



October 10, 2024

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

Dear Ivan:

This is concerning the Postal Service's September 2024 proposal to revise the Pay-for-Performance (PFP) matrices for fiscal year (FY) 2024 and the recommendations that you provided to that proposal. Your recommendations included applying additional increases to the proposed matrices and establishment of a percentage pay award for cell 2. In summary, your recommendations were to essentially continue with the pay percentages that were provided last year in FY2023.

The Postal Service has reviewed your recommendations and has decided not to adopt them. The reason for this decision is based on several factors. The Postal Service, following pay consultation with NAPS in 2021, established the following Pay-for-Performance (PFP) matrix for field employees and established the PFP pay matrix for headquarters employees as part of the PFP pilot. The percentages in those pay matrices were less than the matrix that is proposed for FY2024 and is provided below:

Field Employees FY2022

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	2.0%	2.5%	3.0%	4.0%	5.0%	6.0%	7.5%	9.0%

Headquarters Employees FY2022

Individual Performance 5-Cell matrix (% Merit Increase)					
Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	2.0%	3.0%	3.5%	4.0%

NPA 10-Cell Matrix FY2022 (Lump Sum Variable Pay)

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	0.0%	2.0%	2.5%	3.0%	3.5%	4.0%	5.0%

The Postal Service increased the percentage payouts for FY2023 in response to record inflation in 2022 that continued into 2023. Inflation forecasts have shown a decline throughout 2024. Private sector employers have reacted to these reductions and are planning for average pay raises to be less than last year.

The Postal Service's proposed matrices are an increase to the established pay matrices for FY2022 and are consistent with the private sector. Additionally, the federal sector average pay raises for 2025 are planned at only 2.0%.

The Postal Service will establish the following pay matrices included among its September 2024 proposal and is provided immediately below:

Field Employees FY2024

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	3.0%	3.5%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%

Headquarters employees FY2024

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	3.0%	4.0%	5.0%	6.0%

NPA 10-Cell Matrix FY2024 (Lump Sum Variable Pay)

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%

Please contact James Timmons at extension 2324 if you have any questions concerning this matter.

Sincerely,



for Bruce A. Nicholson
 Director
 Labor Relations Policies and Programs