

430 Basic and Special Pay Provisions

431 Scope

This subchapter establishes the conditions and procedures for determining eligibility for and computation of basic hours of work and pay, overtime pay, special pay premiums, and allowances to nonbargaining unit employees and bargaining unit employees where their labor agreement does not provide specific conditions and procedures.

432 General Definitions and Provisions

432.1 Employee Classifications

432.11 Regular Work Force

432.111 Bargaining Unit

- a. *Full-Time Employees.* Career annual rate employees who are assigned to work schedules of five 8-hour days in a service week.
- b. *Part-Time Employees.* Part-time employees are categorized as follows:
 - (1) *Part-Time Regular Employees* — career hourly rate employees who are assigned to work regular schedules of less than 40 hours in a service week.
 - (2) *Part-Time Flexible Employees* — career hourly rate employees who are available to work flexible hours as assigned by the Postal Service during the course of a service week.
- c. *Rural Carriers.* There are several types of rural carriers, as follows, however, only Regular Rural Carriers and Rural Carrier Associates may be added to the rolls.
 - (1) *Regular Rural Carriers* — career annual rate employees assigned to an established rural route on the basis of triweekly, 5, 5 1/2, or 6 days in a service week.
 - (2) *Rural Carrier Associate* (hired on or after 04/11/87); *Rural Carrier Relief* (hired between 7/21/81 and 11/12/86); or *Substitute Rural Carriers* (hired prior to 7/21/81) — noncareer employees with an indefinite appointment assigned to substitute as a relief or leave replacement on one to three established rural routes during the absence of the regular rural carrier. Relief or substitute rural carriers also may be temporarily assigned (a) to a vacant rural route pending the selection of a regular rural carrier, (b) to an auxiliary route as an auxiliary rural carrier, or (c) as an auxiliary assistant.
 - (3) *Auxiliary Rural Carriers* — employees who serve an auxiliary rural route (one that has not been designated as a regular rural route). Normally, such a position is filled by the temporary assignment of a substitute rural carrier, rural carrier associate, or by rural carrier relief employees. However, if none is available, a

qualified noncareer hourly rate employee may be appointed for a limited term.

432.112 **Nonbargaining Unit**

The following salaried employees are employed pursuant to such procedures as the Postal Service may establish and are paid on an annual rate basis:

- a. *Officers.* Officers of the Postal Service are: Postmaster General (PMG), Deputy Postmaster General (DPMG), Associate Postmasters General (APGs), Regional Postmasters General (RPMGs), Senior Assistant Postmasters General (SAPMGs), General Counsel, Assistant Postmasters General (APMGs), Deputy General Counsel, Judicial Officer, Consumer Advocate, Treasurer, Executive Assistant to the PMG, and the Chief Postal Inspector.
- b. *Exempt Salaried Employees.* Career employees who are exempt from the provisions of the FLSA.
- c. *Nonexempt Salaried Employees.* Career employees who are not exempt from (i.e., covered by) the overtime provisions of the FLSA.
- d. *Part-Time Salaried Employees.* These employees are career hourly rate employees who work a regular schedule of less than 40 hours in a service week.

432.12 **Supplemental Work Force**

All employees in the supplemental work force are nonbargaining unit employees and are categorized as follows:

- a. *Casual Employees* — Noncareer employees with limited term appointments who perform duties assigned to bargaining unit positions.
- b. *Temporary Employees* — Noncareer employees with a limited term appointment up to, but not to exceed, 1 year who perform duties which are assigned to nonbargaining unit positions.
- c. *Leave Replacements* — Noncareer hourly rate employees with a limited term appointment who are employed as relief or leave replacements during the absence of a postmaster.

432.2 **Rates of Pay**

432.21 **Basic Rate**

The basic rate is the amount of annual, daily, or hourly salary provided by the applicable salary schedule for an employee's assigned position — excluding COLA, TCOLA, overtime, out-of-schedule overtime, Sunday premium, holiday-worked pay, and night differential. Basic daily and hourly rates are determined by dividing the basic annual rate (BAR) as shown in the table below. See also 432.24.

- a. Basic Annual Rate (BAR).

b. Basic Daily Rate:

Type Schedule	Calculation
(1) Postal Inspectors on 6-day work week	BAR/312
(2) FLSA Exempt Postmasters	BAR/260
(3) Regular Rural Carrier	
(a) On H or M Route (6-day work week)	BAR/312
(b) On J Route (5 1/2-day work week)	BAR/286
(c) On K Route (5-day work week)	BAR/260
(4) Substitute Rural Carriers	
(a) On H or M Route	BAR/302
(b) On J Route	BAR/276
(c) On K Route	BAR/250

c. Basic Hourly Rate:

Type Schedule	Calculation
(1) Full-time and part-time regular employees	BAR/2080
(2) Part-time flexible employees	
(a) For calculation of straight time pay and night differential only	BAR/2000
(b) For calculation of overtime and all other premiums	BAR/2080

432.22 **Base Rate**

The base annual, daily, or hourly rate is the appropriate basic rate — except that it includes COLA.

432.23 **Regular Rate**

See 444.21.

432.24 **Rounding of Rates**

In computing individual earnings, the daily or hourly rate is calculated from the annual rate to four decimal places. The fourth place is rounded up to the next higher figure if the fifth place is 5 or more. Total earnings are rounded to the nearest cent, counting one-half or more as a whole cent and dropping less than one-half cent.

432.3 **Work Schedules and Overtime Limits**

432.31 **Basic Work Week**

The basic work week for full-time bargaining unit employees is defined in the respective Labor Agreements. Postmasters, Postal Inspectors, and exempt employees are assigned as needed. Otherwise, the basic work week consists of five regularly scheduled 8-hour days within a service week.

Note: The daily 8-hour schedule may not extend over more than 10 consecutive hours.

432.32 **Maximum Hours Allowed**

Except as designated in labor agreements for bargaining unit employees or in emergency situations as determined by the PMG (or designee), employees may not be required to work more than 12 hours in 1 service day. In addition, the total hours of daily service, including scheduled work hours, overtime, and mealtime, may not be extended over a period longer than 12 consecutive hours. Postmasters, Postal Inspectors, and exempt employees are excluded from these provisions.

432.33 **Mealtime**

Except in emergency situations or where service conditions preclude compliance, no employee may be required to work more than 6 continuous hours without a meal or rest period of at least one-half hour.

432.34 **Postmasters**

A full-time postmaster is scheduled to work a 40-hour workweek. Normally, this regular work schedule is set at 8 hours a day and 5 days a week, Monday through Friday. When a nonexempt postmaster is required to work on the sixth day because relief is not available, premium pay at 150 percent of the postmaster's base salary is paid for this time. Equivalent time off from work is not authorized to avoid the payment of this premium. Thus, either nonbargaining rescheduling premium or the better of postal or FLSA overtime, as appropriate, is paid.

432.4 **Service Periods**

432.41 **Pay Period**

A pay period begins on Saturday and ends on Friday. Each pay period comprises 2 service weeks.

432.42 **Service Week**

A service week is the calendar week beginning at 12:01 a.m. Saturday and ending at 12:00 midnight the following Friday. This service week remains fixed regardless of the schedule of hours worked by individual employees.

432.43 **Service Day**

The service day is a calendar day, 12:01 a.m. to 12 midnight. An employee's service day depends on her or his schedule.

- a. *Full-Time Employees.* For a full-time employee whose regular schedule begins at 8:00 p.m. or later, the service day is the next calendar day and all workhours (including preshift workhours), as well as leave hours, are recorded on that calendar day. If the employee's regular schedule begins prior to 8:00 p.m., the service day is the calendar day on which the schedule began and all work and leave hours are recorded on that calendar day.

- b. *Part-Time Employees.* For all part-time employees who begin work or leave at 8:00 p.m. or later, the service day is the next calendar day and all hours are recorded on that calendar day. If such employees begin work or leave prior to 8:00 p.m., the service day is the calendar day on which they began work or leave and all hours are recorded on that calendar day.
- c. *Casual and Temporary Employees.* For casual and temporary employees who begin work at 8:00 p.m. or later, the service day is the next calendar day and all hours are recorded on that calendar day. If such employees begin work prior to 8:00 p.m., the service day is the calendar day on which they began work and all hours are recorded on that calendar day.

432.44 **FLSA Workweek**

See 444.23.

432.45 **Work Assignments**

In order to comply with the postal policy of paying overtime for all hours worked in excess of 8 hours in a service day, managers must assign the workhours of all employees in such a manner (a) that employees do not perform continuous work that is reported in 2 different service days, and (b) that any scheduling changes would not be construed as intentive of evading the payment of overtime under the provisions of the FLSA (see 432.441).

432.46 **Five-Minute Leeway Rule**

- 432.461 Although each employee at installations with time recording devices is required to clock in and clock out on time, congestion at time clocks or other conditions can sometimes cause clock time to vary slightly from the established work schedule. Therefore, a deviation may be allowed from the scheduled time for each clock ring up to 0.08 hours (5 minutes). However, the sum of the deviations for the scheduled tour must not exceed 0.08 hours (5 minutes). This *5-minute leeway rule* applies only to full-time and part-time regular schedule employees. Part-time flexible, casual, and temporary employees are allowed the five-minute privilege for clocking purposes but are paid on the basis of their actual clock rings.
- 432.462 The *5-minute leeway rule* applies only to the scheduled tour of duty. If an employee works in an overtime status that is contiguous with the scheduled tour, the *5-minute leeway rule* does not apply to any clock rings for the entire tour. Employees in this situation are paid for their actual clock time (unless the time is disallowed as described in 432.7). However, the *5-minute leeway rule* does apply to temporary schedules including any out-of-schedule overtime hours outside of and instead of the employee's regular schedule.
- 432.463 After extending clock rings, if (in the case of a full-time regular schedule employee) the clock ring totals for the tour are between 7.92 and 8.06 hours, the time should be adjusted to 8.00 hours. If a part-time regular schedule employee's clock time is between 0.08 of an hour less than or greater than

her or his established schedule, then the time should be adjusted to the employee's scheduled tour.

- 432.464 The *5-minute leeway rule* for night differential and Sunday premium hours is peculiar and requires special attention:
- a. In the case of night differential, eligible employees are to be paid night differential for the exact amount of time they work between 6:00 p.m. and 6:00 a.m. However, in no case can the total night differential hours exceed the total hours for the tour. If the only reason that part of an employee's clock time falls between 6:00 p.m. and 6:00 a.m. is because the employee clocked in .08 hours or less before 6:00 a.m. or clocked out .08 hours or less after 6:00 p.m., then the employee is not eligible to be paid night differential.
 - b. Eligible employees receive Sunday premium for all hours worked during a scheduled tour any part of which falls on Sunday. The amount of Sunday premium cannot exceed the hours worked nor can it exceed 8.00 hours per tour. If the only reason that part of an employee's clock time falls on Sunday is because the employee clocked in 0.08 hours or less before the scheduled tour started or 0.08 hours or less after the scheduled tour ended, then the employee is not eligible for any Sunday premium.
- 432.465 On some occasions, an employee may have a combination of work and paid leave. In such cases, the 5-minute leeway rule does not apply, and the employee is credited with the actual hours worked. The balance of the employee's scheduled tour is charged to sufficient leave to give the employee credit for the total scheduled tour.

432.5 **Work Credit**

432.51 **Postal Inspectors and FLSA Exempt Postmasters**

Time for these employees is credited in units of whole days — except for the purpose of terminal leave payments or leave payments immediately preceding a period of LWOP.

Note: FLSA exempt postmasters are those who supervise at least two full-time equivalent employees.

432.52 **Full-Time and Part-Time Employees**

These employees are credited as follows:

- a. Full-time employees who are credited (work or paid leave) for all scheduled service in a pay period are paid on the basis of 80 hours.
- b. Part-time employees who are credited (work or paid leave) for all scheduled service in a pay period are paid on the basis of the hours of scheduled service.
- c. If an employee performs only part of the scheduled work in a pay period and does not have leave credits to cover the balance of the scheduled work, the employee is paid for time actually worked.

432.53 **City Letter Carriers (7:01 Rule)**

A City Letter Carrier who actually works more than 7 hours, but less than 8 hours of a regular scheduled day and who is officially excused from the completion of the 8 hour tour is credited with 8 hours of work time for pay purposes. This is known as the *7:01 rule*. (See 444.211(g).)

432.54 **Rural Carriers**

See 445.

432.6 **Guarantee Time**

432.61 **Explanation**

Guarantee time is paid time which is not worked under the guarantee provisions of collective bargaining agreements for periods when an employee has been released by the supervisor and has clocked out prior to the end of a guarantee period. For example, most full-time regular employees in the bargaining units are guaranteed 8 hours of work (or pay in lieu) if they are called in on their nonscheduled day to work. If such an employee works 6 hours and is then told by the supervisor to clock out because of lack of work, the remaining 2 hours of the employee's 8-hour guarantee is recorded as *guarantee time*. It is not possible for an employee to earn *guarantee time* as long as he or she is on the clock.

432.62 **Eligibility**

Exhibit 432.62 indicates by rate schedule code and employee classifications those persons who are eligible to receive pay for *guarantee time*. If an employee is eligible for more than one time guarantee, the guarantee for the highest number of hours will apply. For example, if an employee is eligible for either 2 or 4 hours of guarantee pay, the 4-hour guarantee will apply. Employees are not eligible for guarantee time while temporarily assigned to nonbargaining positions.

432.63 **Pay Computation**

As a general principle, when employees are told to *clock* out by management prior to the end of the guarantee period, such employees will be compensated for the hours of the guarantee period at the rate of pay they would have received had they actually worked such hours. There are, however, conditions under which employees will not be compensated for the remaining hours of the guarantee period. Generally, this would occur when an employee requests to leave the postal premises because of an illness or for personal reasons or leaves without proper authorization.

Note: The *5-minute leeway rule* does not apply to any clock rings for an employee entering a *guarantee time* status. The employee will be credited with the time reflected by her or his clock rings.

432.7 **Time Worked**

See 444.22.

Exhibit 432.62

Guarantee Time Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes ^{1,3}	Yes ^{1,5}	Yes ^{4,5}	.....
B – Rural Auxiliary	.....	.....	Yes ⁴	No
C – MESC	Yes ^{1,3}	Yes ^{1,5}	Yes ^{4,5}	.....
E – EAS	No	No	.....	No
F – Postmasters (A–E)	.....	No	.....	No
G – Nurses	Yes ^{1,3}	.....	No	.....
K – HQ Op. Services Div.	Yes ^{1,2}	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No
M – Mail Handlers	Yes ^{1,3}	Yes ^{1,5}	Yes ^{4,5}	.....
N – Data Center	Yes ^{1,2}	.....	Yes ^{2,4}	.....
P – PS	Yes ^{1,3}	Yes ^{1,5}	Yes ^{4,5}	.....
R – Rural Carriers	Yes ⁶	.....	Yes ⁶	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes ^{1,2}	.....	Yes ^{2,4}	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ Guaranteed 4 hours work or pay in lieu of when called in outside of the regular work schedule. Does not apply to an employee who continues working into or from a regular scheduled shift.

² Guaranteed 4 hours work or pay in lieu of when called in to work on a nonscheduled day or, if a part-time flexible employee, when requested to work.

³ Guaranteed 8 hours work or pay in lieu of when called in to work on a nonscheduled day.

⁴ Guaranteed 4 hours work or pay in lieu of when called back to work on a day when the day's assignment has been completed and the employee has clocked out. This applies to part-time flexible employees in any size office.

⁵ Guaranteed 4 hours work or pay in lieu of if requested or scheduled to work at installations with 200 or more workyears of employment or 2 hours of work or pay in lieu thereof if requested or scheduled to work at installations with less than 200 workyears of employment.

⁶ Guaranteed 2 hours of work or pay in lieu of if scheduled and reports for work.

432.71 Supervisors should see to it that employees do not remain on the clock unless they are specifically authorized to do so. Where employees continue to work contrary to instructions from a supervisor to clock out, the corrective action must be a procedure other than not compensating the employees for work performed.

432.72 If an employee's clock rings exceed 8.08 hours and the employee was not engaged in work or work-related activities while in the time-over-8 status, supervisors are to disallow the time on the clock which was not worked. In such a case the supervisor should prepare a written entry on Form 1017-A, Time Disallowance Record, as to the factual basis for her or his knowledge

that the employee was not working during the period of time disallowed. Examples of time which may be properly disallowed include, but are not limited to:

- a. *Washup time.* Time spent by employees changing clothes and/or washing up after their tour ends which exceeds the time allotted for such purposes in applicable collective bargaining agreements.
- b. *Waiting time.* Time spent by employees while waiting to start work at the beginning of a tour when they have not been instructed or otherwise required to wait.
- c. *Personal time.* Time spent by employees, before their tour begins or after their tour ends, attending to personal matters.
- d. *Mealtime.* Time spent by employees “on the clock” during a designated meal period, provided, of course, that the employee was completely relieved of all duties and responsibilities and performed no work during this period.

432.73 Supervisors must credit employees with all time designated as worktime under the Fair Labor Standards Act. Examples of time which must be credited as worktime if the supervisor knows or has reason to believe the activities are being performed during the time, include:

- a. Time spent by employees in performing duties which are part of, or related to, the employees’ principal work activity, such as pulling mail from a distribution case, collecting tools or supplies, and adjusting rest bars.
- b. Time spent continuing to work after a tour ends in order to correct an error, to prepare records, or to finish up a task.
- c. Time spent working during meal periods.
- d. Time spent distributing work to work stations.

432.74 When an employee is directed by management to an on- or off-site medical unit due to illness or injury, all time spent waiting for and/or receiving medical attention on the service day on which the illness or injury occurred and which would have been worked but for the medical attention, including all time that such employee otherwise would have been directed to work that day beyond his or her regularly scheduled tour, is credited as work time.

432.8 **Compensation Due Deceased Employee**

432.81 **Definition**

Unpaid compensation is pay and allowances due a deceased postal employee for the performance of services. It includes, but is not limited to:

- a. Amounts of checks for pay and allowances which were not delivered by the USPS to the employee during the employee’s lifetime.
- b. Amounts of uncashed checks for pay and allowances returned to the USPS because of the employee’s death.
- c. Payment for accumulated annual leave and for unused annual (current) leave actually earned during the year of death. Payment for such leave is equal to the pay the deceased employee would have received had

the employee lived and remained in the Postal Service until the end of the period of annual leave.

- d. Amounts due as refund of pay deductions for U.S. Savings Bonds.
- e. Amounts due for payment of cash awards for employees' suggestions.
- f. Quarters and cost-of-living allowances.
- g. Allowances on change of official station.
- h. Amounts due for the performance of official travel.

432.82 **Payment of Compensation or Money Due**

432.821 **Order**

Payment of unpaid compensation is made in the *following order of precedence*. Payment bars recovery by another person of the amounts so paid:

- a. *First* — To the beneficiary or beneficiaries designated by the employee in writing received in the USPS before the employee's death.
- b. *Second* — If there is no designated beneficiary, to the employee's widow(er).
- c. *Third* — To the employee's child(ren) and to the descendants of deceased children by representation.
- d. *Fourth* — To the parents in equal shares or the entire amount to the surviving parent.
- e. *Fifth* — To the duly appointed executor or administrator of the state.
- f. *Sixth* — To the person(s) entitled under the laws of the state in which the employee was domiciled at the time of death.

432.822 **Missing Beneficiaries**

- a. *First Beneficiary Does Not Claim*. When the person(s) otherwise entitled to payment has/have not submitted a claim and cannot be located within 2 years after the death of the employee, payment is made to the person(s) in the same class of entitlement, or, in the absence of anyone on the same class, then to the person(s) next in order of precedence as described in 432.821 above.
- b. *Postal Service Decision*. If, within 2 years after the employee's death, a claim for unpaid compensation is not filed by a person entitled under the order of precedence, and neither the employee's installation nor the PDC has received notice that such a claim will be filed, payment may be made to the claimant who in the judgment of the USPS is equitably entitled to it. Payment made pursuant to this paragraph bars recovery by another person.

433 **Straight Time Pay**

433.1 **Definition**

Straight time pay is the total earnings of an employee for hours of work or authorized paid leave not in excess of 8 hours in a service day or 40 hours in a service week.

433.2 **Full-Time Employees**

As straight time pay for a full pay period, a full-time employee is paid an amount equal to her or his base hourly rate times 80 hours.

433.3 **Part-Time Employees**

As straight time pay for a full pay period, part-time employees are paid an amount equal to their base hourly rate times the number of hours of service and leave for which they have credit in the pay period.

433.4 **Casual and Temporary Employees**

As straight time pay for the pay period, casual and temporary employees are paid on an hourly basis for hours worked.

433.5 **Reemployed Annuitant**

An annuitant is any former federal or postal employee who is receiving a retirement annuity from the federal government. An annuitant's services may be obtained under a personal service contract according to section VII-3 of Publication 41, *Postal Contracting Manual*. Otherwise, the annuitant may be employed or reemployed, subject to the following conditions:

- a. The employee's salary is established according to the appropriate pay rules for the assigned salary schedule and grade.
- b. The employee's salary is subject to any deductions required by federal law to offset the amount of the employee's annuity.

433.6 **EAS A–E Postmasters**

The straight time pay received by an A–E postmaster for any FLSA workweek is equal to his or her base hourly rate times the number of service hours designated for his or her office, plus authorized extra duty to attend meetings, fill in at another office, etc., regardless of the hours actually worked during the week, provided:

- a. The postmaster's FLSA regular rate for the week, i.e., straight time pay for the week divided by total hours actually worked in the week (see 444.21), is not less than the FLSA minimum wage, and
- b. The postmaster is paid FLSA overtime at the higher of the FLSA minimum wage or the FLSA regular hourly rate for each hour worked in excess of 40 hours worked during the week.

434 **Overtime and Premium Pay**

434.1 **Overtime**

434.11 **General**

In emergencies or as the needs of the service require, the postmaster or installation head may require employees to perform work which is in excess of 8 paid hours in a day or 40 paid hours in a week.

Notes:

- a. The overtime limits in 432.32 may not be exceeded.
- b. See 434.13 and 434.14 for the types of compensation for excess hours and eligibility to receive compensation.

434.12 **Definitions**

434.121 **Exempt Employees**

Employees who are serving in positions which are exempt from and are not covered by the overtime provisions of the Fair Labor Standards Act (FLSA) because they are paid on a salary basis and are administrative, professional, or executive personnel (see 444.3). These include all employees occupying positions which are classified exempt as indicated in the Organization Management Staffing System (OMSS) position directory reports. These reports are distributed quarterly to each field division MSC, BMC, and Regional Headquarters.

434.122 **Nonexempt Employees**

Employees who serve in positions which are covered by the overtime provisions of FLSA (see 444.1), namely all those positions which are not classified as exempt in 434.121.

434.123 **Paid Hours**

Hours actually worked *plus* paid time off, as defined below:

- a. *Hours Actually Worked.* Time which management suffers or permits an employee to work. The hours actually worked include compensable travel and training time, standby time, or other time on duty. They do not include paid time off as defined below. (See also 444.22.)
- b. *Paid Time Off.* Paid hours of annual leave, sick leave, holiday leave, court leave, service as a juror, military leave, guarantee time (not worked) and all other paid hours including personal absences where no work is performed for the Postal Service. These hours are excluded from the determination of FLSA overtime.

434.13 **Types of Compensation**

434.131 **Postal Overtime**

Postal overtime is compensation paid to eligible personnel at 150 percent of each employee's *base hourly rate* for actual workhours in excess of 8 *paid hours* in a day, 40 *paid hours* in a service week or, if a full-time bargaining unit employee, on a nonscheduled day.

434.132 **FLSA Overtime**

FLSA overtime (see 444) is compensation paid to nonexempt personnel at 150 percent of each employee's FLSA *regular hourly rate* for all worktime which management "suffers or permits" to be *actually worked* in excess of 40 hours worked within an FLSA workweek.

434.133 **Penalty Overtime**

Penalty Overtime is compensation paid to eligible personnel at two times the employee's base hourly straight time rate for hours described in applicable Labor Agreements.

434.14 **Eligibility and Coverage**

434.141 **Eligible for Overtime Pay**

Exhibit 434.141a identifies those employees who are eligible for Postal overtime. Exhibit 434.141b identifies those employees who are eligible for FLSA overtime. Exhibit 434.141c identifies those employees eligible for penalty overtime.

434.142 **Multiple Eligibility**

When an employee is eligible for more than one type of overtime during a service week, penalty overtime is paid for any qualifying hours; postal overtime is then paid for qualifying hours which are not paid as penalty overtime; then a calculation is made to ensure at least 150 percent of the employee's regular hourly rate is paid for all hours worked in excess of 40 at the regular hourly rate in the employee's FLSA workweek.

434.143 **Dual Assignment**

When an employee performs a combination of exempt and nonexempt work within an FLSA workweek, the following applies:

- a. If the employee's permanent position is either exempt or nonexempt and 50 percent or more of the actual workhours are spent in nonexempt work, the employee is not eligible for personal absence, but must be paid for overtime which is worked in excess of 8 paid hours in a day or 40 paid hours in the FLSA workweek. The employee is eligible for other premiums as applicable to the assigned position in which the premium is earned.
- b. If the employee's permanent position is nonexempt and more than 50 percent of the actual workhours are spent in exempt work, the employee is eligible for either postal overtime, personal absence or other premiums as applicable to the assigned position in which the overtime service is performed or the premium earned.
- c. If the employee's permanent position is exempt and more than 50 percent of the actual workhours are spent in exempt work, the employee remains exempt for the entire week and is not entitled to receive overtime or other premiums, except as provided for the permanent position.

Exhibit 434.141a

Postal Overtime Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes	Yes	Yes	.....
B – Rural Auxiliary	.....	.....	No	No
C – MESC	Yes	Yes	Yes	.....
E – EAS	Yes ^{2,3}	Yes ²	.....	No
F – Postmasters (A–E)	.....	Yes³	.....	No
G – Nurses	Yes	.....	Yes	No
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No
M – Mail Handlers	Yes	Yes	Yes	.....
N – Data Center	Yes ¹	.....	Yes ¹	.....
P – PS	Yes	Yes	Yes	.....
R – Rural Carriers	Yes ⁴	.....	Yes ⁴	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes	.....	Yes	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ Grades 18 and below only.

² FLSA nonexempt employees only. During the designated Christmas period, FLSA exempt employees in EAS-23 and below are eligible provided they directly supervise bargaining unit employees in Mail Processing or Delivery Service functions.

³ **Postmasters and officers in charge are not eligible, except in two cases:**
a. **Those who are full-time and nonexempt are eligible for postal overtime when they work a sixth day (see 432.34).**
b. **A–E postmasters are eligible for postal overtime for actual work hours in excess of 40 paid hours in a service week.**

⁴ See special provisions in Rural Carrier contract.

Exhibit 434.141b

FLSA Overtime Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes	Yes	Yes	.....
B – Rural Auxiliary	.....	.....	Yes	Yes
C – MESC	Yes	Yes	Yes	.....
E – EAS	Yes ¹	Yes ¹	.....	Yes ¹
F – Postmasters (A–E)	.....	Yes	.....	Yes
G – Nurses	Yes	.....	Yes	Yes
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	Yes
M – Mail Handlers	Yes	Yes	Yes	.....
N – Data Center	Yes	.....	Yes	.....
P – PS	Yes	Yes	Yes	.....
R – Rural Carriers	Yes ²	.....	Yes ²	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes	.....	Yes	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ FLSA nonexempt employees only.² See special provisions in the Rural Carrier contract.

Exhibit 434.141c

Penalty Exhibit Overtime Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	No	No	No	.....
B – Rural Auxiliary	.....	.....	No	No
C – MESC	Yes	Yes	Yes	.....
E – EAS	No	No	.....	No
F – Postmasters (A–E)	.....	No	.....	No
G – Nurses	No	.....	No	No
K – HQ Op. Services Div.	No	.....	.....	.....
M – Mail Handlers	No	No	No	.....
N – Data Center	Yes	.....	Yes	.....
P – PS	Yes	Yes	Yes	.....
R – Rural Carriers	No	.....	No	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	No	.....	No	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

434.2 **Night Differential**434.21 **Policy**

Night differential is a premium which is paid to eligible employees for all work and paid training or travel time performed between 6:00 p.m. and 6:00 a.m. The following applies:

- a. Night differential is paid in addition to any other premiums earned by the employee (see 432.55).
- b. In no case can the total night differential hours exceed the total hours for the tour.
- c. Night differential does not apply if time between 6:00 p.m. and 6:00 a.m. is due only to late clocking out or early clocking in (see 432.464).

434.22 **Eligibility**

- 434.221 Exhibit 434.2 shows the employees who are eligible to receive night differential.

Exhibit 434.2

Night Differential Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes	Yes	Yes	.....
B – Rural Auxiliary	.....	.....	Yes	No
C – MESC	Yes	Yes	Yes	.....
E – EAS	Yes ¹	Yes ¹	.....	Yes ¹
F – Postmasters (A–E)	.....	No	.....	No
G – Nurses	Yes	.....	No	No
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No
M – Mail Handlers	Yes	Yes	Yes	.....
N – Data Center	Yes	.....	Yes	.....
P – PS	Yes	Yes	Yes	.....
R – Rural Carriers	No	.....	No	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes	.....	Yes	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ Grades 23 and below only, excluding postmasters, officers-in-charge, Postal Inspectors, and Management Associates. Exempt employees are eligible only when their normal hours fall between 6:00 p.m. and 6:00 a.m. During the designated Christmas period, however, employees who are eligible for postal overtime are also eligible for night differential during paid overtime hours between 6:00 p.m. and 6:00 a.m.

434.222 Eligible employees who are regularly assigned to a night tour of duty are entitled to receive an equivalent amount of night differential when:

- a. Rescheduled to day work to participate in compensable training.
- b. On court leave.
- c. On military leave.
- d. In a continuation of pay (COP) status.
- e. Rescheduled to day work due to a compensable liability in lieu of placement in a COP status.

434.223 Eligible exempt employees receive night differential only when part or all of their normal schedule falls within the specified parameters of this premium. Night differential is not payable when service performed is in addition to the normal service day. During the designated Christmas period, however, exempt employees who are eligible for postal overtime (see Exhibit 434.141a, Footnote 2) are also eligible for night differential during paid overtime hours between 6:00 p.m. and 6:00 a.m.

434.23 **Pay Computation**

Eligible employees receive a premium, in addition to their base salary, equal to 10 percent of their base hourly straight time rate for all work performed between 6:00 p.m. and 6:00 a.m.

434.3 **Sunday Premium**

434.31 **Policy**

Sunday premium is paid to eligible employees for all work and paid training or travel time performed during a scheduled tour that includes any part of a Sunday. Note that:

- a. An employee entitled to Sunday premium may also be entitled to other premiums for the same tour (see 432.55).
- b. An employee may not be credited with Sunday premium in excess of the hours worked per tour, of 8.00 hours per tour, or of 16 hours per service week.
- c. Sunday premium does not apply if Sunday time is due only to late clocking out or early clocking in (see 432.464b).
- d. Eligible exempt employees receive Sunday premium when those hours that are normally worked in a service day fall within the specified parameters of this premium.

434.32 **Eligibility**

Exhibit 434.3 describes those employees who are eligible to receive Sunday premium. It is important to note that only those employees who have been *scheduled* to work on a Sunday are eligible to receive the premium. If the employee has not been scheduled, then she or he is not eligible for Sunday premium.

434.33 **Leave**

If an employee is on leave for any part of the tour, normally she or he is not entitled to Sunday premium or the leave hours. However, Sunday premium to which the employee is normally entitled is continued while in a continuation of pay (COP) status, is on military leave, or is on court leave. An eligible employee also continues to receive the Sunday premium to which he or she is normally entitled when she or he is rescheduled due to a compensable disability in lieu of placement in a COP status.

434.34 **Pay Computation**

Eligible employees receive premium, in addition to their base salary, equal to 25 percent of their base hourly straight time rate for each hour of work up to 8 hours.

Note: Hours worked in excess of 8 paid hours on a Sunday are paid as overtime pay as provided in 434.13.

Exhibit 434.3

Sunday Premium Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes	Yes	Yes	.....
B – Rural Auxiliary	.....	.....	No	No
C – MESC	Yes	Yes	Yes	.....
E – EAS	Yes ¹	Yes ¹	.....	No
F – Postmasters (A–E)	.....	No	.....	No
G – Nurses	Yes	.....	No	No
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No
M – Mail Handlers	Yes	Yes	Yes	.....
N – Data Center	Yes	.....	Yes	.....
P – PS	Yes	Yes	Yes	.....
R – Rural Carriers	No	.....	No	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes	.....	Yes	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ Grades 23 and below only, excluding postmasters, officers-in-charge, Postal Inspectors, and Management Associates.

434.4 **Holiday Leave Pay**434.41 **Policy**

434.411 The following 10 days are observed as holidays:

- a. New Year's Day.
- b. Martin Luther King, Jr.'s Birthday.
- c. Washington's Birthday.
- d. Memorial Day.
- e. Independence Day.
- f. Labor Day.
- g. Columbus Day.
- h. Veteran's Day.
- i. Thanksgiving Day.
- j. Christmas Day.

434.412 On these holidays, eligible employees receive holiday leave pay for a number of hours equal to their regular daily work schedule, not to exceed

8 hours. This holiday pay is instead of other paid leave to which employees might otherwise be entitled on their holiday.

- 434.413 If a holiday falls on an eligible employee's regular scheduled work day, including Saturday or Sunday, the employee observes the holiday on that day.
- 434.414 When a holiday falls on an employee's scheduled nonwork day, the first scheduled day preceding the holiday is designated as the employee's holiday except as provided in .415 and .422.
- 434.415 When a holiday falls on a Sunday which is a nonscheduled workday for an employee, Monday is designated as the employee's holiday. However, if Monday is also a nonscheduled workday, then Saturday is designated as the employee's holiday. For postal police officers, see the USPS-FPPO Agreement.
- 434.416 For all full-time postmasters, if a holiday falls on a Saturday which is a nonscheduled workday, the preceding Friday is designated as the postmaster's holiday. Where necessary, additional work hour allowances are authorized for those post offices without a senior supervisor to provide relief coverage during the postmaster's absence on holiday leave.
- 434.417 Holiday leave paid to an employee who is on a Continuation of Pay (COP) status should be recorded as holiday leave and is counted as one of the 45 calendar days of COP for OWCP purposes.
- 434.418 When a full-time employee has partially overcome a compensable disability and is working a partial schedule under the rehabilitation program, holiday leave is payable up to the number of hours in the partial schedule. The remainder of the holiday leave pay is received from OWCP.

434.42 **Eligibility**

434.421 Eligibility chart:

Employee Category	Eligible
Full-time	Yes
Part-time regular	(See 434.422)
Part-time flexible	No
Casual	No
Temporary	No

- 434.422 Part-time regular schedule employees including A–E postmasters who are regularly scheduled to work a minimum of 5 days per service week are eligible for holiday leave pay in accordance with 434.41. Part-time regular schedule employees who are regularly scheduled to work less than 5 days in a service week are ineligible unless the holiday falls on their scheduled workday.
- 434.423 A full-time or part-time regular employee who is scheduled to actually work on a holiday or on a designated holiday, but does not work, is placed in LWOP status and does not receive holiday leave pay, unless such absence

is based on an extreme emergency situation and the absence is excused by the employee's supervisor.

434.43 **Pay Computation**

- 434.431 Eligible full-time and part-time regular employees require no specific authorization to be absent from work on a holiday or a designated holiday.
- 434.432 To receive holiday leave pay, a bargaining unit employee in the Headquarters Operating Services Division must be in a pay status (either workhours or paid leave) during the last hour of the employee's scheduled workday prior to and the first hour of the scheduled workday after the holiday or designated holiday. All other employees must be in a pay status during either the last scheduled hour before or the first scheduled hour after the holiday or designated holiday. However, paid leave for the last scheduled hour before or the first scheduled hour after the holiday or designated holiday, for an employee on extended Leave Without Pay is not approved for the purpose of qualifying the employee for holiday pay (see 514.4d).
- 434.433 Eligible employees are paid for the holiday at their base hourly rate for those hours equal to their regular daily working schedule, not to exceed 8 hours.
- 434.434 Holiday leave pay is in lieu of other paid leave to which an employee might otherwise be entitled on the designated holiday.
- 434.435 Holiday leave pay is payable in addition to compensation for hours actually worked on a designated holiday (see 434.5).

434.5 **Holiday-Worked Pay**

434.51 **Policy**

- 434.511 Holiday-worked pay is paid to eligible employees for the hours worked on a recognized holiday or for the hours worked on the employee's designated holiday, except Christmas. (See 434.4 for recognized holidays.)
- 434.512 Christmas-worked pay is paid to eligible employees for the hours worked on Christmas day or the day designated as the employee's Christmas holiday.

434.52 **Eligibility**

- 434.521 Exhibit 434.521 indicates which employees are eligible to receive holiday-worked pay and Christmas-worked pay.
- 434.522 Part-time flexible employees receive Christmas-worked pay for up to 8 straight-time hours, only if they work on December 25. (See 432.21c.)

434.53 **Pay Computation**

- 434.531 Eligible employees who are required to work on their holiday or designated holiday are paid (in addition to any pay for holiday leave to which they may be entitled) their base hourly straight time rate for each hour worked up to 8. Any work which is performed beyond 8 hours is treated as overtime.

Exhibit 434.521

Holiday-Worked Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes ⁴	Yes	No ³	.....
B – Rural Auxiliary	.....	.....	No ³	No ³
C – MESC	Yes ⁴	Yes	No ³	.....
E – EAS	Yes ^{1,2}	Yes ^{1,2}	.....	No ³
F – Postmasters (A–E)	.....	Yes ²	.....	No ³
G – Nurses	Yes	.....	No ³	No ³
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No ³
M – Mail Handlers	Yes ⁴	Yes	No ³	.....
N – Data Center	Yes ⁴	.....	No ³	.....
P – PS	Yes ⁴	Yes	No ³	.....
R – Rural Carriers	Yes	.....	No	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes ⁴	.....	No ³	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

1 FLSA nonexempt employees only, including nonexempt postmasters and officers in charge.

2 Postmasters and officers in charge are not eligible for Christmas-Worked Pay (See 434.532).

3 Hours worked on a holiday are charged to Workhours, except that part-time flexible employees are eligible for Christmas-Worked Pay on December 25 only (See 434.522).

4 Under certain conditions, eligible employees may qualify for Holiday Scheduling Premium (See 434.533).

434.532 Eligible employees, excluding postmasters and officers in charge, who are required to work on Christmas day or their designated Christmas holiday are paid, in addition to authorized holiday leave pay (434.4) and holiday-worked pay (434.531). Christmas-worked pay at 50 percent of the amount paid in 434.531. Any work which is performed beyond 8 hours is treated as overtime. However, Christmas-worked pay is not authorized during hours of overnight travel on a nonscheduled day (438.133).

434.533 A holiday scheduling premium equal to 50 percent of the amount paid in 434.531 is paid to eligible employees for time actually worked on a holiday or on the employee's designated holiday (except Christmas) when the holiday schedule is not posted in accordance with the National Agreement, as follows:

- a. If the schedule is not posted as of Tuesday preceding the service week in which the holiday falls, a full-time regular bargaining unit employee who is required to work on his or her holiday or designated holiday, or

who volunteers to work on such day, will receive *holiday scheduling premium* for each hour of work, not to exceed 8 hours. This premium is in addition to both holiday leave pay and holiday-worked pay.

- b. In the event that, subsequent to the Tuesday posting period, an emergency situation attributable to Act(s) of God arises which requires the use of manpower on that holiday in excess of that scheduled in the Tuesday posting, full-time regular employees who are required to work or who volunteer to work in this circumstance(s) will not receive *holiday scheduling premium*.
- c. When a full-time regular employee who is scheduled to work on a holiday is unable to or fails to work on the holiday, the supervisor may require another full-time regular employee to work such schedule, and such replacement employee is not eligible for *holiday scheduling premium*.
- d. Employees are not eligible for holiday scheduling premium while temporarily assigned to nonbargaining positions.

434.534 For those eligible employees who receive TCOLA (439.1), Christmas-Worked Pay and the holiday scheduling premium are paid at 50 percent of the employee's base rate, plus TCOLA, in those workweeks when FLSA overtime is earned. In those workweeks when FLSA overtime is not earned, these premiums are calculated in accordance with 434.532 or 434.533.

434.6 Out-of-Schedule Premium

434.61 Policy

Exhibit 434.61

Computing Out-of-Schedule Premium Hours

Hours Worked	Total Work Hours	Out-of-Schedule Premium Hours	Straight Time Hours	Overtime Hours
6:00 AM–2:30 PM	8	2	6	0
6:00 AM–3:30 PM	9	1	7	1
6:00 AM–4:30 PM	10	0	8	2
6:00 AM–5:30 PM	11	0	8	3

434.611 Out-of-schedule premium is paid to eligible full-time bargaining unit employees for time worked outside of, and instead of, their regularly scheduled workday or workweek when employees work on a temporary schedule at the request of management.

434.612 Payment of out-of-schedule premium is dependent on timely notice being given by management of the temporary schedule change, as follows:

- a. If notice of a temporary change is given to an employee by Wednesday of the preceding service week, even if this change is revised later, the

employee's time can be limited to the hours of the revised schedule and out-of-schedule premium is paid for those hours worked outside of, and instead of, his or her regular schedule.

- b. If notice of a temporary schedule change is *not* given to the employee by Wednesday of the preceding service week, the employee is entitled to work her or his regular schedule. Therefore, any hours worked in addition to the employee's regular schedule are not worked "instead of" her or his regular schedule. Such additional hours worked are not considered as out-of-schedule premium hours. Instead, they are paid as overtime hours worked in excess of 8 hours per service day or 40 hours per service week.

434.613 Out-of-schedule premium hours cannot exceed the unworked portion of the employee's regular schedule. If employees work their full regular schedule, then any additional hours worked are not "instead of" their regular schedule and are not considered as out-of-schedule premium hours.

434.614 Any hours worked which result in paid hours in excess of 8 hours per service day or 40 hours per service week are to be recorded as overtime (See 434.1).

434.615 **Examples**

See Exhibit 434.61.

Example: An employee is notified by Wednesday of the preceding service week to work a temporary schedule the following service week from 6:00 a.m. to 2:30 p.m., instead of her or his regular schedule from 8:00 a.m. to 4:30 p.m. The employee is paid 2 hours out-of-schedule premium for the hours worked from 6:00 a.m. to 8:00 a.m. and 6 hours straight time for the hours worked from 8:00 a.m. to 2:30 p.m. If, in this situation the employee continues to work into or beyond the balance of her or his regular schedule (2:30 p.m. to 4:30 p.m.), then she or he is to be paid for hours worked in accordance with Exhibit 434.61.

Example: An employee's regular schedule is Monday through Friday and she or he is given a temporary schedule of Sunday through Thursday. The hours worked on Sunday are out-of-schedule premium hours provided they are worked instead of the employee's regularly scheduled hours on Friday. If, however, the employee also works his or her regular schedule on Friday, then there can be no out-of-schedule premium hours; the hours worked on Sunday would be paid as regular overtime hours worked in excess of 40 in the service week.

434.62 **Eligibility**

434.621 Exhibit 434.621 indicates those employees who are eligible to receive out-of-schedule premium while working a qualifying temporary schedule within a bargaining unit or while detailed to a nonbargaining position. See exceptions in 434.622.

Exhibit 434.621

Out-of-Schedule Premium Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-Time Regular	Part-Time Regular	Part-Time Flexible	Casual,* Temporary and PM Relief
A – MTEC	Yes	No	No	.....
B – Rural Auxiliary	.....	.....	No	No
C – MESC	Yes	No	No	.....
E – EAS	No ²	No	.....	No
F – Postmasters (A–E)	.....	No	.....	No
G – Nurses	Yes	.....	No	No
K – HQ Op. Services Div.	Yes	.....	.....	.....
L – Postmaster Replacement	.....	.....	.....	No
M – Mail Handlers	Yes	No	No	.....
N – Data Center	Yes ¹	.....	No	.....
P – PS	Yes ³	No	No	.....
R – Rural Carriers	No	.....	No	.....
S – PCES	No	.....	.....	.....
Y – Postal Police	Yes	.....	No	.....

* Casual employees are covered in RS-E regardless of the bargaining unit they supplement.

¹ Grades 18 and below when the change exceeds 1 hour and lasts for more than 1 week.

² See 434.7 for coverage under the Nonbargaining Rescheduling Premium.

³ Employees in the clerk-craft are not eligible for out-of-schedule premium when detailed to a nonbargaining position.

434.622 Eligible employees are not entitled to out-of-schedule premium under the following conditions:

- a. When detailed to a postmaster position as officer in charge.
- b. When detailed to a rural carrier position.
- c. When detailed to an ad hoc position, for which the employee applied and was selected, when the core responsibilities of the position require work on an irregular schedule.
- d. When detailed to either a bargaining unit or nonbargaining position in grade 19 and above.
- e. When attending a recognized training session which is a planned, prepared, and coordinated program or course.
- f. When assigned to light duty according to the provisions of the collective-bargaining agreement or as required by the Federal Employee Compensation Act, as amended.
- g. When allowed to make up time missed due to tardiness in reporting for duty.

- h. When in accord with and permitted by the terms of a bid.
- i. When a request for a schedule change is made by the employee for personal reasons and is agreed to by the employee's supervisor and shop steward or other collective-bargaining representative.
- j. Employees in the clerk-craft who are detailed to nonbargaining positions.
- k. When the assignment is made to accommodate a request for intermittent leave or a reduced work schedule for family care or serious health problem of the employee (see 515.6).

434.63 **Pay Computation**

- 434.631 Out-of-Schedule premium is paid to eligible personnel in addition to the employee's base hourly rate and at 50 percent of the base hourly rate for qualifying hours worked up to 8 hours in a service day or 40 hours in a service week.
- 434.632 For those eligible employees who receive TCOLA (439.1), this premium is paid at 50 percent of the employee's base rate, plus TCOLA, in those workweeks when FLSA overtime is earned. In workweeks when FLSA overtime is not earned, this premium is calculated in accordance with 434.631.
- 434.633 All leave paid to an employee who is in an out-of-schedule status will be paid at the employee's straight time rate.

434.7 **Nonbargaining Rescheduling Premium**

434.71 **Policy**

Nonbargaining rescheduling premium is paid to eligible nonbargaining unit employees for time actually worked outside of, and instead of, their regularly scheduled workweek when less than 7 calendar days notice of the schedule change was given. It is not paid beyond the 7th calendar day after the notice of schedule change is given. Neither is it paid when the assignment is made to accommodate a request for intermittent leave or a reduced work schedule for family care or serious health problem of the employee (see 515.6).

434.72 **Eligibility**

All nonexempt full-time nonbargaining unit employees grade 18 and below are eligible for nonbargaining rescheduling premium. Full-time nonexempt postmasters and officers-in-charge, however, are only eligible when their schedule is changed because their relief is not available to work the sixth day (see 432.34).

434.73 **Pay Computation**

- 434.731 Nonbargaining rescheduling premium is paid to eligible personnel in addition to the employee's base hourly rate and at 50 percent of the base hourly rate for all actual workhours up to 8 hours in a service day or 40 hours in a service week.

- 434.732 For those employees who receive TCOLA (439.1), this premium is paid at 50 percent of the employee's base rate, plus TCOLA, in those workweeks when FLSA overtime is earned. In those workweeks when FLSA overtime is not earned, this premium is calculated in accordance with 434.731.

434.8 **Pyramiding of Premiums**

See Exhibit 434.8 for a decision table for situations when an employee may be eligible for more than one type of premium pay for the same hour of work.

Exhibit 434.8

Pyramiding of Premiums

If an employee is eligible to receive:	Night Differential	Sunday Premium	Overtime	Penalty Overtime	Out-of-Schedule Overtime	Guarantee Time	Holiday-Worked Pay	Christmas-Worked Pay	Holiday Schedule Premium	Nonbargaining Rescheduling Premium	Continuation of Pay	PDC Beeper Time	PDC Telephone Time
Night Differential	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Sunday Premium	Yes	N/A	No	No	No	Yes	Yes	Yes	No	No	Yes	No	No
Overtime ¹	Yes	No	N/A	No	No	Yes	No	No	No	No	No	No	No
Penalty Overtime	Yes	No	No	N/A	No	Yes	No	No	No	No	No	No	No
Out-of-Schedule Overtime	Yes	No	No	No	N/A	Yes	No	No	No	No	No	No	No
Guarantee Time	No	No	No	Yes	Yes	N/A	No	No	No	No	No	No	No
Guarantee Overtime	No	No	No	No	No	N/A	No	No	No	No	No	No	No
Holiday-Worked Pay	Yes	Yes	No	No	No	Yes	N/A	No	Yes	Yes	No	No	No
Christmas-Worked Pay	Yes	Yes	No	No	No	Yes	No	N/A	No	No	No	No	No
Holiday Schedule Premium	Yes	No	No	No	No	Yes	Yes	No	N/A	No	No	No	No
Nonbargaining Rescheduling Premium	Yes	No	No	No	No	No	Yes	No	No	N/A	No	No	No
Continuation of Pay	Yes	Yes	No	No	No	No	No	No	No	No	N/A	No	No
PDC Beeper Time	No	No	No	No	No	No	No	No	No	No	No	N/A	N/A
PDC Telephone Time	No	No	No	No	No	No	No	No	No	No	No	N/A	N/A

¹ To be paid at the applicable Postal or FLSA overtime rate.

435 Severance Pay

435.1 Eligibility

Any career USPS employee who is involuntarily separated and who has been employed continuously by the USPS and/or other federal agency for at least 12 consecutive months (without a break in service of 3 or more consecutive days) immediately prior to the separation is eligible for severance pay, *except* in the following circumstances:

- a. The employee is entitled to an immediate retirement annuity.
- b. At the time of separation, the employee is offered and declines to accept a position in the USPS or in any other federal agency of like seniority, tenure, and pay within the same commuting area.
- c. The employee is separated because of entry in the military service.
- d. The employee is separated for cause on charges of misconduct, delinquency, or inefficiency.
- e. The employee, at the time of separation, is receiving compensation as a beneficiary of the Federal Employees Compensation Act except when receiving this compensation concurrently with postal pay.

435.2 Computing Severance Fund

435.21 Limitation

In no case shall the severance pay fund exceed 52 weeks basic compensation.

435.22 Creditable Service

Creditable service means all service as a paid federal civilian or postal employee and all military service which interrupted a period of paid federal civilian or postal service — excluding any period of federal or postal service for which severance pay has previously been paid.

435.23 Paid Allowances

The employee is credited with 1 week's basic compensation (the weekly basic rate of pay, excluding COLA, in effect at the time of separation) for each year of creditable service up to 10 years. The employee is credited with 2 weeks' basic compensation for each year of creditable service in excess of 10 years. Each 3-month period of service that exceeds 1 or more full years of service is computed as 25 percent of a full year.

- a. *Employee in Nonpay Status.* In this case, the basic compensation is the basic compensation the employee would have received had she or he been in a pay status at the time of separation.
- b. *Part-Time Regular Employee.* In this case, determine the basic weekly compensation by multiplying the number of hours in the employee's regular schedule by the employee's hourly rate of compensation.
- c. *Part-Time Flexible Employee.* In this case (1) divide by 52 the total number of hours — excluding overtime hours but including paid leave

hours — that the employee had to his or her credit during the previous 52 weeks to find the average hours worked per week and (2) multiply the average hours worked per week by the employee's hourly rate of compensation to determine the basic weekly compensation.

435.24 **Allowance to Age Over Forty**

The employee's basic allowance is increased by 10 percent for each full year and by 2 1/2 percent for each 3 full months in excess of a full year that the employee's age exceeds 40 years at the time of separation. For example, if the employee's age at the time of separation is 42 years and 7 months, the basic allowance computed in 435.23 above is increased by 25 percent (10 percent for each of the 2 years in excess of 40, and 2 1/2 percent for each of the two full 3-month periods in excess of the 2 full years).

435.3 **Pay Rate and Duration**

435.31 **Form 50 Information**

The Remarks section on separation Form 50 contains the total amount of severance pay due, the amount of the weekly payments, and the date of the first and last payments.

435.32 **Amount and Intervals**

Employees receive severance pay each biweekly pay period in the amount of twice their basic weekly compensation less withholding for taxes. The severance pay continues until (a) the severance pay fund is exhausted or (b) the employee is reemployed by the USPS or another federal agency — whichever occurs first.

435.4 **Effect of Reemployment**

435.41 **Permanent Employment**

If an employee who is receiving severance pay is reemployed by the USPS or another federal agency, the employee is reccredited with the portion of creditable service covered by the balance of severance pay fund.

435.42 **Temporary Employment**

If an employee who is receiving severance pay accepts a time-limited federal or postal appointment, severance pay is suspended for the duration of the appointment. Upon termination, severance pay is resumed until the severance pay fund is exhausted. The time which the employee served under the limited appointment is not creditable for purposes of computing the severance pay it interrupts.

436 **Back Pay**

436.1 **Corrective Entitlement**

436.11 An employee or former employee is entitled to receive back pay for the period during which an unjustified or unwarranted personnel action was in

effect which terminated or reduced the basic compensation, allowances, differentials, and employment benefits which the employee normally would have earned during the period.

- 436.12 For purposes of entitlement to employment benefits, the employee is considered as having rendered service for the period during which the unjustified or unwarranted personnel action was in effect.

436.2 **Limitations**

- 436.21 Any amount which the employee earned in a new employment or in an enlarged part-time employment to replace Postal Service employment must be determined and offset against the amount of the reimbursement to which she or he would be entitled.
- 436.22 Back pay is allowed, unless otherwise specified in the appropriate award or decision, provided the employee has made reasonable efforts to obtain other employment, except that the employee is not required to make such efforts during the first 45 days of the back pay period. This 45-day period does not apply to individuals who were denied employment with the Postal Service (see 436.428).
- 436.23 No back pay is allowed for any period during which the person was not ready, willing, and able to perform the duties of the postal position.
- 436.24 Leave which is recredited as a result of the corrective action may not exceed the maximum amount of leave to which the employee was eligible.
- 436.25 The employee is not entitled (a) to increases in pay resulting from deferment of step increases due to unsatisfactory service or (b) to salary increases resulting from ranking action.
- 436.26 Any claim made by a postal employee or his or her authorized agent or attorney for back pay must be submitted to the appropriate office within 6 full years after date such claim first accrued.

436.3 **Corrective Action**

The installation head, or other appropriate authority, determining that a previous decision was unjustified or unwarranted, initiates and directs the corrective action to be taken to assure appropriate earnings to the employee for the period affected.

436.4 **Documents in Support of Claim**

436.41 **Statements by Local Official**

- 436.411 The local official must provide a tabulation of the number and type of pay hours with which the employee should have been credited during the back pay period, including any annual or holiday leave taken.
- a. Overtime hours and/or night differential, as applicable, are determined by averaging the number of hours that other employees of the office with the same employment status were assigned during the back pay period.

- b. If the claim is for a part time flexible employee, a tabulation must be provided which shows the number and type of pay hours the employee experienced for a full 13 pay periods prior to the separation or suspension. If the back pay period is less than one full pay period, only a 6 pay period tabulation is required.
- 436.412 The local official must provide a statement indicating whether the employee is entitled to the following during the back pay period:
 - a. Premium pay (see 434).
 - b. Change in pay rate or salary schedule.
 - c. Step increase and date effective.
 - d. Change in leave category and date effective.
 - e. Other changes in pay of a general application.
- 436.413 The local official must provide a statement indicating that had the employee not been suspended or removed she or he would have worked the hours as reported.
- 436.414 The local official must provide a statement showing that monies earned by the employee for other employment during the period covered by the corrected action shall be deducted, provided such earnings were from work which replaced the lost postal employment (see 436.21).
- 436.42 **Statements by Employee**
- 436.421 A statement signed by the employee agreeing or disagreeing to the hours shown in 436.412. If the employee does not agree, the basis for the disagreement should be explained.
- 436.422 Where the original action resulted in separation or suspension, the employee must furnish the following:
 - a. A statement on whether or not any income was earned during the back pay period. If any outside earnings were received, provide information on whether the earnings were from a part-time job held at the time of removal, in a new employment, or in an enlarged part-time employment obtained to replace the postal employment. In either case, a statement from the employer showing the record of hours worked and gross earnings during the back pay period is necessary.
 - b. If the employee was already working in a part-time job at the time of removal or suspension, the employer should include the employee's record of employment for the 6-month period prior to the removal or suspension.
 - c. If outside earnings were from self-employment, the claimant must provide an affidavit stating the amount earned during the back pay period. If such employment existed before the back pay period, the earnings must also be stated for 13 pay periods prior to the back pay period.
- 436.423 A statement on whether or not the employee received any unemployment compensation. If so, state the amount received.

- 436.424 A statement that the employee was ready and able to perform her or his job during the back pay period. If not, state inclusive dates not ready and able, and the cause by which incapacitated or unavailable. The employee may request payment of sick or annual leave as appropriate and to her or his credit, for the period of incapacity or unavailability during the back pay period.
- 436.425 Where the original action resulted in separation or indefinite suspension and no outside employment was obtained, employees must furnish the following:
- a. If the back pay period is 45 days or less, employees are not required to certify or to provide documentation in support of their efforts to secure other employment during this period.
 - b. If the back pay period is more than 45 days and does not exceed 6 months, employees must provide a statement certifying the reasons why outside employment was not obtained for all parts of the back pay period which exceed the first 45 days.
 - c. If the back pay period is more than 6 months, employees must provide documentation in support of their efforts to secure other employment for all parts of the back pay period which exceed the first 45 days.
- 436.426 On health benefit coverage, the employee should state whether he or she desires (a) to enroll in any plan, the same as a new employee, or (b) to have the prior enrollment reinstated retroactive to the date it was terminated.
- 436.427 An employee who is retroactively restored to duty with full back pay (or the decision/award or settlement agreement provides for life insurance coverage during the back pay period) will have his or her life insurance coverage in effect at the time of removal or indefinite suspension, if any, reinstated retroactively to the date of termination. An employee who was initially denied employment may elect life insurance coverage either as a new employee or to have such coverage begin retroactively to the date employment was denied. Employees may elect life insurance coverage or to increase their life insurance coverage in effect at the time of removal or indefinite suspension under the following circumstances:
- a. If an open season for life insurance occurred during the back pay period, the employee may elect coverage or additional coverage, as permitted during the open season; or,
 - b. An employee who had basic insurance coverage only at the time of the removal or indefinite suspension may elect optional life insurance coverage under Option B-Additional and/or Option C-Family, provided the employee meets the provisions of 535.91.
 - c. An employee who had in force at least 1, but less than 5, multiples of Option B-Additional life insurance coverage at the time of removal or indefinite suspension may elect to increase the number of multiples of Option B and/or Option C-Family coverage, provided the employee meets the provisions of 535.91.
- 436.428 Where the original action resulted in denial of employment with the Postal Service, the individual must provide documentation in support of his or her efforts to secure other employment for all parts of the back pay period. The

individual must also provide a statement of earnings during the back pay period as required by 436.422.

436.5 **Erroneous Separation for Retirement**

- 436.51 An individual who separated under optional (voluntary) retirement before meeting both age and service requirements is considered erroneously separated. In such cases the Office of Personnel Management (OPM) will usually disallow the retirement application and request the USPS to retroactively restore the employee to the active rolls as of the date of the erroneous separation. If the date has already passed on which the applicant would attain the age/service requirements and the time span for attaining eligibility is rather short e.g., 30 days or less, OPM may administratively place the employee in a leave without pay status from the date of the erroneous separation to the date on which the minimum service or age requirement is attained.
- 436.52 OPM's letter requesting the USPS to restore the employee to the rolls will indicate that the employee "may be entitled to back pay covering the period from the date of the erroneous separation to the date the employee is restored to the rolls." Before taking any action on OPM's letter, ensure that all of the employee's service is of record and verified. If the reason for the erroneous separation is based on age, verify records to ascertain the correct birth date. After establishing that the retirement separation is erroneous, promptly contact the employee and take action to restore her or him to the rolls.
- 436.53 In these erroneous optional retirement cases, calculate the back pay so that employees receive the same amount as they would have received in Civil Service annuity payments or Federal Employee Retirement basic annuity payments.

436.6 **Interest on Back Pay in Equal Employment Opportunity Commission and Merit Systems Protection Board Cases**

436.61 **Purpose**

This section establishes procedures for paying interest when the Postal Service is obligated by law to pay it. This section is not intended to create any obligation to pay interest that the Postal Service is not otherwise obligated to pay.

436.62 **General**

Interest is paid on back pay only when it is expressly awarded in a settlement agreement or decision.

436.63 **Rate of Interest**

The rate of interest is calculated based on the Federal Judgment Rate (the statutory rate for postjudgment interest found in Title 28, United States Code, Section 1961).

436.64 **Responsibility**

The Minneapolis Postal Data Center is responsible for calculating the amount of interest payable.

437 **Waiver of Claims for Erroneous Payment of Pay**

437.1 **Purpose**

This part establishes procedures for (a) requesting a waiver of a claim made by the USPS against a current or former employee for the recovery of pay which was erroneously paid and (b) applying for a refund of money paid by or deducted from a current or former employee as a result of such a claim.

437.2 **Definitions**

437.21 **Pay**

Pay means salary, wages, or compensation for services including all forms of premium pay, holiday pay, or shift differentials, payment for leave, whether accumulated, accrued, or advanced, and severance pay. Pay does not include rental allowances, payment for travel, transportation, or relocation expenses.

437.22 **Employee**

Throughout part 437, employee means a *former* employee as well as a *current* employee.

437.23 **Applicant**

Applicant means an employee (current or former) or an individual acting on behalf of the employee who applies for a waiver of a claim for overpayment of pay.

437.24 **Installation Head**

Installation head means the postmaster, manager, or director of *field facilities* or the department head (or designee) of *Headquarters units* where the employee is employed or was last employed.

437.3 **Submission of Request**

437.31 **Expiration Date**

Waiver action may not be taken after the expiration of 3 years immediately following the date on which the erroneous payment of pay was discovered.

437.32 **Form 3074**

The applicant requests a waiver of a claim or a refund of money paid as a result of a claim by submitting Form 3074, *Request for Waiver of Claim for*

Erroneous Payment of Pay, in *triplicate* to the installation head. The completed Form 3074 must contain:

- a. Information sufficient to identify the claim for which the waiver is sought including the amount of the claim, the period during which the erroneous payment occurred, and the nature of the erroneous payment.
- b. A copy of the invoice and/or demand letter sent by the USPS, if available, or a statement setting forth the date the erroneous payment was discovered.
- c. A statement of the circumstances which the applicant feels would justify a waiver of the claim by the USPS.
- d. The dates and amount of any payments made by the employee in response to the claim.

437.4 **Review by Installation Head**

The installation head investigates the claim and writes a report of the investigation on the reverse side of the Form 3074. The report should include the following data and/or attachments:

- a. All relevant facts or circumstances which are not described, or incorrectly described, on the Form 3074 by the applicant.
- b. An explanation of the cause of the overpayment.
- c. If available, a listing for each pay period in which an overpayment was made (1) of the employee's pay rate, (2) the gross amount due the employee, and (3) the gross amount that was actually paid.
- d. A statement as to whether there is any indication of fraud, misrepresentation, fault, or lack of good faith on the part of anyone having an interest.
- e. A recommendation for approval or disapproval of the claim based upon review of the facts and circumstances.
- f. A copy of the invoice or notice to the employee of the amount requested to be repaid to the USPS should accompany the Form 3074. If neither of these items is available, a statement establishing the discovery date of the USPS claim should be included.
- g. Copies of pertinent Forms 50, *Notifications of Personnel Action*; Forms 1303, *Salary Change Notices*; and any correspondence having a bearing on the claims should be obtained from the employee's official personnel folder and included with the Form 3074.
- h. Any other information which would assist in making a determination of whether collection action to collect the claim would be against equity or good conscience and not be in the best interest of the USPS.

437.5 **Review by Compensation Unit**

The installation head forwards the Form 3074 to the appropriate compensation unit (i.e., the Field Division Supervisor of Compensation and

Staffing, for field units, or Headquarters Personnel, for Headquarters and related units) which:

- a. Reviews the file for accuracy and completeness.
- b. Completes part III of Form 3074.
- c. Adds any pertinent comments to the file.
- d. Forwards the entire file to the Director of the Minneapolis Postal Data Center (PDC).

437.6 Action by Postal Data Center (PDC)

The PDC will waive the claim if it can determine from a review of the file that all of the following conditions are met:

- a. The overpayment occurred through administration error of the USPS. Excluded from consideration for waiver of collection are overpayments resulting from errors in timekeeping, keypunching, machine processing of time cards or time credit, coding, and any typographical errors that are adjusted routinely in the process of current operations.
- b. Everyone having an interest in obtaining a waiver acted reasonably under the circumstances, without any indication of fraud, misrepresentation, fault, or lack of good faith.
- c. Collection of the claim would be against equity and good conscience and would not be in the best interest of the USPS.

437.7 Appeal of Disallowed Request

437.71 Appeal Procedure

When a request for waiver has been partially or completely denied, the applicant may submit a written appeal to the Minneapolis PDC within 15 days of receipt of the determination. The appeal letter should clearly indicate that the employee is appealing the disallowance of the waiver request and explain in detail the reasons why the employee believes the claim should be waived.

437.72 Final Decision

The PDC will then forward the appeal, with the entire case file, to the applicable Regional Director of Finance for Regional employees or to the General Manager, National Accounting Division, Department of the Controller for a final decision. The Regional Director of Finance or General Manager, National Accounting Division, will advise the employee concerned and the PDC of their final decision. If necessary, the PDC will adjust its records.

438 **Pay During Travel or Training**

438.1 **Pay During Travel**

438.11 **Definitions**

438.111 Travel Time is time spent by an employee moving from one location to another during which no productive work is performed and excluding the normal meal time if it occurs during the period of travel.

438.112 Local Commuting Area is the suburban area immediately surrounding the employee's official duty station and within a radius of 50 miles.

438.12 **Commuting To and From Work**

438.121 Commuting time before or after the regular workday between an employee's home and official duty station, or any other location within the local commuting area, is a normal incident of employment and is not compensable. It is not compensable regardless of whether the employee works at the same location all day or commutes home after the workday from a location different from the one where the workday started.

438.122 Commuting time to and from work also is not compensable when an employee is called back to work after the completion of the regular work day. However, such commuting time is compensable if the employee is called back to work at a location other than his or her regular work site.

438.123 When an employee is employed to work on a permanent basis at more than one location in the same service day, the time spent commuting between the locations is not compensable travel time, provided there is a break in duty status between the work performed in the different locations. A break in duty status occurs when an employee is completely relieved from duty for a period of at least 1 hour that may be used for the employee's own purposes. This 1 hour or greater period must be in addition to the actual time spent in travel and the normal meal period, if the normal meal period occurs during the time interval between the work at the different locations. (See 438.132 for travel time between job locations when there is no break in duty status.)

438.13 **Types of Compensable Travel Time**

438.131 **General**

The determination of whether travel time is compensable or not depends upon (1) the kind of travel involved, (2) when the travel takes place, and (3) the eligibility of the employee (see Exhibit 438.13). The three situations that may involve compensable travel time are described below.

Exhibit 438.13

Eligibility for Travel Time Compensation

Type of Travel	Scheduled Day		Nonscheduled Day	
	Within Established Hours of Service	Outside Established Hours of Service	Within Established Hours of Service	Outside Established Hours of Service
Job Site to Job Site	All employees	Employees entitled to receive overtime pay	Employees entitled to receive overtime pay	Employees entitled to receive overtime pay
One-Day Assignment Outside Local Commuting Area	All employees	Employees entitled to receive overtime pay	Employees entitled to receive overtime pay	Employees entitled to receive overtime pay
Away from Home Overnight	All employees	None	All nonexempt employees	None

438.132 Travel From Job Site to Job Site

The following applies:

- a. *Rule.* Time spent at any time during a service day by an eligible employee in travel from one job site to another without a break in duty status within a local commuting area is compensable. (See 438.123 which makes the travel time noncompensable as commuting time when there is a break in duty status between the work performed in different locations.)
- b. *Eligibility.* This type of travel time is compensable for all employees during their established hours of service on a scheduled workday. At all other times, this type of travel time is compensable only for employees who are entitled to receive overtime pay.

438.133 One Day Assignment Outside the Local Commuting Area

The following applies:

- a. *Rule.* Except as stated in the next sentence, time spent at any time during a single service day by an eligible employee who is in travel on Postal Service business to one or more locations outside of the local commuting area and back to the home community is compensable. Time spent commuting in either direction between home and an airport, bus terminal, or railroad station within the local commuting area, if it occurs outside of established hours of service on a scheduled workday, and the usual mealtime, must be deducted from compensable travel time.
- b. *Eligibility.* This type of travel time is compensable for all employees during their established hours of service on a scheduled work day. At all other times, this type of travel time is compensable only for employees who are entitled to receive overtime pay.

438.134 Travel Away From Home Overnight

The following applies:

- a. *Rule.* Travel time spent by an eligible employee in travel on Postal Service business to and from a postal facility or other work or training site which is outside the local commuting area and at which the employee remains overnight is compensable if it coincides with the *normal workhours for a bargaining unit employee's regular bid job or for a nonbargaining employee's schedule in effect while traveling*, whether on a scheduled or a nonscheduled day, and regardless of his or her schedule while away from the home installation, subject to 438.141 and 438.142. For instance, an eligible employee with normal workhours of 7:00 p.m. to 3:30 a.m. Saturday through Wednesday is scheduled for training at another location from 8:00 a.m. to 4:30 p.m., Monday through Friday. If the employee travels from 6:00 p.m. to 8:00 p.m. on any day of the week, 1.0 travel hours would be compensable. If the same employee travels from 5:00 p.m. to 7:00 p.m. on any day of the week, no travel hours would be compensable. Compensable travel time includes the time spent in going to and from an airport, bus terminal, or railroad station.
- b. *Eligibility.* This type of travel time is compensable for all employees on their scheduled workdays. On nonscheduled days, this type of travel time is compensable only for nonexempt employees.
- c. *Intermediate Travel Home.* Employees who are on an extended assignment away from home may be given the opportunity during the assignment to return home for personal convenience. Although the cost of the round trip is a reimbursable travel expense, the travel time involved is not compensable when it falls outside of the scheduled service week given to the employee during the temporary assignment.
- d. *Scheduling of Travel.* Travel away from home overnight is to be scheduled by management on a reasonable basis without a purpose either to avoid compensation for the travel time or to make the travel time compensable.

438.14 Special Travel Provisions

438.141 Use of Private Automobile for Personal Convenience

If an eligible employee, who is traveling under the provisions of 438.132, .133, or .134, is offered public transportation but utilizes a personally owned conveyance for personal convenience, only the lesser of the time spent actually driving or those creditable hours which would have been spent in travel by public transportation will be compensated.

438.142 Required Use of an Automobile

All time spent actually driving an automobile while traveling away from home overnight because no public transportation is available is compensable travel time for an eligible employee whether the time occurs within or outside of the employee's established hours of service.

438.143 **Work Performed While Traveling**

Any time spent in actual work by an eligible employee that is required or suffered or permitted to be performed while traveling is compensable.

438.15 **Compensation Provisions**

438.151 Compensable travel time is counted as worktime for pay purposes and is included in hours worked in excess of 8 hours in a day, 40 hours in a week, or on a nonscheduled day for a full-time employee, for the determination of overtime for eligible employees. (See 433 and 434.1.)

438.152 Out-of-schedule overtime, nonbargaining rescheduling premium, and guaranteed time are not payable to employees while traveling away from home overnight.

438.153 Night differential is paid to eligible employees during those hours of compensable travel between 6:00 p.m. and 6:00 a.m. on either a scheduled or nonscheduled day.

438.154 Sunday premium is paid to eligible employees for paid travel time during a scheduled tour that includes any part of a Sunday.

438.16 **Effect on Other Travel Reimbursement**

The rules stated in this section 438.1 do not affect the entitlement of employees to other types of reimbursement under applicable regulations, such as reimbursement of certain travel expenses and per diem.

438.2 **Pay During Training**

438.21 **General**

438.211 An Interpretative Bulletin of the U.S. Department of Labor, section 785.27 of Title 29, Code of Federal Regulations provides as follows:

- a. Attendance at lectures, meetings, training programs and similar activities need not be counted as working time if the following four criteria are met:
 - (1) Attendance is outside of the employee's regular working hours;
 - (2) Attendance is in fact voluntary;
 - (3) The course, lecture, or meeting is not directly related to the employee's job; and
 - (4) The employee does not perform any productive work during such attendance.
- b. If any one of the four criteria is not met the time must be counted as working time. (See exception in 438.213.)

Note: If the postal training imparts knowledge and skills uniquely beneficial to the Postal Service, it is to be considered as time worked whether the training is directly related to the employee's job or not.

438.212 Section 785.28 of the Interpretative Bulletins provides that attendance "is not voluntary in fact if the employee is given to understand or led to believe that

his or her present working conditions or the continuance of her or his employment would be adversely affected by nonattendance.”

438.213 Section 785.30 of the Interpretative Bulletins provides as follows:

Of course, if employees on their own initiative attend an independent school, college or independent trade school after hours, the time is not hours worked for their employers even if the courses are related to their jobs.

438.22 **Specific Rules on Compensation for Training Time**

438.221 The determination of whether time spent in training is compensable depends upon (a) when the training takes place; (b) the category of training, subject to applicable limitations on paid training hours (see ELM 711.5 and 712); and (c) the eligibility of the employee.

438.222 All employees are eligible for compensation for any training time which occurs during their established hours of service on a scheduled work day. For purposes of the preceding sentence, any leave time is not considered established hours of service on a scheduled work day. However, when a senior qualified employee, pursuant to a voluntary bid, engages in scheme study, training, testing, and qualifying, that employee may elect to use annual leave for such purpose, and for directly related travel that would be compensable under ELM section 438.132, provided that that employee has a sufficient annual leave balance. The study, training, testing and qualifying time will be recorded on Form 2432, Individual Training Progress Report. Where the senior bidder passes the appropriate examination and accepts the position, the annual leave (including compensable travel) will be converted to hours worked, the employee's annual leave balance will be recredited a like number of hours, and FLSA premium pay may be due for any hours worked over 40 in any such workweek.

438.223 Nonexempt employees are eligible for compensation for job training time suffered or permitted outside their established hours of service on a scheduled work day, as well as any time suffered or permitted on a nonscheduled work day. (See ELM 711.5 for categories of training.)

438.224 No employees are eligible for compensation for any type of self-developmental training occurring outside their established hours of service on a scheduled work day.

438.23 **Special Training Provisions**

438.231 Management agreement to fund wholly or partially the tuition and related costs of a course or courses given by an accredited educational institution when such agreement is made at the request of an employee does not cause the training to become job training so as to make the training time compensable.

438.232 Attendance at training courses sponsored by the various management associations or labor unions is not compensable.

438.24 **Compensation Provisions**

- 438.241 Compensable training time is counted as work time for pay purposes, including the determination of overtime for eligible employees. It is included in hours worked in excess of 8 hours in a day or 40 hours in a week and those hours worked by any nonexempt employee on a nonscheduled day.
- 438.242 Management may change either a nonexempt or an exempt employee's regularly scheduled working hours to coincide with the scheduled hours of training. In such cases, out-of-schedule overtime (434.6), or the nonbargaining rescheduling premium (434.7), is not authorized.
- 438.243 Employees who are eligible for night differential and who participate in compensable training are paid the applicable night differential they would have earned during their regularly scheduled workhours had they not been temporarily rescheduled by management to attend such training. Night differential and/or Sunday premiums are paid to all eligible employees whose training hours include night and/or Sunday hours.

439 **Territorial Cost-of-Living Allowance (TCOLA)**

439.1 **Eligibility and Pay Factors**

- 439.11 TCOLA is an amount which is payable to postal employees who are working outside of the continental United States according to 39 U.S.C. 1005(b).
- 439.12 The amount of TCOLA is a percentage of basic salary (not including COLA). The percentage figure is determined and published periodically by the Office of Personnel Management. USPS Office of Organizational Requirements then issues appropriate instructions to the affected regions. It is payable as follows:
- a. For postal inspectors and rural carriers on a 6-day week, TCOLA is payable up to 48 hours per week.
 - b. For all other eligible employees, TCOLA is payable up to 40 hours per week.
- 439.13 TCOLA is not paid for any time for which an employee does not receive base pay.
- 439.14 Payment of TCOLA does not constitute an equivalent increase for step increase purposes.
- 439.15 TCOLA is not included in the base pay for purposes of computing postal overtime, Sunday premium, night differential, holiday-worked pay, and deductions for employee benefits plans such as life insurance and Civil Service retirement. See special provisions for the calculation of Christmas-worked pay and holiday scheduling premium at 434.534, out-of-schedule overtime at 434.632, and nonbargaining rescheduling premium at 434.732.
- 439.16 TCOLA is included in the calculation of the regular rate for overtime under the Fair Labor Standards Act (FLSA) and for the purpose of computing leave pay.

- 439.17 Basic TCOLA is not included in the employee's gross income for federal income tax purposes. However, all overtime pay (including any TCOLA added to base pay for FLSA overtime) is included in gross income for Federal Income Tax purposes.

439.2 **Allowance Categories**

- 439.21 Instructions are issued annually to each installation head outside the continental United States to determine the applicable allowance category of all employees. The installation head should adopt whatever methods are appropriate to obtain from employees the information needed to determine the applicable allowance category and the corresponding allowance to be paid.
- 439.22 Currently, the Postal Service has employees only in the Local Retail/Private Housing allowance category. This category includes those federal employees who purchase goods and services only from private retail establishments and who occupy housing units that are privately owned or rented.