

Retroactive Back Pay and COLA Awarded:

We Have a New Union Contract!!

The big news is in – 200,000 postal workers represented by the APWU have a new union contract!

Neutral Arbitrator and Interest Arbitration Panel Chair Stephen Goldberg issued his binding decision on the terms of the new union contract between the American Postal Workers Union and the United States Postal Service.

The Award was the product of 20 months of preparation, member and local union input, negotiations, mediation, a strong contract campaign and a well-prepared and presented arbitration case. Thirty-two workers testified about their work. Officers and subject matter experts testified for the union. A team of economists presented our case and rebutted management's presentations for union concessions.

"No interest arbitration is ever totally in favor of one side or the other," said President Mark Dimondstein. "But we have achieved a number of our major goals including retroactive annual pay raises, maintaining of full (and retroactive) COLA, narrowing the gap between the lower and higher career pay scales, the career conversions of thousands of PSEs and maintaining tremendous job security. We should all be proud to be union!"

"We also succeeded in stopping management's deeply concessionary demands to end no-lay protections, increase percentages of non-career employees and create a new lower third tier of career employees," shared Industrial Relations Director Vance Zimmerman. "I want to thank the many officers, witnesses, staff, attorneys, specialists and the members for their many efforts in this long battle that helped bring it to a strong conclusion."

Unless specifically changed by this Award, all rights and benefits in the previous contract carry forward into the new one. These include seniority and bidding rights, protections against unjust discipline, the grievance procedure, annual and sick leave, holiday and overtime pay, health and safety protections and so many of the important rights and benefits won over many decades of struggle.

The full arbitration award can be found at apwu.org. Published here are the highlights and significant changes contained in the Award.

Length of Contract

Three Years: September 21, 2018 to September 20, 2021

Career Employee General Wage Increases

- Three annual general wage increases totaling 3.4% over the life of the Agreement.
- 1.3% effective November 24, 2018 (Retroactive)
- 1.1% effective November 23, 2019 (Retroactive)
- 1% effective November 21, 2020

Cost-of-Living Adjustments (COLA)

Semiannual COLAs for career employees will continue under the current formula. Management pushed, but failed, to convert COLAs into one-time lump-sum payments.

- \$624 or \$.30/hour COLA will be applied retroactive to August 31, 2019
- \$166 or \$.08/hour COLA will be applied retroactive to February 29, 2020
- Future COLAs will be applied in September 2020, March 2021 and September 2021
- COLAs to date add \$790 annually or \$0.38 per hour to base pay.

The APWU is now the only postal union that has protected and maintained full COLA.

Increased Compensation – General Wage plus COLA Increases

Adding the 3.4% in General Wage Increases plus the known COLAs, compensation for a level 6 Step O employee will increase \$2,855 over the life of the Agreement. With three additional COLA increases, the total increases over the life of the Agreement will likely come to \$3,600 annually, an increase of about \$1.75 per hour. In addition, those not yet at the top step of the lower career wage scale will gain new step increases with each Step representing an approximate \$.50/hour raise.

Step Increases

APWU argued for the return of higher steps to the lower tier schedule. In response, Arbitrator Goldberg narrowed the gap in the two-tier career pay schedules by adding additional top steps in Grades 5-8 for employees hired after May 23, 2011 (There is no lower tier for Grades 9 and above).

- Grade 5: One additional top Step Increase (Step K).
- Grade 6-7: Two additional top Step Increases (Steps K & L).
- Grade 8: Two additional Step Increases (Steps L & M).

Depending on Grade, each additional step increase approximates \$1,000 per year based on full-time straight-time hours of work.

PSE Wage Increases

Since PSEs do not receive COLAs, they receive larger annual general increases:

- 2.3% effective November 24, 2018 (retroactive)
- 2.1% effective November 23, 2019 (retroactive)
- 2.0% effective November 21, 2020

PSEs will receive an additional forty cents per hour raise as follows:

- \$.20 per hour effective May 23, 2020, and
- \$.20 per hour effective May 22, 2021.

Over the life of the Agreement a Level 6 PSE pay will rise from the \$17.19 to \$18.69 per hour.

No Lay-off & Job Security Protections

- The no lay-off protections of Article 6 for career employees with more than six years of service remain unchanged. Management argued for increasing the six years to 15 years for current employees with no protection for future hires.
- In addition, no lay-off protection is extended for the life of the Agreement to all career employees on the rolls as of the date of this Award who have not yet qualified for protection under the six-year rule.
- A ban on subcontracting of any existing PVS driving work during the life of the contract.
- No employee can be excessed out of an installation beyond a 50-mile radius.

Career Employee Health Benefits

The FEHB Health Plans and benefits remain in effect for career employees.

- No change in employee share of premiums in 2019 and 2020.
- In 2021, the USPS contribution level for health premiums will be reduced from 73% to 72% and then remain the same in 2022. 72% is the share federal agencies pay for federal employees and the Postal Service pays for annuitants and EAS employees. This 1% shift represents a cost to an employee of between \$75 and \$165 per year depending upon health plan options.
- The USPS contribution level of 95% of the weighted average to the APWU Consumer Driven Health Plan option will remain in effect for 2021 and 2022.

PSE Health Benefits

Improvements in USPS payments of PSE Health Insurance premiums gained in a June 13, 2018 grievance settlement will be incorporated into the Collective Bargaining Agreement. Specifically, the Postal Service will make a bi-weekly contribution equal to 65% of the total premium in the USPS Non-career Health Care Plan for either self plus one or family coverage during a PSE's initial year of PSE employment. And thereafter 75% of the total premium for either self plus one or family coverage. PSE share of premiums can be made on a pre-tax basis. The Postal Service will continue to contribute 75% of the total premium for PSEs electing the APWU Consumer Driven Plan in FEHB.

Workforce Structure

- One-time PSE conversions: All PSEs in 125 work year and larger offices with 30 months or more of service in the installation as of the date of the award will be converted to career. Over 4,000 PSEs will be converted under this provision within 60 days of the Award.
- Maintenance will remain an all-career workforce.
- MVS will remain an all-career workforce, and maintain the exception that PSEs may be hired to perform some of any "new work" returned to the bargaining unit.
- No increase in PSE percentages in the Clerk Craft.

APWU is now the only postal union that has not increased non-career percentages.

Uniform & Work Clothes Allowance for Eligible Employees

- 5% increase in the uniform and work clothes allowance in 2020.
- 2.5% increase in allowances in 2021.
- Compression socks, gloves and overalls will be covered as available items for purchase.
- Full uniform allowances for eligible Clerk PSEs will now be incorporated into the CBA. Similarly, any "new work" MVS PSE meeting eligibility requirements would be entitled to a full uniform.

Work Environment

The Union and Management established a joint task force to address hostile work environments.

Work Rules

- For the first time, pregnancy is now included in the Non-Discrimination language of the CBA.
- The Filling of Residual Jobs Memo, which since March 2014 has led to 70,000 PSE conversions to career, continues in full force.
- Arbitrator Goldberg reaffirmed that custodial positions should be fully staffed. However he changed under certain conditions what hours apply in calculating "Line H" violations of staffing. Hours associated with long-term absences and excessing events can be exempted from calculations when fully staffed.
- Improvement in maintenance training selection.
- PSE overtime rules from a June 13, 2018 settlement will be incorporated into the CBA; specifically, time and one-half after eight hours of work in a day and double time over 10 hours in a day or 56 hours in a week.
- Small Office Local Memorandum of Understanding is renewed.

The union and management are meeting to determine the exact dates when the new pay rates will be reflected in the paychecks and the date when workers will receive the paycheck retroactive checks.

The national APWU will be printing and mailing an updated version of the new union contract to every member as soon as possible.