quartile represents a salary that is 50% to 74% through the salary range.
Fourth quartile represents a salary that is 75% to 99% through the salary range.
Maximum represents a salary that is 100% through the salary range.
- (2) The current 10% limitation on the number of "far exceeded" ratings will remain in effect.
- (3) New basic salary for an employee in a lower quartile cannot exceed the new basic salary for an employee in the next higher quartile with the same performance rating.

THE POSTAL SUPERVISOR

Full EVA reserve account payments on Oct. 25

Pay package features largest increases for EAS employees since before 1996

The Postal Service announced July 19 that, following pay consultations with NAPS, it had reached a final decision on a new EAS pay package. The salary structure adjustments and merit pay awards represent the largest increases for EAS employees since before the pay reform of 1996.

Salary ranges have been increased by their largest rates since before 1996. Merit increases range from 3.75 percent to

5.75 percent for the FY-02 performance year and 4 percent to 6 percent for the FY-03 performance year (see details below and on following pages—Ed.).

Publication reminder

The next issue of *The Postal Supervisor* will be dated Aug. 27, 2002, and will contain highlights of the NAPS 58th Biennial National Convention in Greensboro, NC, Aug. 5 to 9, 2002.

Vince Palladino, "but it was the best we could do in light of the financial crisis facing the Postal Service, created in part by the events of 9/11 and the country's current overall financial malaise." He said the final EAS decision followed pay consultations that lasted more than five months.

Palladino said the pay package contains no new funding for the team incentive program formerly known as the EVA

Variable Pay Program. While disappointed that the program was discontinued, he noted, "The Postal Service did the right thing by agreeing to distribute the full reserve accounts to EAS employees in one lump-sum payment in regular paychecks dated Oct. 25, 2002."

Tony Vegliante, vice president, Labor Relations, said, "The pay package reflects a continued commitment to pay changes that are market-based and performance driven. As EAS salary levels return to market levels, salary structure increases and merit awards also can return to market levels."

When asked to explain why EVA was discontinued, Lynn Malcolm, manager, Compensation, said, "The EVA incentive program helped employees focus on organizational success factors, which ultimately lead to outstanding service, employee and financial improvements.

"But the program suffered from a complex design and a lack of understanding by

Continued on page 5



Inside this issue:

- EAS Pay Package**
- 1 Position Upgrades
- 2 FY-02, -03 Merit Pay Matrices
- 3 EAS Salary Structure
- 4 NAPS Executive Board
- 5 Quarterly Membership Report
- 6 Auxiliary
- 7 Legislative Update

Supervisor Compensation Package

1. Salary Ranges

The salary structure for EAS pay grades will be adjusted as indicated at right. The effective dates for these structure changes are Dec. 28, 2002, and Dec. 27, 2003. The resulting salary structure is shown in Attachment A on page 4.

The adjustments to the salary structure will not automatically change employee salaries. Employee salaries will be adjusted within their

respective salary ranges based on individual performance determinations in accordance with the merit pay program as discussed in number 2 on the next page.

EAS Grouping	Effective Dec. 28, 2002		Effective Dec. 27, 2003	
	Minimum	Maximum	Minimum	Maximum
EAS Grades 1-10	0.0%	0.0%	0.0%	0.0%
EAS Grades 11-15	0.0%	2.55%	0.5%	3.00%
EAS Grades 16-21	0.0%	3.30%	0.5%	3.50%
EAS Grades 22-26	0.0%	3.75%	0.5%	4.00%

2. Merit Pay Program

The EAS merit pay program will be revised to provide, as shown in the tables on page 3, pay adjustments for FY-02 and FY-03 individual performance effective Dec. 28, 2002, and Dec. 27, 2003, respectively.

3. Merit Evaluation Program

Effective with the FY 2002 EAS Merit Pay Program, the limitation on the number of "Far Exceeded" ratings will be raised from 10 percent to 15 percent of employees on the rolls at the end of the fiscal year. Coincident with the elevation of this limitation, new guidelines will be issued that will assist management in making distinctions between the performance ratings.

4. Supervisory Differential Adjustment

While the eligibility criteria for the Supervisory Differential Adjustment (SDA) remains the same, i.e., EAS-exempt employees in Grades 15 to 18 who directly supervise two or more full-time equivalent bargaining-unit employees, the current method of calculating the SDA will change effective Jan. 11, 2003. A fixed SDA rate will be set at the levels illustrated in the following table for the life of this pay package.

Position	EAS Grade	Occ Code	SDA Rate
Supervisor, Maintenance Operations	16	4704-6050	\$48,500
Supervisor, Postal Police	16	2335-0003	\$47,500
Supervisor, Vehicle Maintenance	16	5823-6005	\$47,000
All other SDA-eligible supervisors	15-18	Varies	\$45,000

5. Team Incentive Program

Due to the current economic situation facing the Postal Service, there will be no new funding of team incentive programs for FY 2002 and FY 2003. The Pay-for-Performance (formerly EVA Variable Pay Program) reserve accounts will be distributed to employees in one lump-sum payment in the regular paycheck dated Oct. 25, 2002. Employees separated for cause prior to the payment of these amounts will forfeit any unpaid balance in the reserve account.

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Material for publication should be reviewed by correspondents or branch officers before being submitted to NAPS Headquarters. Branch News items must be no more than 250 words. NAPS neither assumes responsibility for the contents of the articles published herein, nor does it necessarily

6. Higher-Level Pay

For supervisors who are rated special-exempt for additional pay, the waiting period for higher-level pay will be reduced from ten (10) to five (5) consecutive work days (excluding a break for normal days off). For all other employees, the waiting period remains ten (10) consecutive work days (excluding a break for normal days off).

7. Annual Leave Exchange

Effective with the 2003 leave year, the maximum amount of annual leave exchange will be increased from 104 hours to 120 hours. This new limit will be available for the annual leave exchange open season beginning Nov. 15, 2002.

8. Position Upgrades

Field Positions—

a. Effective Aug. 24, 2002 (PP 19-02), the following positions will be raised one grade level and receive the normal two percent (2%) upgrade policy. Local personnel offices are responsible for processing the *Form 50s* for these upgrades. Use *NOA 970*, "Position Reevaluation—Upgrade."

Title	From		To	
	Grade	Occ Code	Grade	Occ Code
Occupational Health Nurse Administrator	EAS-17	0610-4002	EAS-18	0610-0001
Field Secretary ¹¹	EAS-11	0318-2041	EAS-12	0318-0007
¹¹ Note: This applies to field secretaries using this occupation code reporting to District Managers, P&DC/F Managers, Postmasters (EAS-26+), REC Managers (EAS-23+) and Human Resource Managers. Positions using this code in area offices and headquarters are not eligible for the upgrade. Processing instructions will be forthcoming.				
Field Staff Secretary ¹²	EAS-9	0318-2039	EAS-10	0318-0008
¹² Note: This applies to field secretaries using this occupation code reporting to the Remote Encoding Center Managers. Positions using this code in area offices and headquarters are not eligible for the upgrade. Processing instructions will be forthcoming.				
Supervisor, Maintenance Operations	EAS-16	4704-6050	EAS-17	2355-0010
Manager, Maintenance	EAS-15	1640-7047	EAS-16	2355-0009
Manager, Maintenance	EAS-16	1640-7043	EAS-17	2355-0008
Supervisor, Vehicle Maintenance	EAS-16	5823-6005	EAS-17	5823-0007

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b. Effective Aug. 24, 2002 (PP 19-02), the following positions will be raised one grade level, but will not receive the normal upgrade policy. Processing for these upgrades will be accomplished by HRIS. No local processing is required.

THE
POSTAL SUPERVISOR

Aug. 6, 2002 • Volume 93, Number 16

EAS Merit Pay Program Award Matrix for FY-02 Performance					
Rating	Employee's Salary Position in Range				
	First Quartile ⁽¹⁾	Second Quartile ⁽¹⁾	Third Quartile ⁽¹⁾	Fourth Quartile ⁽¹⁾	At or Above Maximum ⁽¹⁾
Far Exceeded Objectives/ Expectations ⁽²⁾	5.75% basic salary increase ⁽³⁾	5.55% basic salary increase ⁽³⁾	5.25% basic salary increase ⁽³⁾	4.75% basic salary increase up to max; remainder in lump sum not to exceed 2.5% of the max	Lump sum of 2.5% of the max
Met Objectives/ Expectations	4.75% basic salary increase ⁽³⁾	4.55% basic salary increase ⁽³⁾	4.25% basic salary increase ⁽³⁾	3.75% basic salary increase up to max; remainder in lump sum not to exceed 2.0% of the max	Lump sum of 2.0% of the max
Unacceptable	0%	0%	0%	0%	0%
Not Rated	0%	0%	0%	0%	0%

EAS Merit Pay Program Award Matrix for FY-03 Performance					
Rating	Employee's Salary Position in Range				
	First Quartile ⁽¹⁾	Second Quartile ⁽¹⁾	Third Quartile ⁽¹⁾	Fourth Quartile ⁽¹⁾	At or Above Maximum ⁽¹⁾
Far Exceeded Objectives/ Expectations ⁽²⁾	6.0% basic salary increase ⁽³⁾	5.8% basic salary increase ⁽³⁾	5.5% basic salary increase ⁽³⁾	5.0% basic salary increase up to max; remainder in lump sum not to exceed 2.5% of the max	Lump sum of 2.5% of the max
Met Objectives/ Expectations	5.0% basic salary increase ⁽³⁾	4.8% basic salary increase ⁽³⁾	4.5% basic salary increase ⁽³⁾	4.0% basic salary increase up to max; remainder in lump sum not to exceed 2.0% of the max	Lump sum of 2.0% of the max
Unacceptable	0%	0%	0%	0%	0%
Not Rated	0%	0%	0%	0%	0%

- (1) First quartile represents a salary that is 0% to 24.9% through the salary range.
 Second quartile represents a salary that is 25% to 49.9% through the salary range.
 Third quartile represents a salary that is 50% to 74.9% through the salary range.
 Fourth quartile represents a salary that is 75% to 99.9% through the salary range.
 Maximum represents a salary that is 100% through the salary range.
- (2) There is a 15% limitation on the number of "far exceeded" ratings.
- (3) New basic salary for an employee in a lower quartile cannot exceed the new basic salary for an employee in the next higher quartile with the same performance rating.

Title	From		To	
	Grade	Occ Code	Grade	Occ Code
Supervisor, Customer Services	EAS-16	2305-6121	EAS-17	2310-0022
Supervisor, Distribution Operations	EAS-16	2315-6076	EAS-17	2315-0066
Supervisor, Transportation Operations	EAS-16	2150-6028	EAS-17	2330-0040

For this upgrade event only, certain managers of the supervisory positions immediately above also will be upgraded one grade. For example, an EAS-17 manager of an EAS-16 supervisory position targeted for a one-grade upgrade also will receive an upgrade. These positions will be raised one grade, but will

not receive the normal 2 percent upgrade policy. Information and processing instructions on these secondary upgrades will be forthcoming. Local personnel offices are responsible for processing the *Form 50s* for these upgrades. Use *NOA 910*, "Position Reevaluation-Upgrade."

Immediate Manager Upgrade Chart					
If Supervisor Upgrade Is:		And Current Immediate Manager Grade Is:			
From EAS	To EAS	EAS-17	EAS-18	EAS-19	EAS-20 or above
		Then New Immediate Manager Grade Is:			
15	16	18	19	20	No change
16	17				

c. In addition, effective Aug. 24, 2002 (PP 19-02), the following positions will be raised one grade level, but will not receive the normal upgrade policy. Processing for these upgrades will be accomplished by HRIS. No local processing is required.

Title	From		To	
	Grade	Occ Code	Grade	Occ Code
Manager, Customer Services	EAS-16	2305-7037	EAS-17	2305-7035
Manager, Customer Services	EAS-16	2310-6011	EAS-17	2305-7035
Supervisor, Vehicle Supply	EAS-16	2003-6024	EAS-17	2003-6025

Postal Police Positions-

Effective Aug. 24, 2002 (PP 19-02), the postal police positions in the table at the top of the column at right will be raised one grade level, but will not receive the normal upgrade policy. Processing for these upgrades will be accomplished by HRIS. No local processing is required.

9. Leave Study

In cooperation with the management associations, the

Title	From		To	
	Grade	Occ Code	Grade	Occ Code
Supervisor, Postal Police	EAS-16	2335-0003	EAS-17	2335-0022
Tour Supervisor, Postal Police	EAS-17	2335-0004	EAS-18	2335-0023
Manager, Postal Police Division A	EAS-17	2335-0007	EAS-18	2335-0008
Manager, Postal Police Division B	EAS-18	2335-0008	EAS-19	2335-0024
Manager, Postal Police Division C	EAS-20	2335-0009	EAS-21	2335-0025
Manager, Postal Police Division D	EAS-22	2335-0010	EAS-23	2335-0026
Manager, Postal Police Facility A	EAS-17	2335-0005	EAS-18	2335-0006
Manager, Postal Police Facility B	EAS-18	2335-0006	EAS-19	2335-0027
Manager, Postal Police Facility C	EAS-20	2335-0011	EAS-21	2335-0028

Postal Service will study alternative designs of postal leave policies as set forth in Chapter 510 of the *Employee and Labor Relations Manual*. The purpose of this study will be to ensure that our leave policies are market-based as mandated by the Postal Reorganization Act, and that they are efficiently designed to serve the underlying purposes for providing paid and unpaid leave.

Attachment A

EAS Salary Structure

EAS Grade	Effective Dec. 28, 2002				
	Minimum	25th %-ile	50th %-ile	75th %-ile	Maximum
1	20,875	22,284	23,693	25,102	26,511
2	21,559	23,014	24,470	25,925	27,380
3	22,269	23,772	25,275	26,778	28,281
4	23,167	24,731	26,295	27,858	29,422
5	23,939	25,555	27,171	28,786	30,402
6	24,802	26,476	28,150	29,824	31,498
7	25,818	27,561	29,304	31,046	32,789
8	26,853	28,666	30,478	32,291	34,103
9	27,902	29,785	31,669	33,552	35,435
10	28,931	30,884	32,837	34,789	36,742
11	30,340	33,409	36,478	39,546	42,615
12	31,796	35,012	38,229	41,445	44,661
13	33,280	36,646	40,012	43,378	46,744
14	35,017	38,559	42,101	45,643	49,185
15	36,935	40,671	44,407	48,142	51,878
16	38,246	43,015	47,783	52,552	57,320
17	39,942	44,922	49,902	54,881	59,861
18	41,897	46,896	52,094	57,293	62,491
19	43,673	49,118	54,563	60,007	65,452
20	46,042	51,782	57,523	63,263	69,003
21	48,279	54,298	60,317	66,396	72,355
22	51,149	57,778	64,407	71,035	77,664
23	53,937	60,927	67,917	74,907	81,897
24	56,606	63,942	71,278	78,614	85,950
25	59,422	67,123	74,824	82,524	90,225
26	62,386	70,471	78,556	86,640	94,725

EAS Grade	Effective Dec. 27, 2003				
	Minimum	25th %-ile	50th %-ile	75th %-ile	Maximum
1	20,875	22,284	23,693	25,102	26,511
2	21,559	23,014	24,470	25,925	27,380
3	22,269	23,772	25,275	26,778	28,281
4	23,167	24,731	26,295	27,858	29,422
5	23,939	25,555	27,171	28,786	30,402
6	24,802	26,476	28,150	29,824	31,498
7	25,818	27,561	29,304	31,046	32,789
8	26,853	28,666	30,478	32,291	34,103
9	27,902	29,785	31,669	33,552	35,435
10	28,931	30,884	32,837	34,789	36,742
11	30,492	33,842	37,193	40,543	43,893
12	31,955	35,467	38,978	42,490	46,001
13	33,446	37,121	40,796	44,471	48,146
14	35,192	39,059	42,927	46,794	50,661
15	37,120	41,199	45,277	49,356	53,434
16	38,437	43,669	48,882	54,104	59,326
17	40,142	45,596	51,049	56,503	61,956
18	41,905	47,598	53,292	58,985	64,678
19	43,891	49,854	55,817	61,780	67,743
20	46,272	52,559	58,845	65,132	71,418
21	48,520	55,112	61,704	68,295	74,887
22	51,405	58,747	66,088	73,430	80,771
23	54,207	61,949	69,690	77,432	85,173
24	56,889	65,014	73,139	81,263	89,388
25	59,719	68,248	76,777	85,305	93,834
26	62,698	71,652	80,606	89,560	98,514

Supervisor pay package

Continued from page 1

stakeholders within and outside the Postal Service. Some of these stakeholders did not understand the use of incentives in a break-even operating environment."

Continuing to reflect on EVA, which was controversial from the start, Malcolm added, however, "The program created a shared vision of success for all EAS and PCES employees and that shared vision will continue to be a hallmark of future pay design."

The future of postal compensation is described in the Postal Service's recently released Transformation Plan. The agency is committed to moving toward a performance-based culture, with a key strategy being the creation of a performance-based pay system.

According to the Transformation Plan, focuses of the new pay system will be "individual merit pay programs to build individual accountability throughout the managerial ranks, exceptional individual performance programs to recognize outstanding individual performance and team incentive plans to encourage cooperation toward organizational success."

President Palladino said the current pay package should be viewed as a continued transition to the new performance-based culture. "NAPS looks forward to working with the Postal Service to build a pay system that rewards our members for the added value they provide to the success of the best possible postal system in the world," he said. ■

Important NAPS Deadlines/Dates

Aug. 30—Postmark date for receipt of all NAPS Student Scholarship and Donald N. Ledbetter Memorial Scholarship applications at NAPS Headquarters (*see April 30, 2002, issue of The Postal Supervisor*).

March 30 to April 1, 2003—NAPS Legislative Training Seminar, Crystal Gateway Marriott, Arlington, VA.

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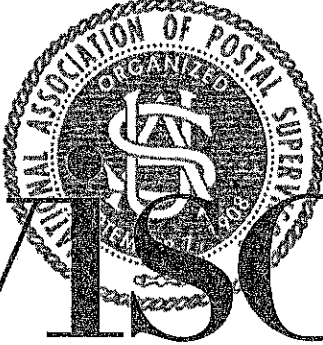
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the Postal Supervisor

Aug. 19, 2003



A Biweekly NAPS Newsletter for Postal Supervisors, Managers and Postmasters

New EAS Performance Evaluation/Pay Package Announced

The Postal Service has announced a new EAS Performance Evaluation/Pay Package for Fiscal Years 2004 and 2005. (The Fiscal Year 2003 merit pay program due December 2003 was covered in the EAS pay package announced July 19, 2002.)

The hallmark of the new pay-for-performance system is the National Performance Assessment (NPA) system, which tracks progress of operational goals at national and local levels. NPA goals are established at the beginning of the fiscal year to provide clear expectations to EAS employees on organizational success factors.

"This new evaluation system goes a

long way in taking subjectivity out of the appraisal process," President Vincent Palladino said. "The majority of an employee's appraisal rating will be based on objective measures of performance. That's good for our members and good for the Postal Service."

Another popular change is the elimination of an arbitrary limit to the number of employees who receive the highest performance ratings. Because EAS employees will have multiple performance levels clearly defined in advance of the fiscal year, there is no need to set limits on how many people get the highest ratings. "An employee's performance will determine the rating,

not an arbitrary distribution,"

Palladino said.

Tony Vegliante, vice president, Labor

Relations, observed, "The new package continues the market-based pay philosophies of the past seven years and keeps us on the cutting edge of pay-for-performance in the federal government."

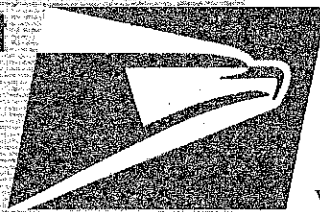
Linking pay decisions to organizational success is a key feature of the Postal Service's Transformation Plan, which identified the enhancement of the performance-based culture as a key commitment. Lynn Malcolm, manager, Compensation, noted, "The new pay system provides multiple levels of pay for multiple levels of performance. It keeps everyone striving toward higher levels of performance, no matter how far above or below plan a person or business unit is performing."

"The maximum of the salary structure will be raised to keep the range of salaries within market levels," Malcolm added, "and allow room for employees to receive salary increases based on performance."

Continued on page 8

Report to the President

See page 6 for the final report of the President's Commission on the Postal Service and President Vincent Palladino's initial comments.



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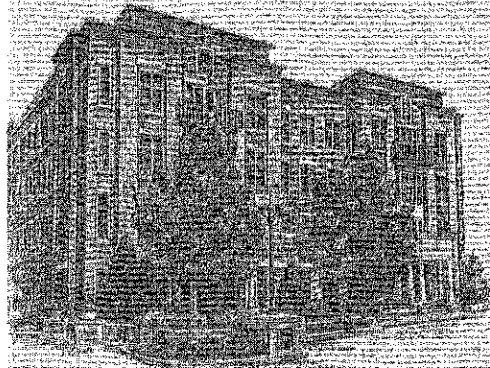
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Upgrades Granted to Many EAS Personnel

Pay consultations have concluded and, once again, there are many position upgrades, which should be effective before the end of this fiscal year.

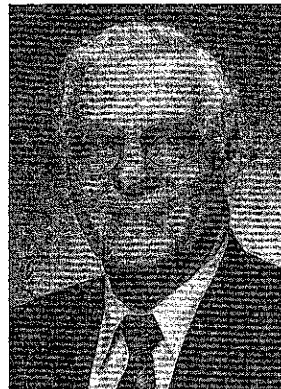
This vast number of employees may now be added to the long list of those upgraded over the past two pay consultations, due to NAPS' efforts and USPS Headquarters' recognition of the need for these upgrades. NAPS wishes to thank Tony Vegliante, vice president, Labor Relations, as well as Robert Paiva, Lynn Malcolm, Bill Jones and Dale Polley, members of the USPS Headquarters team.

NAPS continues to request more, including upgrades for those in support positions. However, the Postal Service's philosophy on this issue differs from ours. All we can do is ask for—not demand—upgrades through the process of pay talks.

Those not upgraded have another avenue—consideration for upgrades through means other than pay talks. Instructions for the submission of requests are contained in *Employee and Labor Relations Manual (ELM)*, Section 222, "Request for Job Evaluation Review."

Upgrades will not include increases in pay

It is the Postal Service's policy that, generally, no increases in pay will



be given with *en masse* upgrades because the agency believes an upgrade is not actually earned by any individual, as in the case of promotions. When upgrading, the Postal Service raises grades of positions, not individual employees.

Prior to 1999, increases were never granted with upgrades. Therefore, during that year's pay talks, NAPS asked the USPS to grant an increase with upgrades. The Postal Service then agreed to a 2 percent increase in basic pay, which became effective on Nov. 6, 1999. As an example, this would apply when the workload service credits of a station manager or postmaster show that he or she should be upgraded, in which case the employee would be granted the increase.

However, during subsequent talks, when NAPS kept asking for the upgrading of hundreds of supervisors, specialists, administrators, coordinators, managers, etc., all at one time, the Postal Service declined to grant the increase. As talks dragged on, it came down to a choice between many upgrades without increases or no upgrades at all. Because we felt that an upgrade with no increase was better than no upgrade at all, we went ahead and accepted this for the hundreds of employees; and this has proven to be true.

Continued on page 7

Final Decision on Field EAS Compensation

1. Salary Ranges

The salary structure for EAS pay grades will be adjusted as indicated below. The effective dates for these structure changes are Jan. 22, 2005, and Jan. 21, 2006. The resulting salary structure is shown in Attachment B (*next page*).

EAS Grouping	Effective Jan. 22, 2005		Effective Jan. 21, 2006	
	Minimum	Maximum	Minimum	Maximum
EAS Grades 1-10	0.0%	1.50%	0.0%	1.50%
EAS Grades 11-15	0.0%	3.00%	0.0%	3.00%
EAS Grades 16-21	0.0%	3.25%	0.0%	3.50%
EAS Grades 22-26	0.0%	3.50%	0.0%	3.75%

The adjustments to the salary structure will not automatically change employee salaries. Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the Performance Evaluation pay program as discussed in number 2 below.

2. Performance Evaluation/Pay Program

The FY2003 EAS Merit Pay Program effective Dec. 27, 2003, remains the same as announced in July 2002 following pay consultations. For FY2004 and FY2005, a new performance evaluation/pay program will be implemented with payments effective Jan. 22, 2005, and Jan. 21, 2006, respectively.

The January payment effective dates have become necessary due to (a) the conversion to a new monthly accounting system, (b) a greater reliance on objective performance measures under the new performance evaluation/pay program, and (c) new processing requirements for capturing performance ratings. The Postal Service will make every effort to return the effective dates to a December effective date without sacrificing the quality of the performance evaluation process.

For Fiscal Year 2004 performance evaluation, new line-of-sight measures will be established to help EAS employees at all levels see how their individual performance contributes to organizational success. Different indicators, weights and core requirements are established for different EAS positions based on their different potential contribution. Indicators, weights and core requirements will be established and communicated to all employees near the beginning of each fiscal year. Performance ratings will be calculated on these factors based on results measured at the end of the fiscal year.

Overall Performance Ratings: Indicators may have different weight values assigned to them as they are aggregated into an overall performance rating. Once the results are known at the end of the fiscal year, indicator ratings from 1 to 15 are applied against the weights of each indicator to determine an overall performance rating.

Overall Performance Rating	
Number Rating	Adjective Rating
13, 14, 15	Exceptional Contributor (EC)
10, 11, 12	High Contributor (HC)
4 to 9	Contributor (C)
1, 2, 3	Non-Contributor (NC)

Another way of displaying these numeric and adjective performance ratings is shown below.

NC	C	HC	EC
3	6	9	12
2	5	8	11
1	4	7	10

• There is no arbitrary limit on the number of employees in a given performance rating.

Performance Pay Program: Since employee performance will be measured under a 15-point rating system, different pay increases will be established at each of the 15-point ratings. This is designed to encourage employees to continue their efforts at improving performance regardless of how far behind or ahead of plan are their current level of performance.

Below are the pay increases associated with the 15 performance ratings.

NC	C	HC	EC
(3) 0%	(6) 3.50%	(9) 6.50%	(12) 9.50%
(2) 0%	(5) 3.00%	(8) 5.75%	(11) 8.75%
(1) 0%	(4) 2.50%	(7) 5.00%	(10) 8.00%
			(15) 12.00%
			(14) 11.00%
			(13) 10.25%

• All percentages are paid as salary increases if room within the salary structure.

• If award amount limited by the salary structure, awards will be converted to lump sum payments.

3. Supervisory Differential Adjustment

While the eligibility criteria for the Supervisory Differential Adjustment (SDA) remains the same, i.e., EAS exempt employees in Grades 15 to 18 who *directly supervise* two or more full-time equivalent bargaining unit employees, the fixed SDA rate has been adjusted as illustrated in the following table for the life of this package. These new rates will become effective on January 13, 2004.

Position Group	Salary
Maintenance	\$51,000
Vehicle Maintenance	\$49,000
All other eligible EAS-15 to EAS-18	\$47,000

4. Position Upgrades

The following positions (*see next page*) will be upgraded, but will *not* receive upgrade pay. Processing for these upgrades will be accomplished by HRIS. No local processing is required.

5. Higher Level Pay

The waiting period for all EAS employees on higher level pay will be five days (excluding a break for normal days off).

6. Policy Clarification

In cooperation with the management associations, the Postal Service will study the current EAS pay rules regarding Change-to-Lower-Level as set forth in Chapter 415 of the *Employee and Labor Relations Manual*. The purpose of this study will be to ensure that these policies are best designed for achieving the strategic objectives of the Postal Service.

7. Annual Leave Exchange

Effective with the 2004 leave year, the maximum amount of annual leave exchange will be increased from 120 hours to 128 hours.

8. Annual Leave in Lieu of Holiday Pay

Employees who work their holiday, at their option, may elect to have their annual leave balance credited with up to eight hours of annual leave in lieu of holiday leave pay to which the employee is entitled.

9. Manager, Customer Services, Grade Determination

In cooperation with the National Association of Postal Supervisors, a task force will be established to study the methods of determining the grade levels of managers of Customer Services. The task force will make recommendations on changes to the current process.

EAS Salary Structure					
EAS	Effective Jan. 22, 2005		EAS	Effective Jan. 21, 2006	
Grade	Minimum	Maximum	Grade	Minimum	Maximum
1	20,875	26,909	1	20,875	27,312
2	21,559	27,791	2	21,559	28,208
3	22,269	28,705	3	22,269	29,136
4	23,167	29,863	4	23,167	30,311
5	23,939	30,858	5	23,939	31,321
6	24,802	31,970	6	24,802	32,450
7	25,818	33,281	7	25,818	33,780
8	26,853	34,615	8	26,853	35,134
9	27,902	35,967	9	27,902	36,506
10	28,931	37,293	10	28,931	37,853
11	30,492	45,210	11	30,492	46,566
12	31,955	47,381	12	31,955	48,802
13	33,446	49,590	13	33,446	51,078
14	35,192	52,181	14	35,192	53,746
15	37,120	55,037	15	37,120	56,688
16	38,437	61,254	16	38,437	63,398
17	40,142	63,970	17	40,142	66,209
18	41,905	66,780	18	41,905	69,117
19	43,891	69,945	19	43,891	72,393
20	46,272	73,739	20	46,272	76,320
21	48,520	77,321	21	48,520	80,027
22	51,405	83,598	22	51,405	86,733
23	54,207	88,154	23	54,207	91,460
24	56,889	92,517	24	56,889	95,986
25	59,719	97,118	25	59,719	100,760
26	62,698	101,962	26	62,698	105,786

way that promotes public confidence and does not in any way hinder the Service's ability to carry out its mandate to serve all Americans in a nondiscriminatory way," Carper said. "If done haphazardly, facility closings could hurt service in some communities, especially rural and inner-city areas."

Carper's legislation, consistent with the Postal Commission's recommendation for a postal facility closure commission, would establish a "Postal Network Modernization Commission" to study possible closings and consolidations. However, the Carper legislation would require the com-

mission to gear its facility decisions to service standards that provide better access to postal services than currently exist.

Carper also expressed concern with several other aspects of the commission's report, particularly recommendations that would unnecessarily open up pay standards and collective bargaining procedures that have benefited both the Postal Service and its employees. If implemented, such recommendations could result in lower pay for workers and an increased number of contract disputes over pay and retirement benefits, Carper noted. ●

Commentary

Continued from page 2

The benefit of being an EAS-17, rather than a -16, is that the range has been increased, which means higher increases to basic pay and, thus, retirement.

Remember, there will come a time when increases to the range will be much lower than the merit. At that time, those in the top will get only a lump sum. For example, in 2002, the top of grades EAS 16 to 21 was only raised 3.3 percent, while the merit was 3.75 percent. Without the upgrade, these employees would have had only 3.3 percent added to their basic pay and a mere .45 percent in a lump sum.

And because we were unable to get the Postal Service to agree on going back to the former step system (steps are not pay-for-performance, which the USPS insists on), we negotiated what we thought would be the next best thing—quartiles in the pay ranges. We were very successful in negotiating merit increases to basic pay for 2001, 2002 and 2003, much higher than the craft or others on the outside.

The lowest possible increases for the three-year period are 3.2 percent, 3.75 percent and 4 percent—for a total of 10.95 percent increase to basic pay. Others in the lowest percentile group will get more, and NAPS is proud of having negotiated this for all EAS employees.

With the new pay package, those being upgraded will have a higher maximum. As you can see by looking at the 2004 pay figures, they'll be able to obtain larger increases to basic pay before getting a lump sum. ●



Vincent Palladino
President

NAPS Training Calendar

MINK Area (IA, KS, MO, NE, all Central Region members welcome)

Sept. 12-13, 2003

Conducted by—Area VP Larry D. Ewing

Location—Hilton, Kansas City Airport, 8801 NW 112th St., Kansas City, MO 64153; (816) 891-8900; reservation cutoff date, Aug. 22

Room Rate—\$79

Registration Fee—\$20, includes lunch on Saturday, cutoff date, Aug. 22

Topics—Adverse action training, conditions on Capitol Hill, others TBA

Instructors—Larry Ewing, Robert Washington, Bob McLean, others TBA

Central Gulf Area (AL, LA, MS)

Sept. 19-20, 2003

Conducted by—AVP Roy Beaudoin

Location—Hilton Birmingham Perimeter, Birmingham, AL (1-800-567-6647)

Room Rate—\$79, single or double

Registration Fee—\$35

Topics Covered—TBA

Instructors—Southern Region Vice President Tim Ford, others TBA

Capitol-Atlantic Area (DC, MD, NC, SC, VA)

Oct. 10-11, 2003

Conducted by—AVP John Geter

Location—Hilton Myrtle Beach, Myrtle Beach, SC; (803) 449-5000

Room Rate—\$125, single or double

Registration Fee—\$100

Topics—Advocacy I and II, more TBA

Instructors—TBA

Guests—NAPS President Vincent Palladino, Eastern Region VP Dotty Wileman, others TBA

Southeast Area (FL, GA)

Oct. 25-26, 2003

Conducted by—Area VP Jerry Sebastian

Location—Homewood Suites by Hilton, Lake Mary, FL; 1-407-805-9111 (30 minutes from Orlando, FL, International Airport)

Room Rate—\$71, plus tax, for a one-bedroom suite (includes breakfast buffet)

Registration Fee—\$25 (includes lunch)

Topics—Adverse action, legislation, secretary/treasurer training

Instructors—Southern Region VP Tim Ford, Ann Strickland, FL State Secretary/Treasurer Jim Hinson

Information—Jim Hinson, (386) 760-5448, mlhinson@aol.com

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New EAS Pay Package

Continued from page 1

Other changes in the package are aimed at making the pay system easier to understand. All pay actions are based solely on performance, not position within the salary range. "Quartiles are out," Palladino noted. "All percentages are paid as salary increases if there is room within the salary structure. If the award is limited by the salary structure, the balance over the salary structure is converted to a lump-sum payment."

The full details of the EAS pay package are included on pages 3 through 5. •

NAPS urges AMS employees to apply for other positions

In view of the information currently being disseminated by the Postal Service, NAPS urges AMS employees to apply for any job in which they are interested or qualified.

"An AMS employee should do whatever he or she can to secure another position," said President Vincent Palladino. "We know that, in some districts, AMS employees are being detailed back to AMS jobs. If the situation is resolved in our favor (see Aug. 5, 2003, issue of

The Postal Supervisor—Ed.) and you are detailed to AMS, you will be in the best position to get your job back.

"And, although we want to have a positive outlook on this, if NAPS ends up losing the AMS position, you will have another job to fall back on."

NAPS is actively involved in the AMS matter because its eventual resolution has far-reaching implications for the organization, Palladino said. "We support the USPS in that, while it agrees with the NALC that the award comes to a conclusion contrary to the express, written understandings of the parties as to what was being litigated, the award cannot stand as written," he said.

"Additionally," Palladino noted, "we support the Postal Service's position that the arbitration award cannot be corrected by a simple award clarification, as requested by the NALC. Rather, the USPS believes 'the possible problem' brought to light by NALC counsel 'cannot be remedied merely by a clarification. The entire award must be withdrawn and all parties be allowed to present additional evidence on the merits of the grievance.'"

The following information currently is being disseminated by the Postal Service in response to questions

from affected employees:

- What will happen to the current EAS-15 AMS employees in this consolidation scenario?

AMS employees may compete for any of the positions being posted as a result of district consolidation.

- We were told we wouldn't be filling any current EAS-15 AMS vacancies with nonbargaining employees, but what does the USPS intend to do with current AMS Level-15s?

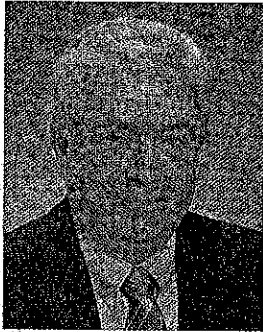
There currently is a moratorium in effect, and no EAS-15 Address Management Systems specialist positions are being posted. Workload not absorbed in the gaining district can be covered through details of existing employees to perform the duties. Bargaining-unit data entry tasks associated with AMS should be performed by data entry clerks or general clerks.

- Is the recent arbitration ruling on the EAS-15 AMS positions the final decision or are we continuing to appeal the case to get it overturned?

The Postal Service has contacted Arbitrator Snow via a letter dated June 26, 2003, regarding his award and the USPS' belief (along with the NALC) that it reaches "...a conclusion contrary to the express written understandings of the parties." •

PFP—Sadly, a One-Way Street

Members who have visited our website recently have seen our “Breaking News” item regarding the fact that the pay package announced by the Postal Service on Oct. 18, 2005, was not accepted by NAPS. Rather, we noted, the compensation package was being forced on us.



Ted Keating
President

In the end, our decision not to accept the Postal Service’s final offer was really an easy one. When you are being abused, you can suffer in silence. Or you can speak out.

We chose to speak out!

I am grateful for the complete support of the NAPS Executive Board in rejecting the compensation package. From the very beginning, I have been concerned about a pay process in which our input on core requirements was limited to 24 percent and, now, even that is being further diluted.

The replacement compensation program for the old Economic Valued Added (EVA) pay program debacle was hailed from the beginning as a new partnership between the USPS and its employees. Well, from the outset, the Postal Service controlled the Pay-for-Performance administrative rules and the pay rules. And, now, the agency wants absolute control over all other goals, as well—some of which, under the cooperative precepts of PFP, were to be determined only after initial and continuing employee input.

Some partnership, huh?

We will begin the process of making our collective voice heard on Capitol Hill with regard to the USPS Pay-for-Performance Program in light of the growing number of other PFP initiatives under study among other federal agencies. Our

hunch is that Congress will be very interested in learning of some of the “devil-in-the-details” aspects of the USPS program that have come to light of late. Any potential legal action as a remedy will be based on decisions made by the USPS over the coming weeks.

In less than a year, we will enter into pay talks for what will be a multi-year compensation package. We believe the actions we now are taking will strengthen our position at the pay talks that will get under way next summer.

* * *

Since my “Commentary” on the Postal Service’s ill-advised move to circumvent veterans’ preference rules (*August 2005 issue of The Postal Supervisor, page 3*), we have further explored our options and decided on a proper course of action. Actually, we will proceed in *two* different directions—one legal, the other legislative.

On the legal side, because we believe the agency’s so-called “repositioning rules” are statutorily flawed, we will select a case to take before the Merit Systems Protection Board (MSPB). That effort will go a long way toward bringing to light and examining the abject unfairness—and, likely, the illegality—of the Postal Service’s new downsizing initiative.

On the legislative side, NAPS will—we already have, in fact—call for prompt congressional review of the adequacy of current law to ensure that the letter and spirit of veterans’ preference protections are upheld. If federal agencies and entities are legally permitted to engage in RIF-avoidance in the manner in which the Postal Service is operating, they will undermine the deference historically accorded to veterans’ status.

Congress should at once step in and forestall

Continued on page 24

“We will begin the process of making our collective voice heard on Capitol Hill with regard to the USPS Pay-for-Performance Program.”

For Fiscal Year 2006 Performance USPS Announces Supervisor EAS Compensation Package

The Postal Service has announced a one-year Supervisor EAS Compensation Package for Fiscal Year 2006 (please see "Commentary" column on page 3—Ed.).

Pay-for-Performance

Under the EAS Pay-for-Performance Program, employee performance will continue to be measured under a 15-point rating system, with different pay increases established at each of the 15-point ratings. The pay increases associated with the different ratings are shown below.

Non Contributor		Contributor		High Contributor	Exceptional Contributor
(3) 0.0%	(6) 3.50%	(9) 6.50%	(12) 9.50%	(15) 12.00%	
(2) 0.0%	(5) 3.00%	(8) 5.75%	(11) 8.75%	(14) 11.00%	
(1) 0.0%	(4) 2.50%	(7) 5.00%	(10) 8.00%	(13) 10.25%	

Note: All percentages are paid as salary increases if there is room within the salary structure. If the amount is limited by the salary structure, the balance of amount will be converted to a lump-sum payment.

Salary Ranges

The salary ranges for EAS pay grades will be changed effective Jan. 6, 2007, as indicated below. The adjustments to the salary structure will not automatically change employee salaries.

Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the Pay-for-Performance Program as discussed in Number 1 above.

EAS Grouping	Changes	
	Effective Jan. 6, 2007 Minimum	Effective Jan. 6, 2007 Maximum
EAS Grades 1-10	0.0%	1.0%
EAS Grades 11-15	0.0%	2.25%
EAS Grades 16-21	0.0%	2.25%
EAS Grades 22-26	0.0%	2.25%

New Structure								
EAS Grade	Effective Jan. 6, 2007		EAS Grade	Effective Jan. 6, 2007		EAS Grade	Effective Jan. 6, 2007	
	Minimum	Maximum		Minimum	Maximum		Minimum	Maximum
1	20,875	27,585	10	28,931	38,232	19	43,891	74,022
2	21,559	28,490	11	30,492	47,614	20	46,272	78,037
3	22,269	29,427	12	31,955	49,900	21	48,520	81,828
4	23,167	30,614	13	33,446	52,227	22	51,405	88,685
5	23,939	31,634	14	35,192	54,955	23	54,207	93,518
6	24,802	32,775	15	37,120	57,964	24	56,889	98,146
7	25,818	34,118	16	38,437	64,825	25	59,719	103,027
8	26,853	35,485	17	40,142	67,699	26	62,698	108,166
9	27,902	36,871	18	41,905	70,672			

Position Upgrades

The following positions will be upgraded, retroactive to Sept. 30, 2005, but will not receive the normal upgrade pay. Processing for these upgrades will be accomplished by HRIS. No local processing is required.

Position Title	From Occ Code	Grade	New Occ Code	Grade
Manager, Statistical Programs	1530-0008	18	1530-0021	21
Statistical Programs Specialist	1530-0003	15	1530-0022	17
Manager, Budget and Financial Analysis (District)	0560-0006	21	0560-0006	22

Additional Items

The following recommendations proposed by NAPS will be implemented for FY-06:

Pay-for-Performance Program—

Effective with the objective-setting process for Fiscal Year 2006, the following positions now will be authorized to select a write-in option for part of their core requirements:

Position Title	Occupation Code
Expedited Service Specialist, EAS-16	2345-0046
Directory Analysis Specialist, EAS-16	2315-0007
Operations Quality Improvement Specialist, EAS-17	1910-4015
Supervisor, Accountable Paper, EAS-16	0530-0001

Communications—The Postal Service is committed to improving communications to the field relating to Pay-for-Performance. This would include providing changes/modifications in PFP policies and procedures, as appropriate, to the National Association of Postal Supervisors at the earliest opportunity.

Additionally, Postal Service Headquarters will advise the areas and districts that appropriate NAPS officials in the field should be included in ongoing PFP-related meetings and training activities locally throughout the year.

Notes

from the National Auxiliary

Getting Together to Work for a Cause

Delores D. Bradley

Southern Region Vice President

There are certain truths in life. Here are some of them:

No one ever mowed the front lawn by thinking about it on the living room couch.

No one ever built a bridge by daydreaming about how much to charge as a toll if it ever got completed.

No one ever painted a picture or chiseled a statue or composed a symphony by sending a contribution to the National Endowment for the Arts.

And, most certainly, no one ever won a cause, however worthwhile, without working for it.

There is an old cliché we've all heard: If it's worth having, it's worth working for. The wisdom of that speaks for itself. I attended the Georgia/Florida Bi-State Convention in Savannah, GA, this past summer. NAPS and Auxiliary members worked together for a

common cause—raising money for the Supervisors' Political Action Committee (SPAC).

The mission for which everyone worked was trying to attain more worthwhile legislation that will make a difference in the lives of postal supervisors, retirees and their families. NAPS and the Auxiliary have worked together in the past, and they'll do so again and again.

Of course, we realize it will not be easy. But that is precisely why we have banded together in unity. If you feel the same—and I certainly trust you do—won't you join us and get involved? Become an Auxiliary member. If no local Auxiliary exists in your area, become one of our members-at-large.

Because we believe we should do no less.



Commentary

Continued from page 3

such actions, closing any and all statutory loopholes.

Remedial legislation would amend the veterans' preference statutes in *Title 5* and/or *Title 38* to ensure the application of veterans' preference rights to employees involuntarily reassigned in the course of reorganizations or transfers of function within the

agency, notwithstanding the retention of their grade or rate of pay.

In safeguarding the rights and protections of our nation's military veterans—especially in light of their continuing sacrifices in Iraq, Afghanistan and other dangerous lands—we cannot permit the adverse impact of the Postal Service's "repositioning rules" to stand.

NAPS Training Calendar

Eastern Region Cabinet Meeting

Jan. 12-15, 2006

Joint NAPS & Auxiliary Annual Meeting

Conducted by: Eastern Region VP Dotty Wileman

Location: Casino Aztar Hotel, 421 NW Riverside Dr., Evansville, IN 47708; 1-800-544-0120, www.casinoaztar.com

Room Rate: \$75, single or double

Registration Fee: \$140

Topics: Latest information from USPS Headquarters and NAPS

Instructors: Headquarters, area and NAPS officers

Guests: NAPS Executive Vice President Louis Atkins; Alexander Lazaroff, vice president, Eastern Area, USPS; and others TBA

Information: Dotty Wileman, (410) 879-7671; e-mail, dottywileman@verizon.net

Southeast Area (FL, GA)

Feb. 18, 2006

Conducted by: Area VP Jerry Sebastian and Pat Kiphart

Location: Crowne Plaza Hotel, 108 1st St., Macon, GA 31201; (478) 746-1461

Room Rate: \$79

Registration Fee: \$25

Topics: TBA

Instructors: Charlie Scialla; others TBA

MINK Area (MO, IA, NE, KS)

April 27-29, 2006

(tentative length)

Conducted by: Area VP Larry D. Ewing

The training seminar will be conducted in St. Louis, MO; all other arrangements to be announced. For information, call Larry Ewing, (785) 249-3936.

EAS Pay Package

Fiscal Years 2007-2010 Performance Field EAS Employees

Aug. 29—"NAPS has agreed to a pay package that is fair to both its members and the Postal Service," President Ted Keating has announced. "The revised Supervisory Workload Credits will result in many additional positions in station and branch operations, where they are needed. This also should reduce the number of 204(b) hours used. Separate talks will continue in the weeks ahead on goals and/or indicators for FY 2008."

1. Pay-for-Performance

Under the EAS Pay-for-Performance Program, employee performance will continue to be measured under a 15-point rating system, with different pay increases established at each of the 15-point ratings. The pay increases associated with the different ratings are shown below:

Non-Contributor		Contributor		High Contributor		Exceptional Contributor	
(3)	0%	(6)	3.5%	(9)	6.5%	(12)	9.5%
(2)	0%	(5)	3%	(8)	5.75%	(11)	8.75%
(1)	0%	(4)	2.5%	(7)	5%	(10)	8%
						(13)	10.25%

Note: All percentages are paid as salary increases if there is room within the salary structure. If the amount is limited by the salary structure, the balance of the amount will be converted to a lump-sum payment.

2. Revised Composite Weights

Recognizing the impact of certain management positions, certain managers, including EAS installation heads, functional managers in districts and plants, managers of supervisors and managers of Customer Service, EAS-22 and above, will have the following composite formula, beginning with the FY 2008 NPA/PPF Program:

Field Management:

NPA (Corporate/Unit) 90%
PPF (Cores) 10%

3. Full Flexibility in PFP Core Requirements Ratings

Currently, evaluators assign individually weighted core requirement ratings for the various field EAS and EAS postmaster performance pay programs using a representative rating score (i.e., 0, 6, 11 and 14) for each of the adjective categories, reflecting an individual's progress toward achieving objectives set at the beginning of the year.

Beginning with FY 2008, such individual core requirements rating options will encompass the full range of the 1-15-point rating matrix, as applicable within the respective adjective category. The full range allows the evaluator flexibility in distinguishing differences in performance quality, quantity or timeliness.

4. Refinement of PFP Calculations

Effective with the FY 2007 EAS Pay-for-Performance Program (paid Jan. 5, 2008), pro rata calculations for time spent in an ineligible position or outside USPS employment will be calculated under the Human Capital Enterprise System (HCES), using "days" instead of "pay periods."

The EAS Pay-for-Performance pay rules will be republished to reflect this change. Nonmilitary leave without pay pro rata calculations are not affected by this change because that policy is based on numbers of nonmilitary LWOP hours during the fiscal year.

5. Change in PFP Eligibility Rule

Because employees in career ladder positions and the Management Progression Program for MDOs receive salary increases unrelated to the EAS Pay-for-Performance

Program, effective with the FY 2008 Pay-for-Performance plan year, employees in these programs will no longer be eligible for Pay-for-Performance awards.

Below is the new provision C. Eligibility 3. for the FY 2008 EAS Pay-for-Performance pay rules:

C.3. Certain EAS employees are not eligible for participation in the PFP Program and will be bypassed by PFP processing programs:

- Office of Inspector General
- Postal Regulatory Commission
- Judicial Office employees. However, Judicial Office employees not covered by specific federal salary statutes will be eligible for PFP.
- Postal Inspectors and certain forensics employees. However, forensics employees not in the ISLE schedule will be eligible for PFP.
- Contract employees (e.g., contract doctors)
- Employees of certain structured development programs, including Management Interns, Professional Specialist Interns, Professional Specialist Trainees, Career Ladder and Management Progression Program for MDOs. Professional Specialist Trainees who were assigned to the PST program prior to Oct. 1, 2004, and Career Ladder and Management Progression Program for MDOs prior to Oct. 1, 2007, will continue to be eligible for the Pay-for-Performance Program.

6. Salary Ranges

The salary ranges for EAS pay grades will be changed effective January 2008 through January 2011 as indicated at right. The adjustments to the salary structure will not automatically change employee salaries.

Employee salaries will be adjusted within their respective salary ranges based on individual performance determinations in accordance with the Pay-for-Performance Program, as discussed in number 1.

Resulting salary ranges are shown on the next page.

Changes to EAS Salary Structure EAS Grades 1-26

Effective Jan. 5, 2008

Minimum	Maximum
2%	2%

Effective Jan. 17, 2009

Minimum	Maximum
2%	2%

Effective Jan. 16, 2010

Minimum	Maximum
2.25%	2.25%

Effective Jan. 15, 2011

Minimum	Maximum
2.25%	2.25%

7. Health Benefits Contribution

Beginning plan year 2008, the employer's contributions toward an active career employee's Federal Employees Health Benefits Program (FEHBP) plan will be reduced as follows:

Health Benefits Contribution

Plan Year	Weighted Average Rate Limit	Individual Plan Limit
Current formula	85%	88.75%
2008	84%	87.5%
2009	83%	86.5%
2010	82%	85.5%
2011	81%	84.5%

8. Bereavement Leave

Beginning Jan. 5, 2008, nonbargaining EAS employees may use up to three workdays of annual leave, sick leave or leave without pay to make arrangements necessitated by the death of a family member or to attend the funeral of a family member. Authorization of leave beyond three days is subject to the conditions and requirements in ELM 510.

Family member is defined as a:

- (a) Son or daughter—a biological or adopted child, stepchild, daughter-in-law or son-in-law;
- (b) Spouse;
- (c) Parent or mother-in-law or father-in-law;
- (d) Sibling—brother, sister, brother-in-law or sister-in-law; or
- (e) Grandparent.

Use of Sick Leave—For employees opting to use available sick leave, the leave will be charged to sick leave for dependent care, if eligible.

Documentation—Documentation evidencing the death of the employee's family member is required only when the super-

visor deems documentation is desirable for the protection of the interest of the Postal Service.

9. Bone Marrow, Stem Cell, Blood Platelet and Organ Donations

Effective Jan. 5, 2008, for all EAS employees, the maximum administrative leave that can be granted per leave year to cover qualification and donation is limited to the following:

- (a) For bone marrow, seven days
- (b) For stem cells, seven days
- (c) For blood platelets, seven days
- (d) For organs, 30 days

10. Supervisory Workload Credits (SWC) System

The Postal Service and the National Association of Postal Supervisors (NAPS) have jointly developed a revised SWC System that will be used to more accurately measure workload in determining supervisory complement. Instructions for implementation will follow as soon as practicable.

SWC System Changes—Below are changes to the SWC System:

1. Single Matrix: One set of ranges will be used to determine authorized Supervisor, Customer Services, positions in post offices and stations, resulting in additional supervisors overall.
2. No change in the matrix for the first supervisor.
3. Credit for city carriers will increase from 1.33 to 1.40.
4. Credit for rural carriers will increase from 1.00 to 1.25.
5. Additional weight for delivery employees will improve post offices' and stations' opportunities to get the first supervisor, as well as subsequent supervisors.
6. All other aspects of the SWC calculations remain the same.

Number of Supervisors	New Range	
	Low	High
0	0	18.49
1	18.5	50.49
2	50.5	85.49
3	85.5	123.49
4	123.5	163.49
5	163.5	203.49
6	203.5	243.49
7	243.5	283.49
8	283.5	323.49

11. USPS/NAPS Work Groups

The Postal Service has agreed that, following pay consultations with NAPS, designated work groups, comprised of USPS subject matter experts and representatives of NAPS, will meet to discuss the below-referenced issues:

- Review selected EAS positions whose functional responsibilities have changed to ensure appropriate grade-level assignment.
- Process review for identifying and filling current EAS vacancies in both Customer Services and Plant Operations.

These work groups will be coordinated by USPS Headquarters and begin in early 2008.

New EAS Salary Structures

For Fiscal Year 2007 to 2010 Pay-for-Performance (PFP)

EAS Grade	FY 2007 PFP Effective Jan. 5, 2008		EAS Grade	FY 2008 PFP Effective Jan. 17, 2009		EAS Grade	FY 2009 PFP Effective Jan. 16, 2010		EAS Grade	FY 2010 PFP Effective Jan. 15, 2011	
	Min	Max		Min	Max		Min	Max		Min	Max
1	\$21,293	\$28,137	1	\$21,719	\$28,700	1	\$22,208	\$29,346	1	\$22,708	\$30,006
2	21,990	29,060	2	22,430	29,641	2	22,935	30,308	2	23,451	30,990
3	22,714	30,016	3	23,168	30,616	3	23,689	31,305	3	24,222	32,009
4	23,630	31,226	4	24,103	31,851	4	24,645	32,568	4	25,200	33,301
5	24,418	32,267	5	24,906	32,912	5	25,466	33,653	5	26,039	34,410
6	25,298	33,431	6	25,804	34,100	6	26,385	34,867	6	26,979	35,652
7	26,334	34,800	7	26,861	35,496	7	27,465	36,295	7	28,083	37,112
8	27,390	36,195	8	27,938	36,919	8	28,567	37,750	8	29,210	38,599
9	28,460	37,608	9	29,029	38,360	9	29,682	39,223	9	30,350	40,106
10	29,510	38,997	10	30,100	39,777	10	30,777	40,672	10	31,469	41,587
11	31,102	48,566	11	31,724	49,537	11	32,438	50,652	11	33,168	51,792
12	32,594	50,898	12	33,246	51,916	12	33,994	53,084	12	34,759	54,278
13	34,115	53,272	13	34,797	54,337	13	35,580	55,560	13	36,381	56,810
14	35,896	56,054	14	36,614	57,175	14	37,438	58,461	14	38,280	59,776
15	37,862	59,123	15	38,619	60,305	15	39,488	61,662	15	40,376	63,049
16	39,206	66,122	16	39,990	67,444	16	40,890	68,961	16	41,810	70,513
17	40,945	69,053	17	41,764	70,434	17	42,704	72,019	17	43,665	73,639
18	42,743	72,085	18	43,598	73,527	18	44,579	75,181	18	45,582	76,873
19	44,769	75,502	19	45,664	77,012	19	46,691	78,745	19	47,742	80,517
20	47,197	79,598	20	48,141	81,190	20	49,224	83,017	20	50,332	84,885
21	49,490	83,465	21	50,480	85,134	21	51,616	87,050	21	52,777	89,009
22	52,433	90,459	22	53,482	92,268	22	54,685	94,344	22	55,915	96,467
23	55,291	95,388	23	56,397	97,296	23	57,666	99,485	23	58,963	101,723
24	58,027	100,109	24	59,188	102,111	24	60,520	104,408	24	61,882	106,757
25	60,913	105,088	25	62,131	107,190	25	63,529	109,602	25	64,958	112,068
26	63,952	110,329	26	65,231	112,536	26	66,699	115,068	26	68,200	117,657

DOUG A. TULINO
VICE PRESIDENT, LABOR RELATIONS



June 29, 2012

Mr. Louis M. Atkins
President
National Association of Postal
Supervisors
1727 King Street, Suite 400
Alexandria, VA 22314-2753

Dear Mr. Atkins:

Enclosed is the Postal Service's final decision concerning changes in pay policies, schedules, and fringe benefit programs for supervisors. This decision is the outcome of the pay consultation process outlined in Title 39, U.S. Code § 1004 (e) and (f). This decision was made following full and fair consideration of recommendations submitted by the factfinding panel appointed pursuant to the preceding provisions of Title 39. The Postal Service has decided to adopt the fact-finding panel's recommendations.

This compensation package covers fiscal years 2011 through 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug A. Tulino", written in a cursive style.

Doug A. Tulino

Enclosure

**EAS PAY PACKAGE
FISCAL YEARS 2011-2015
FIELD EAS EMPLOYEES**

1. PAY FOR PERFORMANCE PROGRAM (PFP)

This is the Postal Service's final decision for changes in pay policies and schedules and fringe benefit programs for employees represented by the National Association of Postal Supervisors (NAPS). This decision shall remain in effect through Fiscal Year 2015, subject to the provisions of Title 39 U.S. Code § 1001 (e) (4) and (7), and unless a different effective period is specified for a particular provision in the decision below.

Due to the severe financial difficulties the Postal Service is experiencing, PFP Program ratings will be applied to salary determinations as follows for the period of Fiscal Year 2011 through Fiscal Year 2015:

1. PFP Program ratings are suspended and will not be applied to salary determinations for FY2011 and FY2012
2. The Postal Service will evaluate economic conditions concerning Fiscal Years 2013 through 2015 to determine whether PFP ratings will be applied to salary determinations for those years.

Employee performance will continue to be measured under a 15-point rating system as set out below.

PFP Matrix Starting FY2012

Non Contributor	Contributor				High Contributor	Exceptional Contributor
(3) 0.0%	(6) 3.00%	(9) 5.00%	(12) 7.00%	(15) 9.00%		
(2) 0.0%	(5) 2.50%	(8) 4.50%	(11) 6.50%	(14) 8.50%		
(1) 0.0%	(4) 2.00%	(7) 4.00%	(10) 6.00%	(13) 8.00%		

Note: All percentages are paid as salary increases if room within the salary range. If amount limited by the salary range, balance of amount will be converted to a lump sum payment.

2. PAY-FOR-PERFORMANCE, PERFORMANCE EVALUATION SYSTEM (PES)

The PES portion of the PFP Program is discontinued.

The Postal Service and the NAPS will form a work group to determine how to incorporate the compensation portion of the discontinued PES into the National Performance Assessment component of the PFP Program.

3. SALARY RANGES

Adjustments of salary ranges for EAS pay grades will be made as indicated in the chart below, effective January 2013 through January 2016. There will be no adjustment in salary ranges for calendar year 2012. The adjustments to the salary ranges will not result in automatic increases of employees' salaries. In the event the suspension of the PFP Program is lifted, employees' salaries will be adjusted within their respective salary ranges based on individual performance reviews made in accordance with the PFP Program. Adjustments to the ranges provide higher salary potential for employees who are currently in, or promoted to, positions within the EAS pay schedule.

Changes to EAS Salary Structure

EAS Grades	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
	Eff Jan 14, 2012		Eff Jan 12, 2013		Eff Jan 11, 2014		Eff Jan 10, 2015		Eff Jan 9, 2016	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
EAS 1-26	0.0%	0.0%	1.0%	1.0%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%

4. HEALTH BENEFITS CONTRIBUTION

Beginning plan year 2012, the employer's contributions towards the Federal Employee Health Benefits Program (FEHBP) plan are as follows:

Plan Year	Weighted Average Rate Limit	Individual Plan Limit
2011	81%	84.50%
2012	81%	84.50%
2013	76%	79.25%
2014	72%	75.00%
2015	72%	75.00%
2016	72%	75.00%

6. BEREAVEMENT LEAVE

Beginning January 14, 2012, non-bargaining EAS employees may use up to three workdays of annual leave, sick leave, or leave without pay to make arrangements necessitated by the death of a family member or attend the funeral of a family member. Authorization of leave beyond three days is subject to the conditions and requirements in ELM 510.

Family member is defined as a:

- (a) Son or daughter – a biological or adopted child, stepchild, daughter-in-law or son-in-law;
- (b) Spouse;
- (c) Parent, mother-in-law or father-in-law
- (d) Sibling – brother, sister, brother-in-law or sister-in-law; or,
- (e) Grandparent

Use of Sick Leave – Sick leave used for this purpose by those eligible for sick leave for dependent care will be charged to sick leave for dependent care.

Documentation – Documentation substantiating the death of the employee's family member is required only when the supervisor deems such documentation desirable for protection of the Postal Service's interests.

The Employee and Labor Relations Manual will be revised to incorporate the above Bereavement Leave provisions.

6. ANNUAL AND SICK LEAVE

The accrual of annual and sick leave as specified in 6 A and 6 B below will apply only to supervisory/managerial employees hired into the Postal Service after January 14, 2012. The accrual rate applicable to any career Postal Service supervisory/managerial employee who is on the rolls prior to January 14, 2012 is in accordance with the current provisions of Employee and Labor Relations Manual Sections 512.31 and 513.21.

A. ANNUAL LEAVE

An individual hired by the Postal Service to serve in a supervisory/managerial position on or after January 14, 2012 shall accrue annual leave as follows:

YEARS OF SERVICE	ANNUAL LEAVE EARNED YEARLY
Less than 5 years	10 days
5 years but less than 15 years	15 days
15 years or more	20 days

B. SICK LEAVE

An individual hired by the Postal Service to serve in a supervisory/managerial position on or after January 14, 2012 shall accrue sick leave as follows: The employee will accrue three hours of sick leave per pay period.

The Employee and Labor Relations Manual will be revised to incorporate the above Annual and Sick Leave provisions.