UNITED STATES POSTAL SERVICE

Employee and Labor Relations Manual

Issue 22

October 2010
Transmittal Letter

A. Introduction

Our *Strategic Transformation Plan* enables the Postal Service™ to successfully perform our long-standing mission of providing affordable, universal service. A strategic and key Plan objective is to maintain a work environment that enables our diverse and highly motivated workforce to:

- Achieve and go beyond performance expectations.
- Be recognized for individual and team performance achievements.

The *Employee and Labor Relations Manual* (ELM) is a critical tool for understanding and implementing the programs and processes that contribute to this goal.

B. Explanation

ELM 21 was published in February 2010. ELM 22 contains changes published in the *Postal Bulletin* on October 7, 2010. For detailed information about the revisions, see the Summary of Changes. Except for deletions, substantive changes are identified in the text by a bar in the margin.

C. Availability

1. **Online.** The online ELM is updated periodically with changes published in the *Postal Bulletin.* Because we no longer publish online incremental updates, the next revision will be designated as ELM 23. ELM Issues 12.1 through 22 are available on the Postal Service PolicyNet® Web site:

   - Go to *http://blue.usps.gov*.
   - Under "Essential Links" in the left-hand column, click on *PolicyNet.*
   - Click *Manuals.*

   (The direct URL for the Postal Service PolicyNet Web site is *http://blue.usps.gov/cpim.)*

   The ELM is also available on the Postal Service Internet:

   - Go to *www.usps.com*.
   - Click *on About USPS & News,* then *Forms & Publications,* then *Postal Periodicals and Publications,* and then *Manuals.*

2. **Hard copy.** You can order the ELM from the Material Distribution Center (MDC) by using touch tone order entry (TTOE). Call 800-273-1509 and follow the prompts.

   Note: You must be registered to use TTOE. To register, call 800-332-0317, option 1, extension 2925, and follow the prompts to leave a message. (Wait 48 hours after registering before placing your first order).

D. Comments and Questions. Send comments and questions to:

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Summary of Changes

The *Employee and Labor Relations Manual,* Issue 22, constitutes a revision of ELM 21, which was published in February 2010. ELM 22 incorporates changes published in the *Postal Bulletin* through October 2010.

How to Use the Summary of Changes

- Use this summary of changes to find out about changes published in the *Postal Bulletin* from February 2010 through October 7, 2010.
- Find the chapter, subchapter, part, section, or system of records in the first column and read across the other columns to find specific information about that revision.

This chapter, subchapter, part, or section…	titled…	was updated to…	in *Postal Bulletin* issue number…	with an issue date of …
Chapter 9, Labor Relations				
933.111	Type 1a	add fabric (solid postal blue) to “shirt” and “shirtjac” in Items for Men and Items for Women.	22295	10-07-10
933.112	Type 1b	add fabric (solid postal blue) to “shirt” and “shirtjac” in Items for Men and Items for Women.		
933.21	Type 2 Items	add fabric (solid postal blue) to “shirt” in Items for Men and Items for Women.		
933.4	Type 4 Uniform Items	add after “shoes” in Items for Men and Items for Women: Battle Dress Utility Uniform, postal security dark blue.		
933.51	Type 5a	change Trousers from “White” to “Medical style, white or optional colored” in Items for Men.		
		change Pants from “White” to “Medical style, white or optional colored” in Items for Women.		

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1 Organizational Structures

110 General Information

111 Purpose

111.1 Objectives

The organizational structures policies of the Postal Service™ are established to meet the following objectives:

a. Ensure no duplication of jobs, functions, or responsibilities within or between organizational units.

b. Ensure consistency of organizational structures and staffing.

111.2 Chapter Content

This chapter documents the principles to establish organizational structures and staffing and describes the programs used to monitor and assess them. It establishes guidelines, policies, and procedures for implementing changes in organizational structures and staffing patterns, and describes factors to be considered in decisions related to organizational changes. In view of functional diversity, varying work requirements, and the wide range of operational circumstances, factors are considered and decisions are reached on a case-by-case basis.

111.3 Importance of Concepts

The organizational design system does not operate on the basis of rigid or inflexible standards. Nevertheless, postal managers should be aware of the concepts applied in evaluating organizational change requests so that they can:

a. Make decisions to request such changes on an informed basis.

b. Submit appropriate documentation to support proposed changes.

c. Better understand the basis upon which their requests are reviewed and evaluated.

112 Responsibilities

112.1 Headquarters

Employee Resource Management within Human Resources at Headquarters has overall responsibility for the control of organizational structures and staffing for the Postal Service. This includes:

a. Developing and implementing organizational management policies and programs for bargaining unit and nonbargaining unit positions.

b. Designing programs and procedures for auditing and assessing existing structures and staffing.

c. Providing a planning capability for the long-range organizational development of the Postal Service in response to technological and environmental changes.

112.2 Areas

The area Human Resources manager:

a. Serves as an advisory resource on matters relating to field organizations.

b. Monitors compliance with approved staffing and structures for field units.

112.3 Managers

All levels of managers throughout the Postal Service are responsible for:

a. Planning and implementing administrative and operating methods which comply with organizational structures and staffing.

b. Reviewing their organizations and recommending changes according to the instructions in this chapter.

113 Definitions

113.1 Organizational Terms

a. *Activity* – a group of related (possibly dissimilar or possibly heterogeneous) tasks which may be performed by an employee or group of employees and results in an easily defined operation or service.

b. *Function* – a principal method of devising work; may be a single activity, but is more commonly a group of related activities placed together under one responsibility. Functions are categorized as major or minor:

(1) *Major Function* – a group of activities which has a direct impact on the overall mission of the Postal Service.

(2) *Minor Function* – a group of activities which has an indirect, contributory impact on the mission of the Postal Service.

c. *Organizational Structure* – the formal relationship that reflects the organizational units within a given group and the pattern of work to be accomplished by the employees in the organization; delineates responsibilities and reporting relationships; and creates a rational

division of work. The structure should (1) respond to the needs of an organization and foster the achievement of its objectives and (2) be changed when there is a basic change in the amount or kind of work to be done or in the assignment of the work to the positions involved.

d. *Organizational Unit* – an entity in which the necessary activities are divided into segments small enough to be managed or supervised by one person. An *autonomous unit* is a unit which operates under a manager with discretionary decision-making responsibility. (See also 113.3.)

e. *Program* – a specialized continuing endeavor, consisting of a group of selected projects and activities related to one another within a major function.

f. *Staffing* – the number and types of positions within organizations, typically determined by criteria, guidelines, or standards.

113.2 Basic Managerial Positions

Basic managerial positions are as follows:

a. *Installation head or manager* – one who plans, organizes, directs, guides, controls, and evaluates employee efforts to achieve organizational goals.

b. *Supervisor* – one who has a direct responsibility for ensuring the accomplishment of work through the efforts of others. Normally, a supervisor has no subordinate employees with managerial responsibility for others.

113.3 Organizational Entities

Organization entities include the following:

a. *Senior or executive vice president organization* – an organizational entity in Headquarters that exercises managerial and directive control over one or more vice president organizations or serves as a member of the senior management team.

b. *Vice president organization* – an organizational entity in Headquarters with responsibility for heterogeneous major functions having servicewide impact.

c. *Headquarters unit* – an organizational entity in Headquarters managed by an executive and subordinate to a vice president or a manager, with responsibility for one or more homogeneous major functions having servicewide impact.

d. *Headquarters-related field unit* – an organizational entity that performs a major function or group of minor functions, reports directly to a Headquarters manager, and exists outside the Headquarters building.

e. *Service center* – an organizational entity that reports directly to a manager at Headquarters and exists outside the Headquarters building.

f. *Service office* – an organizational entity that performs an activity or group of activities, usually to support a service center.

g. *Area office* – an organizational entity that has responsibility within a specified geographical area for heterogeneous major functions having areawide impact, including oversight of subordinate districts, processing and distribution centers, bulk mail centers, airport mail centers, international service centers, and remote encoding centers.

h. *District office* – an organizational entity subordinate to an area, with responsibility for heterogeneous major functions having districtwide impact, including oversight of subordinate Post Offices™ and delivery distribution centers.

i. *Processing and distribution center* – an organizational entity subordinate to an area, with significant responsibility for the processing and distribution of mail for a geographic area. May have one or more reporting facilities.

j. *Bulk mail center* – a highly mechanized processing and distribution center subordinate to an area, with responsibility for the processing and distribution of standard mail.

k. *Post Office* – an organizational entity subordinate to a district, managed by a postmaster, with responsibility for customer services, local delivery, the receipt and dispatch of all classes of mail, and in some instances, processing and distribution of mail for other Post Offices in the surrounding geographic area.

113.4 Disabled and Disability

The words “disabled” and “disability” are found in many statutes, rules, and regulations. They are used by the Department of Labor, the Department of Veterans Affairs, the Equal Employment Opportunity Commission, Office of Personnel Management, and the Social Security Administration, among others. Their meaning, however, differs based on the source statute, rule, or regulation that defines what the word means. For example, an individual “disabled” as defined by the Office of Workers’ Compensation Programs statute may not meet the definition of “disabled” under the Rehabilitation Act of 1973. The meaning of these words is controlled by the context in which they are used.

114 Documentation in Organization Charts

Organization charts are graphic representations of an organization. The official organization charts of the basic organizational entities of the Postal Service are maintained by Organizational Design and Management, Employee Resource Management, at Headquarters.

120 Structures and Staffing

121 Overview

The basic organizational structure of the Postal Service consists of five levels: Headquarters, areas, districts, processing and distribution centers, and Post Offices. Some units are uniquely designed because of their specialized nature; however, units that perform essentially identical functions are typically standardized. The central organizational thrust of the Postal Service is to standardize structures to the greatest extent possible. When circumstances require organizational adaptation to special operating conditions or service requirements, it is appropriate to make the necessary allowances in terms of structure and staffing.

122 Structuring Principles

An effective organizational structure should have the following characteristics:

a. Each position should be tailored to be within the capacities of a single individual.

b. Each position should be subject to the line authority of only one higher position.

c. Each position should be clearly defined in terms of objectives and measurable contributions.

d. All related activities necessary to hold an incumbent accountable for achieving objectives should be assigned to each position.

e. Duties and authority should be definitely fixed and authority should correspond with responsibility.

f. The structure should be developed within the complement constraints that have been realistically projected.

g. The structure should provide for the control of all work necessary to achieve mandated objectives.

h. Responsibility for current and long-range work should be clearly segregated.

i. Positions should be classified and grouped to avoid gaps or overlaps in work and/or functions.

j. The span of control should be neither so broad as to exceed the manager's capacity to manage and integrate effectively nor so narrow as to preclude adequate delegation.

k. The chain of delegation should be short enough to minimize filtering communications vertically.

l. Related activities should be integrated at the lowest level consistent with the attainment of objectives, economical use of personnel, and assignment of responsibilities.

m. To the extent possible, future work requirements should be anticipated in the organizational design in order to avoid the need for frequent reorganizations.

123 Standard Structures

123.1 Characteristics

Most field operations have common characteristics that can be assessed based on relative size, complexity, and accountability for the work to be performed, accommodating the application of standard organizational structure and staffing determinations.

123.2 Installations

Established standard structures have been developed for most field units (e.g., district, processing and distribution center, bulk mail center, Post Office, and carrier station).

124 Specialized Structures

Specialized structures must be individually established, based upon operational requirements that separate these units from other organizations. A specialized structure generally meets one or both of the following conditions:

a. Uniquely complex (and normally large) because of service requirements and operational scope.

b. Highly specialized in terms of functions.

125 Staffing

125.1 Staffing Overview

Having established an effective structure, the organizational design process identifies appropriate staffing levels. Staffing (i.e., numbers, types, and grade levels of positions) may differ in a given structure on the basis of operational factors. However, functional responsibilities and reporting relationships remain generally consistent from one installation to the next.

125.2 Staffing Criteria

The amount and type of work are the primary determinants of authorized staffing. Organizations of comparable size and activity that fall within a designated category (e.g., districts, processing and distribution centers, Post Offices) usually can be staffed uniformly above the first level of supervision.

In some structures, circumstances may justify staffing variations above the first level of supervision. Variations occur when the workload in specialized functions fluctuates significantly between organizational units within a standard structure category. In such instances, separate criteria may be developed for position use.

125.3 Staffing Matrices

A staffing matrix details types and numbers of positions for use within a functional area, for example, inplant support or safety, to provide guidance to districts and local installation heads. A staffing matrix shows the titles, grades, and the minimum and maximum number of positions appropriate for organizational types (e.g., districts, processing and distribution centers, bulk mail centers, and Post Offices).

130 Organizational Change Criteria

131 Workload Increase or Decrease

131.1 Increased Work

When the volume of work increases so that the existing organization can no longer effectively complete it according to accepted performance standards, organizational change may be justified. Workload increases may involve either of the following organizational changes:

a. Added layers of supervision to maintain an appropriate span of control.

   Example: Authorization of a manager, distribution operations responsible for supervising multiple supervisors.

b. Added supervision within an authorized layer already existing in the organization.

   Example: Authorization of an additional supervisor, distribution operations, under justifiable circumstances.

131.2 Decreased Work

When the volume of work drops off to the point where the existing resources of the organization become underutilized, a reduction in authorized staffing may be justified.

132 Change in Nature of Work

The requirements placed upon an organization may involve the addition or elimination of specialized functions within an authorized scope of activity. When such functions are either added to or subtracted from an established structure, the organization may need to be modified to reflect such changes.

133 Duplication of Functional Responsibility

When two or more units within an organization are responsible for accomplishing essentially the same work, (a) accountability for performance is difficult to fix and unnecessary costs are incurred and (b) the units may be working at cross-purposes. Consolidation of overlapping functions normally is the appropriate remedy.

134 Inappropriate Reporting Relationships

134.1 Hierarchy of Responsibility

The tasks assigned to a subordinate unit or position within an organization should be reflected within the broader scope of responsibility of the next higher level of management. It is inappropriate to retain a reporting relationship in which the work of the subordinate unit or position bears no relevance to the functional responsibilities of the management level under which the unit or position is organizationally located.

134.2 Contingent Work Relationships

When a high level of interdependence between two organizational functions makes the performance of one unit contingent upon the performance of another, both units usually have a common reporting relationship. In this way, responsibility is clearly fixed for ensuring that the two functions are coordinated. When highly interdependent functions report to different control points in the organization, it may be necessary to restructure the reporting relationships.

135 Unconnected Work

Common activities and tasks requiring similar supervisory or technical skill for effective performance should be grouped within an organizational unit or position description. When activities and tasks become too highly differentiated within a unit or position, it may be necessary to separate them into discrete functions.

136 Inappropriate Span of Control

136.1 Factors

The complexity of a managerial function is to be a governing factor in establishing an appropriate span of control. When subordinates are performing similar tasks, the span of control can be broader than when subordinate functions are only loosely related.

136.2 Considerations

Rarely, if ever, can a one-over-one reporting relationship be justified since such an arrangement tends to dilute the responsibility and accountability of the principal manager.

When the span is so narrow that delegation is impaired and subordinate supervisors are limited in the use of initiative and judgment, it should be broadened.

Similarly, when the span is so broad that subordinates are not receiving the proper degree of management, it should be narrowed to ensure closer supervisory guidance.

It is not practical to prescribe upper or lower limits to the span of control in a general context. Each organizational situation must be separately analyzed.

137 Change in Basic Mission

Sometimes the mission of an organization changes so basically that the existing structure and staffing become inadequate. Under such circumstances, a major reassessment of existing functional responsibilities and capabilities is required.

138 Reduction of Expenses

A comparison of work requirements with authorized staffing may reveal inefficiencies. Astute management seeks to consolidate duties and responsibilities whenever staffing resources are not being used to the fullest

extent. The objective is to achieve operating economies without adversely affecting performance.

139 Completion of Transition

Organizations that have been designed around new and complex systems often move through a start-up phase prior to becoming fully operational. Note that:

a. During the start-up phase, staffing requirements may differ from projected operating norms due to specialized activation programs and related activities.

b. When possible, temporary elements of a start-up operation should be identified beforehand, so that the work can be performed by an employee assigned on detail.

c. When the organization achieves operating stability, it is appropriate to reassess and adjust the initial structure and staffing as appropriate.

140 Organizational Change Analysis

141 Analysis of Work Requirements

141.1 Nature of Functions

The analysis of the nature of functions involves the separation of the total work of the organization into functional components. Each functional component should represent an aggregate of duties that logically fall within the scope of a single position description (i.e., involve like kinds of skills, knowledge, and abilities).

The attempt at this stage is not to establish detailed position requirements, but rather to focus on the manner in which work can be organizationally segmented and subsequently assigned to major functional reporting or control points within the unit.

141.2 Volume of Work

Work volume can be translated into the number of employees required to supervise processing of the work by using conversion factors appropriate for the activity involved. Whenever possible, volume is expressed quantitatively and derived from historical data coupled with economic forecasts and other relevant projections.

Work volume is analyzed for its impact on staffing requirements in supporting functions, as well as on the principal areas of operating activity.

141.3 Performance Standards

The required supervisory and professional resources of an organization are, in some measure, contingent upon the performance standards the unit is expected to meet. Performance standards may be explicitly mandated on a servicewide basis, for example, 95 percent overnight delivery of local originating mail. Often, however, the performance standards of an

organizational unit are determined locally, based upon past performance and an assessment of improvement opportunities. It is a continuing responsibility of the unit manager to establish organizational standards of performance through the goal-setting and planning process.

Both the quantity and quality of production have an impact on staffing requirements and should be factored into the design of the organization.

142 Analysis of Skill Requirements

142.1 Purpose

Skill requirements serve a dual purpose by (a) establishing the database for the construction of selection criteria and (b) placing a clearer focus around certain organizational planning requirements. Chief among these requirements is the development of a hierarchical management structure for the organization that is internally consistent and compatible with structures in other postal installations.

142.2 Method

In order to fix responsibility for work, it is necessary to assign specific duties to designated staff positions. In establishing the requirements of the position, the necessary job-related skills and experience must be analyzed to identify structural implications. The starting point in this process is a definition of job content. A narrative description must be prepared as follows:

a. State the function and purpose of the position.

b. State the scope of responsibility.

c. Outline in detail the duties performed by the incumbent. The description of each duty suggests the skills required for its effective execution. Action words – such as directs, manages, supervises, oversees, plans, and coordinates – used to describe the depth of involvement and the degree of responsibility help to differentiate the level of skill, knowledge, and ability required to ensure effective performance in the designated position.

d. Analyze the job content and connect the purpose, responsibility, and duties of the position to the educational disciplines, work experience, physical capacities, and job-related skills expected of the incumbent.

e. State the degree of supervision required.

Selection procedures and criteria for all field positions are provided by Selection, Evaluation, and Recognition, Employee Resource Management, through the issuance of (1) a qualification standard or (2) interim statements of qualifications or selection procedures.

143 Analysis of Functional Relationships

143.1 Basic Factors

The identification of work and skill requirements provides the basis for determining staffing needs. The configuration of the organization must then be analyzed to ensure that functional alignments and reporting relationships are appropriate to the unit's mission. Criteria used in making such a

determination are identified in 130. The more important criteria are repeated below:

a. Functional statements and standard position descriptions are reviewed to eliminate duplication of responsibility between subordinate units of the organization, as discussed in 133. Where such duplication is found, functional responsibility should be assigned to the subordinate unit having dominant interests in the activity under review.

b. Functional activity should be grouped to ensure homogeneity of work as discussed in 135.

c. Span of control should be established consistent with the guidelines discussed in 136.

d. Vertical reporting relationships should establish a hierarchy of responsibility consistent with the guidelines discussed in 134.1.

e. Contingent work relationships should be aligned consistent with the concepts discussed in 134.2.

143.2 Additional Factors

143.21 Administrative and Functional Reporting Relationships

An *administrative reporting relationship* establishes a clear line of authority between positions or units in the organizational hierarchy. The actions of the subordinate are subject to the direction and/or approval of the next higher level of management, irrespective of the autonomy the latter may choose to grant to, or withhold from, subordinate levels. Subordinate positions never report administratively to more than one higher level supervisor.

A *functional reporting relationship* establishes a connection between positions or organizational units at different management levels based on the specialized nature of the function for which a mutual responsibility is shared. In this type of situation – often referred to as an indirect reporting relationship – the higher level position or unit provides functional guidance and support to positions or units lower in the organizational structure.

Human Resources at Headquarters, for example, has functional responsibility for the area human resources activities, while these activities report administratively and directly to the vice president of Area Operations. There is no formal line of authority in a strictly functional relationship.

The administrative head of an organization integrates all unit activities through the exercise of organizational authority. Detailed functional expertise is usually located immediately below this level of management, where administrative authority and functional direction are joined.

Sometimes, however, it is necessary to separate administrative and functional reporting relationships. A separate functional reporting relationship might be justified when:

a. The knowledge essential to effective performance is so specialized that the function can only be placed in the higher levels of the organization (e.g., the Postal Service medical program).

b. The consequences of an incorrect decision are so great as to require continuing consultation with a higher organizational level having policy

responsibility for the functional area in question (e.g., international mail).

c. The sensitivity of the function requires total uniformity of execution throughout the entire management system (e.g., labor relations or purchasing).

Organizational relationships are analyzed in terms of the adequacy of functional direction. Where appropriate, functional reporting relationships can be formally established that sanction channels of communication not reflected in the administrative structure.

143.22 Line and Staff Relationships

While line relationships are based upon the exercise of organizational authority, staff relationships are founded on the exercise of organizational influence and the authority of knowledge. While line managers are empowered to make operating decisions, staff personnel act in an advisory role. Line managers report administratively to the next higher level of management. Staff managers report administratively to line or staff management and often functionally to another level of management outside and, sometimes, above the unit structure.

Staff functions are analyzed on the basis of the following criteria:

a. *Appropriate Placement Within the Structure.* If the reporting point is too low in the structure, the exercise of influence is impaired.

b. *Extent of Need.* Functional expertise may be readily accessible to line management outside the immediate structure, obviating the need for redundant internal staff.

143.23 Responsibility and Authority

A principle rule in organizational design requires authority to be commensurate with responsibility. Managers cannot be held accountable for results over which they have limited or no control. Reporting relationships are analyzed to uncover any organizational defects that:

a. Place authority at one or more levels above the designated level of responsibility.

b. Place essential organizational resources outside the managerial control of the manager who needs them most and who should be accountable for their use.

c. Grant overlapping authority to two or more positions or units that could lead to jurisdictional conflicts.

144 Identification of Discrepancies

144.1 Design of Model

The analysis described in 141 through 143 provides a basis for the design of an organizational model:

a. Analysis of work and skill requirements helps to determine the necessary organizational resources.

b. Analysis of reporting relationships helps to arrange the resources into a functional structure.

144.2 Comparison With Existing Organization

If the existing organization is matched against the model, structural and staffing discrepancies can be identified. The discrepancies become the focal points for organizational change if further analysis confirms the need to modify the existing structure or staffing plan.

150 Organizational Change Process

151 Performance Problems

No organization is static. Managers should ensure that structure and staffing meet the unit's objective. However, an organization may not perform up to expectations for reasons other than structure and/or staffing deficiencies. If the organization is fundamentally sound, structure and staffing should be left intact and other courses of action should be considered. Frequently, causes of "organizational problems" can be traced to one or more of the problems listed below in items a through g. If the organization suffers from any of the following problems, structural or staffing changes are not likely to correct them; these problems must be addressed directly by actions unrelated to the organizational design process:

a. Unclear or inadequate training.

b. Unrealistic goal setting and planning.

c. Inadequate and/or inconsistent recruitment and selection practices.

d. Outmoded or cumbersome methods and procedures.

e. Ineffective managerial controls and feedback.

f. Inadequate managerial communication.

g. Ineffective instruction by management.

152 Reasons for Making Organizational Changes

There are several reasons for requesting a change to organizational structure or staffing. Basic reasons include changes in:

a. Type of work performed.

b. The amount of work performed.

c. Operating procedures.

153 Types of Organizational Changes

153.1 General

Proposed organizational changes are classified as major or minor, as specified in 153.2 and 153.3. Organizational change requests can originate at any level of management. Usually, an installation head initiates a formal request and submits it through administrative channels for approval. These requests should be discussed on an informal basis with higher level functional management and district or area Human Resources and/or Headquarters Employee Resource Management prior to official submission.

The approval level depends on the nature and magnitude of the change and may be any of the following:

a. The district.

b. The area.

c. Employee Resource Management at Headquarters.

d. Higher management in Human Resources.

153.2 Major Organizational Changes

153.21 Field Units

Major organizational changes for field units, implemented by Employee Resource Management, normally involve one or more of the following:

a. Establishment of a new bargaining or nonbargaining position description, occupation code, or grade.

b. Modification of a bargaining or nonbargaining position description that requires rewriting.

c. A nonstandard reporting relationship.

d. An exception to a staffing matrix that exceeds the allowable number or mix of positions for the category.

e. Use of a nonstandard position at the third level or above for districts, processing and distribution centers and facilities and bulk mail centers, and at the second managerial level and above for Post Offices and postmaster grades Executive and Administrative Schedule (EAS)-21 and above.

f. Any other structure or position specifically reserved for Headquarters approval.

153.22 Headquarters Units

Major organizational changes for Headquarters units normally involve one or more of the following:

a. Establishment of a new bargaining or nonbargaining position description, occupation code, or grade.

b. Modification of a bargaining or nonbargaining position description that requires rewriting.

c. A nonstandard reporting relationship.

d. Any other structure or position generally reserved for approval by Employee Resource Management.

153.3 Minor Organizational Changes

153.31 Field Units

Minor organizational changes for field units normally involve the addition or deletion of nonbargaining or bargaining unit positions that appear in authorization guidelines furnished to each district manager by Employee Resource Management. For organizational units at the district level and below, the district Human Resources function processes minor organizational changes.

153.32 Headquarters Units

Minor organizational changes for Headquarters units normally involve the addition or deletion of nonsupervisory or nonmanagerial positions.

154 Submitting Requests

154.1 Field Units

Field units forward requests with appropriate documentation (see 155) through appropriate channels to the district manager. Each higher level of management must concur before final submission of the request. Failure to obtain higher level concurrence results in return of the request with no action taken.

154.2 Headquarters Units

Headquarters units forward requests with appropriate documentation through administrative channels to Employee Resource Management. Each higher level of management must concur before final submission of the request. Failure to obtain higher level concurrence will result in return of the request with no action taken.

155 Documenting Requests

155.1 Major Organizational Changes

Requests involving a major change must be documented as follows:

a. Prepare a cover letter describing the purpose of the change, including any anticipated benefits and associated costs. Attach concurrence letters from each higher level of management that include evaluative comments.

b. Include a revised functional statement for the organizational entity, if appropriate.

c. Complete a narrative request for each new nonbargaining unit job and a PS Form 820, *Ranking of Position Request* (see Exhibit 212.2), for each new bargaining unit job requested, and each existing position that will be substantially affected (see chapter 2).

d. Attach an organizational chart showing the current organization in terms of structure, tours, reporting relationships, numbers and types of positions, titles, grades, and occupation codes.

e. Attach an organizational chart showing the proposed organization in terms of structure, tours, reporting relationships, numbers and types of positions, titles, and known occupation codes and grades.

f. Include any relevant statistical data that may help in the analytical process.

155.2 Minor Organizational Change

Requests involving a minor change must be documented as follows:

a. *Addition.* If the requested position is the same as an existing position, provide a letter containing appropriate justification for the addition.

b. *Modification.* If the requested position is a modification of an existing position, provide (1) a completed narrative request for nonbargaining unit positions and/or a PS Form 820 for bargaining unit positions and (2) a cover letter justifying the modification. See chapter 2 for further information.

c. *Reversion.* If the requested position replaces an authorized position, provide information about the position being reverted in a letter justifying the reversion. (If it is a bargaining unit position, provide the key, standard, or individual position number and specify whether or not the position is encumbered.)

156 Approval Authority

156.1 Field

For minor organizational changes in the field that do not involve a revision of an existing job description, the district Human Resources manager approves changes for field units. If the request involves a change to an existing job description, the request must be forwarded through appropriate administrative channels to Organizational Design and Management, Employee Resource Management, for review. If the request contains elements of a major organizational change, advice should be obtained from Organizational Design and Management within Employee Resource Management before proceeding.

156.2 Headquarters

All organizational changes in Headquarters and area offices require the approval of Organizational Design and Management, Employee Resource Management.

157 Disposition of Requests

157.1 Organizational Design and Management, Employee Resource Management

157.11 General

Organizational Design and Management, Employee Resource Management, may approve, approve in part, deny, or propose changes to organizational change requests.

157.12 Approval

An approved request ready for implementation includes all or some of the following:

a. A revised functional statement.

b. An organizational chart showing reporting relationships.

c. A list of approved job titles, grades, occupational codes, and numbers of positions.

d. Implementation guidelines, where appropriate.

157.13 Denial

A letter explaining the reasons for denying a request is sent through administrative channels to the initiating manager.

157.2 Districts

157.21 General

Managers, Human Resources, may approve, approve in part, or deny minor field changes within their authority or forward to Headquarters those actions not within their authority.

157.22 Approval

A request that has been approved is sent to the initiating official through appropriate channels.

157.23 Denial

A letter explaining the reasons for denying a request is sent to the requesting official, with copies provided to the appropriate functional units.

157.3 Implementation Guidelines

To effect a major organizational change with servicewide impact, Organizational Design and Management, Employee Resource Management, prepares an implementation plan that contains guidelines for necessary actions. Functional management at Headquarters provides technical guidance, as requested, to ensure accuracy of content and consistency with established policy.

While circumstances unique to each organizational change govern the implementation plan content, the following illustrates some of the items that may be appropriate:

a. Personnel policies.

b. A schedule of target dates for each stage of the plan.

c. Anticipated internal operational impacts of the modified structure and/ or staffing plan.

d. Standard position descriptions for new or modified jobs.

e. Guidelines for consolidating duties and responsibilities.

f. Guidelines covering the transfer of functions to or from another organizational unit.

g. Clarification of new reporting relationships.

h. Instructions concerning changes affecting bargaining unit positions and consultations with local unions, as necessary.

i. Suggested procedures for monitoring compliance.

160 Monitoring and Assessment

161 Organizational Management System

161.1 Explanation

The Organizational Management (OM) system is a computerized system that:

a. Provides information reflecting actual organizational characteristics down to the smallest supervised unit in every postal installation.

b. Identifies the hierarchy of organizational units and authorized positions.

c. Allows for staffing and structural comparisons between like facilities for the purpose of identifying inconsistencies.

161.2 Reports Generated

161.21 Authorized Staffing Organization Report

The Authorized Staffing Organization Report is a graphic display of the distribution of all authorized nonbargaining unit and selected bargaining unit positions within the manager's span of control. It displays the structural arrangement of a postal facility and provides the following data:

a. Proper job title and occupation code.

b. Pay schedule and grade or level for each position.

c. The number of positions authorized for a given job title.

d. The date of the last change to the organizational unit.

e. The Finance Number for the specified postal facility.

161.22 Payroll Staffing Condition Report

The Payroll Staffing Condition Report is a sequential printout of authorized positions and incumbents, with all exceptions to the approved staffing clearly indicated. It compares data of known value and quantity from the authorized structure and staffing plan to the data extracted from current payroll tapes. Discrepancies between the two sets of data can be readily identified. The report notes the following variances between *authorized* and *actual* in the Variance column:

a. Vacant positions.

b. Overcomplement positions.

c. Nonauthorized positions.

161.3 Administrative Responsibility

161.31 Headquarters

Organizational Design and Management, Employee Resource Management, is responsible for establishing all policy and procedures that are related to the OM system.

161.32 Districts

Each district is responsible for compiling and verifying organizational and staffing information for all postal facilities in its area (including the district office), and properly coding this information into the OM system database.

162 Organization, Staffing, and Position Reviews

162.1 Responsibility

Organizational Design and Management, Employee Resource Management, periodically assesses established structures and staffing.

162.2 Purpose

The reviews are conducted to ensure that the allocation of approved positions and the assignment of personnel reflect the most effective use of human resources. Specific objectives are to:

a. Assess uniformity in organizational structures and position use throughout the Postal Service.

b. Evaluate the adequacy of position descriptions used in the organizational unit review.

c. Assess the effectiveness of approved staffing and structure.

d. Identify the informal organization and compare it to the formal structure.

e. Evaluate staff interaction in a unit or facility to determine whether:

(1) Approved organizational structures have been implemented.

(2) Authorized positions are functioning as intended.

(3) Weaknesses exist in the approved organizational structure and/or position used.

(4) Timely action is taken whenever nonauthorized positions are found.

f. Determine if overlapping duties and responsibilities exist within the unit.

g. Determine if structural or staffing designs leave essential work inadequately supported.

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2 Job Evaluation

210 General Information

211 Purpose

This chapter:

a. Outlines the procedures used to request a job evaluation review.

b. Details the process used to review and update job descriptions used throughout the Postal Service™.

212 Responsibilities

212.1 Executive Vice President, Chief Human Resources Officer

The Executive Vice President, Chief Human Resources Officer, is responsible for ensuring that:

a. Each position in the Postal Service is evaluated and placed in an appropriate salary grade.

b. Postal Service employees receive equal pay for substantially equal work.

212.2 Organizational Design and Management, Employee Resource Management

Organizational Design and Management:

a. Develops new position descriptions.

b. Revises existing position descriptions.

c. Evaluates all positions and establishes grades.

d. Reviews grades assigned to existing jobs.

e. Matches duty assignments to existing position descriptions.

f. Processes requests for job evaluation review (RFRs) and PS Form 820, *Ranking of Position Request* (see Exhibit 212.2).

g. Reviews all requests submitted by Headquarters and area offices.

Exhibit 212.2
PS Form 820, Ranking of Position Request

UNITED STATES POSTAL SERVICE™

Ranking of Position Request

1. Name of Office or Organization		**This Section Completed by Approving Officer**	
		Title	Occupation Code
2. Suggested Title of Position		Position Identification	Level
3. Recommended Salary Level (From item 7)		Key Position Reference	Craft
4a. Date Submitted	4b. Reason for This Request	Signature of Approving Official	Date Approved

5. Position Description *(Attach continuation sheet if necessary)*

a. Basic Functions

b. Duties and Responsibilities

c. Organizational Relationships

PS Form **820**, September 1987

Exhibit 212.2 (p. 2)
PS Form 820, Ranking of Position Request

6. Evaluation Report

INSTRUCTIONS: For comparative purposes, select an existing ranked position in the organization which is functionally related to the position being evaluated. If no such position exists, select from a functional area the existing ranked position most closely comparable in respect to the types of duties, responsibilities, and work requirements.

a. Title of Comparison Position

b. Key Position/Standard Position Number Assigned to Comparison Position

c. Level of Comparison Position

d. Comparative Analysis *(Compare the position for which a ranking is requested against the comparison position by entering a check in the appropriate column for each component.)*

Descriptive Comparison *(Components of New Position)*	**Rank in Relation to Comparison Position**				
	Substantially Below	Below	Approximately the Same	Above	Substantially Above
Difficulty of Work					
Responsibility Exercised					
Scope and Variety of Tasks					
Conditions of Performance, Including Physical Requirements or Hazards					
Skill or Knowledge Requirements					
Experience Requirements					
Public Relations Requirements					

e. Specify any other considerations or unusual conditions or circumstances which may have a bearing on the salary level of the position for which the ranking is requested.

7. Recommendation

a. On the basis of the analysis completed above, I recommend that this position be placed in Level

b. Signature of Authorized Official

a. Date

8. Review

a. If you object to any phase of the assignment, please notify the installation heads of the nonauthorized features and caution them concerning permission to perform the duties. In your notification avoid attempting to designate any task(s) by level.

b. Signature of Reviewing Official

c. Date

PS Form **820**, September 1987 *(Reverse)*

212.3 Initiating Offices

Initiating offices (e.g., Post Offices™, districts, processing and distribution centers or facilities, and Headquarters units):

a. Rank authorized bargaining unit positions within their delegated authority.

b. Prepare requests to rank bargaining unit positions that cannot be matched to key or standard position descriptions within their delegated authority.

c. Prepare requests for job evaluation action on nonbargaining unit positions.

212.4 District Offices

District offices:

a. Match requests for job evaluation actions to existing job descriptions.

b. Provide comments and input on requests for review of current grades of positions submitted to Organizational Design and Management, Employee Resource Management (ERM), for review.

212.5 Reviewing Offices

Each reviewing office:

a. Reviews requests for job evaluation action.

b. Submits comments and recommendations on the validity of the requests.

Management levels of review are defined as follows:

Initiating or Reviewing Office	Next Management Level of Review
Post Office	District
District	Area
Area	Organizational Design and Management, ERM
Headquarters units	Organizational Design and Management, ERM

213 Position Descriptions

213.1 Maintenance

213.11 Organizational Design and Management, Employee Resource Management, at Headquarters

Organizational Design and Management maintains a master file of all position descriptions for bargaining unit and nonbargaining unit positions.

213.12 Field

Post Offices and districts maintain position descriptions for the positions within their jurisdictions.

213.2 Access to Job Descriptions

All employees are entitled to access to position descriptions for the jobs they currently hold or for which they apply. Installation heads must take the steps necessary to ensure that position descriptions are available to employees.

220 Nonbargaining Unit Positions

221 Standard Position Descriptions

Organizational Design and Management develops and maintains standard position descriptions (SPDs), the basic documents used to describe and evaluate all nonbargaining unit positions. An SPD includes information that describes the functional purpose of the position, the essential duties and responsibilities, and the organizational reporting relationship. Information concerning the knowledge, abilities, and skills required to perform the duties and tasks of a position are contained in the position's qualification standards.

222 Request for Job Evaluation Review

222.1 Background Information

222.11 Conditions

Employees or managers who believe substantive information has been overlooked in a job evaluation may initiate a request for job evaluation review.

222.12 Employee-Management Differences

Disagreements between employees and managers over job requirements must be resolved at the local level and not by initiating an RFR.

222.2 Documentation Requirements

222.21 Preparing a Request for Review

The incumbent or manager prepares a narrative RFR stating the differences between the content of the employee's assigned SPD and the actual duties and responsibilities of the position.

222.22 Signing Off at Management Review Levels

Reviewing managers:

a. Ensure accurate presentation and documentation.

b. Determine whether the SPD assigned to the employee is consistent with actual duties and responsibilities.

c. Provide an evaluative statement, in writing, that either supports or refutes the RFR. Requests that do not include positive or negative input must be returned.

d. Forward the RFR through normal management channels to the appropriate district office, or, for area or Headquarters jobs, to

Organizational Design and Management, Employee Resource Management.

222.3 Action by Districts

District Human Resources managers:

a. Analyze the RFR and take one of the following courses of action:

(1) If the request is within their authority:

(a) Approve the request, match the request to an existing SPD, and prepare a Staffing Change Notice, showing the proper title, grade, and occupation code.

(b) Deny the request and prepare a memorandum stating the reasons.

(2) If the request is *not* within their authority, forward the request to the area Human Resources manager for review with a summary of their analysis and comments.

b. Send the Staffing Change Notice or memorandum to the initiating employee's manager or installation head through normal managerial channels.

222.4 Action by Areas

Area Human Resources managers:

a. Analyze the RFR and take one of the following courses of action:

(1) If the request is within their authority:

(a) Approve the request, match the request to an existing SPD, and prepare a Staffing Change Notice, showing the proper title, grade, and occupation code.

(b) Deny the request and prepare a memorandum stating the reasons.

(2) If the request is not within their authority, including any request involving area positions, forward the request to Organizational Design and Management for review with a summary of their analysis and comments.

b. Send the Staffing Change Notice or memorandum to the initiating employee or manager, with a copy to the district Human Resources manager.

222.5 Action by Organizational Design and Management

For a position that may need nationwide review and any area or Headquarters positions, Organizational Design and Management:

a. Analyzes the RFR and takes one of the following courses of action:

(1) Matches the request to an existing SPD and prepares a Staffing Change Notice, showing the proper title, grade, and occupation code.

(2) Revises an existing SPD to include the duties and responsibilities contained in the request and prepares a Staffing Change Notice.

(3) Develops a new SPD covering the duties and responsibilities contained in the request and prepares a Staffing Change Notice.

(4) Denies the request and prepares a memorandum stating the reasons.

b. Sends the Staffing Change Notice or memorandum to the initiating employee or manager, with copies to the area and district Human Resources managers for field or area request, as appropriate.

230 Bargaining Unit Positions Covered by a National Agreement

231 Unit Position Descriptions

PS Form 820 (see Exhibit 212.2), the basic document used to describe and evaluate or rank bargaining unit jobs covered by the national agreement, generates the following two types of position descriptions:

a. *Key Positions (KPs or benchmarks).* Ranked through legislation to clearly reflect level distinctions, these deliberately use general terms to describe the duties and responsibilities of more than one employee.

b. *Standard Positions (SPs).* These generate more specific ranks than key positions, but still deliberately use general terms to describe the duties and responsibilities of more than one employee.

The purpose of a position description is to describe three components of a position: (a) the primary assignment or basic function, (b) the tasks and duties involved in carrying out the primary assignment, and (c) the organizational relationship. These components constitute the basis for comparing the position with key positions and for aligning it with other positions in the Postal Service.

232 Use of PS Form 820

232.1 Background

232.11 Purpose

PS Form 820 is used to establish and review rankings of bargaining unit positions in the field and in certain area and Headquarters units. It serves to document requests for a new position or for change to an existing one. In most cases, the need for this form is not required because of the number of positions already in existence to which work can be matched.

232.12 Conditions

In most cases installation heads hold the authority to evaluate authorized positions that match key or standard positions for levels PS-5 and below; in these instances, no PS Form 820 needs to be completed. If a new or changed position does not match a key or standard position, level PS-5 or below, a PS Form 820 must be completed.

If a position's duties and responsibilities change, or if there exists a need to create a new position, except in those cases where Organizational Design and Management completes it as a result of a national review, the installation head must complete a PS Form 820.

232.2 Documentation Requirements

232.21 Preparing PS Form 820

Installation heads enter the following information on the form:

a. Heading entries:

(1) *Name of Office or Organization (Item 1).* Insert the name of the Post Office or other postal installation where the position exists.

(2) *Suggested Title of Position (Item 2).* Enter the title proposed for the position to be ranked.

(3) *Recommended Salary Level (Item 3).* Enter the PS level from Item 6D on the back of the form.

(4) *Date of Submission (Item 4a).* Enter the date on which the Ranking of Position Request is submitted.

(5) *Reason for This Request (Item 4b).* Enter the reason for submitting the PS Form 820.

b. Body entries:

(1) *Basic Function (Item 5a).* Describe the position's basic function in a concise statement that explains the position's primary purpose, for example, "Makes general repairs on a variety of postal and building equipment on a tour when no other mechanics are present; performs clerical tasks related to the scheduling, control, and reporting of plant maintenance activities." Do not attempt to describe the details of the position in this section.

(2) *Duties and Responsibilities (Item 5b).* Enter the individual tasks performed in carrying out the basic function:

(a) Explain the tasks in detail sufficient to provide a clear understanding of the work, referring to the evaluation factors given in Item 6 (for example, trade fields in which the work is performed; type of equipment worked on; commonly used hand and power tools; nature and extent of repairs; and work conditions (for example, in and around moving machinery, bench work, outside work).

(b) Explain responsibilities in terms of decisions (for example, removing needed equipment from service for repair or requesting additional mechanical or supervisory assistance).

(c) Note skills, knowledge, or experience necessary to accomplish the basic function efficiently, especially where the task description does not make these qualities readily apparent. Avoid listing an incumbent's or applicant's particular qualities, other than those clearly essential to the position.

(d) Note duties and responsibilities assigned to the position beyond the scope of the basic function. Estimate the percentage of time devoted to the separate tasks. Also note tasks performed at stated intervals (quarterly, semiannually, annually, etc.), other than daily.

(e) If the position is composed of a combination of tasks requiring materially different skills and knowledge, estimate the percentage of time to be devoted to each area.

(f) Avoid ambiguous terms like *assists* or *processes*. If such a term is used, specify the work tasks attached to that position feature.

(3) *Organizational Relationships (Item 5c).* Give the title and grade of the position's immediate supervisor and:

(a) If the immediate supervisor works a different tour than the incumbent, give the supervisor's tour time.

(b) If the supervisor works in a different building, note this.

(c) Explain the nature and extent of:

(i) Instructions received before, during, and after task performance.

(ii) Available guidelines and procedures directly applicable to the work.

(iii) Review of the finished work.

(d) If more than one supervisor in the chain of command reviews finished work, note this.

(4) *Evaluation Report (Item 6).* Proceed as follows:

(a) When choosing a position for comparison, select a ranked position in the installation closely related in function to the position under analysis. If no closely related position exists, select one with similar work processes or other characteristics.

(b) Rank factors in comparative, not absolute terms. For example, if neither position involves contact with the public, check "Public Relations Requirements" under section 6d as "Approximately the Same." Comparison reflects the evaluator's best judgment, based on knowledge of both the comparison position and the position under review.

(c) After completing Items 6b and 6c, where appropriate, enter the PS level recommendation in Item 7a.

(5) *Signature and Date of Authorized Official (Items 7b and 7c).* Sign and date the PS Form 820, certifying the accuracy and completeness comparable to other official certifications.

232.22 Signing Off at Management Review Levels

Reviewing managers:

a. Review the initiating office's recommendations.

b. If they do not concur with the initiating office's recommendations, return the unsigned PS Form 820 with a memorandum explaining reasons for disapproval.

c. If they concur with the initiating office's recommendations, forward the request to the next higher management level for review, as appropriate.

232.3 Action by Districts

District Human Resources managers take one of the following courses of action:

a. If the position is listed in the *Bargaining Unit Position Authorization Guidelines* (available from Organizational Design and Management at Headquarters):

(1) Match the request to an existing key or standard position and prepare a Staffing Change Notice showing the proper title, grade and occupation code.

(2) Return the original PS Form 820, signed and dated, to the initiating installation.

b. If the job cannot be matched to an existing key or standard position, forward the PS Form 820 to the area Human Resources manager for review.

232.4 Action by Areas

Area Human Resources managers take one of the following courses of action:

a. If they do not concur with the district's conclusions, return the PS Form 820 to the initiating office and prepares a memorandum stating the reasons.

b. If they concur with the district's conclusions, forward the PS Form 820 to Organizational Design and Management for review.

232.5 Action by Organizational Design and Management

Organizational Design and Management:

a. Evaluates the job against an existing key or standard position, revises an existing standard position, or establishes a new standard position.

b. After completing the job evaluation, forwards the new or revised position description to Labor Relations for review, craft determination, and any further action required under terms of the national agreement.

c. After final approval, returns the PS Form 820 to the initiating office, with copies to the area and district Human Resources managers for field or area request, as appropriate.

233 Evaluation of Bargaining Unit Positions

233.1 Purpose

Effective evaluation requires a clear understanding of the position duties, responsibilities, and work requirements. Careful description of the position ensures that employees receive equal pay for substantively equal work.

233.2 Basis for Position Evaluation

Comparison of a position's duties, responsibilities, and work requirements to key position descriptions serves as the only basis for evaluation. Specifically, the following factors determine final ranking:

a. Difficulty of the work to be performed.

b. Degree of responsibility to be exercised.

c. Scope and variety of tasks involved.

d. Conditions under which the work is performed.

The following factors do not affect the position evaluation:

a. The incumbent's knowledge, skills, abilities, or previous position title.

b. Designation of the register from which the employee will be selected.

233.3 Criteria for Evaluating Mixed Assignments

Criteria for evaluating mixed assignments are as follows:

a. *Regularly Scheduled to Two Positions on a Daily Basis.* When a full-time employee is scheduled every workday to perform the work of two separately defined positions in two different grades, the employee is placed in the position of the higher grade. The duties of the lower grade position, while included in the work assignment, represent extra duties in relation to the official position and do not affect the pay grade of the employee.

b. *Regularly Scheduled on Intermittent Days in Two Positions.* When a full-time employee is regularly scheduled on intermittent workdays to perform the work of two separate positions in different grades, the employee is placed in the position in which more than 50 percent of the time is spent. If the time is equally divided, the employee is placed in the higher grade position.

c. *Regularly Scheduled on Intermittent Days to More Than Two Positions.* When a full-time employee is scheduled on intermittent days to perform the work of more than two positions in different grades, and less than 50 percent of the time is spent in a single position, the total work assignment of the employee is separately defined as a position and ranked in an appropriate grade.

d. *Regularly Scheduled to Perform Work in Two or More Positions in the Same Grade.* When a full-time employee is regularly scheduled to perform the work of two or more positions in the same salary grade, the employee is assigned to the position in which more than 50 percent of the time is spent. If the work is evenly divided between two positions, or if less than 50 percent of the time is spent in a single

position, the work assignment of the employee is separately defined and an appropriate title is assigned.

234 Appeals

Employees with positions covered by a collective bargaining agreement may grieve the salary level, title, or identification of their positions through the agreement's grievance-arbitration procedures.

240 Other Bargaining Unit Positions

To establish or change bargaining unit positions that are not covered by agreements between the Postal Service and the American Postal Workers Union; National Association of Letter Carriers; National Rural Letter Carriers Association; and National Postal Mail Handlers Union requires submission of a narrative request or PS Form 820. Any questions regarding these position evaluations should be directed to Organizational Design and Management.

250 Position Reviews

To ensure proper position identification and proper evaluation of position duties and responsibilities, Organizational Design and Management or other appropriate officials in management may review any position at any time by correspondence or onsite interview. These officials may direct appropriate action to correct improper position evaluation or identification.

3 Employment and Placement

310 General Provisions

311 Functional Responsibilities

311.1 Basic Principles

311.11 Best Qualified Personnel

Employee Resource Management designs employment and placement processes to ensure that the recruitment, assignment, promotion, motivation, training, development, and retention procedures yield the best qualified personnel to carry out the mission of the Postal Service™ with maximum productivity and economy of operations.

311.12 Prohibition of Discrimination

It is the policy of the Postal Service not to discriminate in personnel decisions on the basis of (1) race, color, religion, sex, national origin, age, or disability as provided by law, or (2) other nonmeritorious factors such as political affiliation, marital status, sexual orientation, or gender identity. Position changes and advancement are based solely on merit, applicable experience, and knowledge, skills, and abilities.

311.13 Prohibition of Political Recommendations

The law (39 U.S.C. 1002) prohibits political and certain other recommendations for appointments, promotions, assignments, transfers, or designations of persons in the Postal Service.

311.2 Administrative Responsibilities

311.21 Vice President of Employee Resource Management

The vice president of Employee Resource Management develops policies, methods, and procedures for recruiting, selecting, appointing, assigning, reassigning, and promoting employees.

311.22 Area Manager of Human Resources

The area manager of Human Resources directs the review and continued long-term improvement of all employee and labor relations programs, including collective bargaining, grievance processing, arbitration, contract interpretation, contract analysis, recruitment, compensation, organizational design, staffing, training, Equal Employment Opportunity (EEO), safety, and Postal Career Executive Service (PCES) administration.

311.23 Diversity Development

Diversity Development ensures that recruitment, retention, and promotion practices draw upon and support the communities served by the Postal Service. Diversity Development implements affirmative employment plans and takes the following actions:

a. Develops and implements recruitment and hiring strategies to increase the employability of underrepresented groups, including minorities, women, and people with disabilities.

b. Establishes retention initiatives to reduce turnover of a diverse workforce.

c. Establishes methods to increase participation of underrepresented groups in development and promotion activities.

d. Identifies and removes employment barriers for minorities, women, and people with disabilities.

312 Qualification Standards

312.1 General

All candidates must meet the appropriate qualification standards for positions. The statements of knowledge, skills, and abilities establish the minimum requirements that candidates must meet.

312.2 Sources

312.21 Nonbargaining Positions

Qualification standards for Postal Service nonbargaining positions are available in electronic form on the Postal Service Intranet under the Human Resources homepage, then under the homepage of Selection, Evaluation, and Recognition. These do not include qualification standards for executive positions.

312.22 Bargaining Positions

Qualification standards for use in entrance and inservice placement for Postal Service bargaining positions are found on the Postal Service Intranet. The application of these standards must be consistent with the applicable provisions of the appropriate collective bargaining agreement. See Handbook EL-312, *Employment and Placement,* 76, Bargaining Position Qualification Standards, for more information.

320 Recruitment

321 General Provisions for Recruitment

321.1 Anticipating Recruitment Needs

The installation head must anticipate recruitment needs in time to ensure that qualified persons are available for appointment. The installation head must

consider the number of anticipated vacancies, the size of the current register, and the status of the suitability determinations of eligibles.

321.2 Obtaining Recruiting Materials and Publicizing Job Opportunities

Examination announcements are available from the National Test Administration Center (NTAC). District managers and installation heads must ensure that job opportunities are given widespread publicity in the area where they are expected to recruit new employees. See Handbook EL-312, 222, Recruitment Materials, for details.

321.3 Administering Entrance Examinations

See Handbook EL-312, 32, Entrance Examination Process, and 35, Rated Applications, for guidance on administering written and rated examinations.

321.4 Reopening Entrance Examination to Replenish Register

Districts maintain registers for a particular installation or group of installations, including information about register adequacy. District-level Human Resources officials must maintain adequate registers to meet needs in the job areas for which they normally hire. See Handbook EL-312, chapters 2 and 3, for procedures for reopening examinations and requesting announcement materials from NTAC.

321.5 Review of Rating

Applicants may request reviews of their examination ratings. See Handbook EL-312, 37, Review of Rating Requests, for more information.

321.6 Register Preference Factors

The Postal Service grants veterans' preference for Postal Service employment. See Handbook EL-312, 48, Veterans' Preference, for specific procedural guidelines.

321.7 Register Maintenance

The district maintains registers for filling positions in an installation or group of installations. Entrance examination results are used to create the registers used to fill jobs. A separate register exists for each examination. See Handbook EL-312, chapter 4, for specific procedures for establishing, maintaining, and using registers.

322 Special Employment Programs (Employment of Individuals With Disabilities)

See Handbook EL-312, 235, Employment of People With Disabilities, and Handbook EL-307, *Reasonable Accommodation, An Interactive Process,* for more information concerning the employment of people with disabilities.

330 Examinations and Registers

331 Purpose of Examinations

Examiners administer employment and promotion examinations to help identify the best qualified eligible candidates for filling vacant positions. See Handbook EL-312, chapter 3, for detailed provisions regarding employment and promotion examinations. See Handbook EL-312, 311, Entrance Examinations, and 312, Inservice Examinations, for more information on the different types of examinations.

332 Conducting Examinations

332.1 General

The proper conducting of examinations plays an essential role in the employment and placement function in the Postal Service. See Handbook EL-312, chapter 3, for detailed provisions and instructions for conducting examinations.

332.2 Entrance Examinations

Only authorized, NTAC-certified personnel may conduct entrance examinations.

332.3 Inservice Examinations

Installations that have regularly assigned examiners must use these trained personnel to administer inservice examinations, provided they are not and will not become eligible to take the examination. See Handbook EL-312, 315.9, Restrictions on Use of Examinations Personnel, for more information.

332.4 Examination Locations

The Postal Service obtains qualified employees and helps applicants seeking postal employment through a network of examination locations where persons may get information, make application, and take required examinations for Postal Service employment. See Handbook EL-312, 314, Examination Locations, for an explanation of the different types of examination locations.

333 Veterans' Preference

Veterans' preference is granted to eligible applicants for Postal Service employment. NTAC adds claimed preference points to examination ratings as provided for in Handbook EL-312, chapter 3, and Veterans' Preference Act of 1944, as amended. The appointing official adjudicates the claimed preference. See Handbook EL-312, 48, Veterans' Preference, for more information.

334 Establishing Registers

334.1 Definition

A *register* consists of a file of eligibles' names arranged in descending order by score for appointment consideration. See Handbook EL-312, chapter 4, for a description of registers.

334.2 Required Actions

334.21 Appointing Official

The district Human Resources office establishes and maintains registers for positions to be filled in installations that report to the district. The district Human Resources office must maintain a separate register for each examination.

334.22 Installation

The district to which a particular installation reports maintains the registers for vacancies for that installation or group of installations.

334.3 Maintaining Adequate Registers

334.31 Responsibility

The appointing official must provide input to the district concerning whether the register is of an adequate size to meet the entrance hiring needs of his or her installation. The district manager must ensure that registers are of adequate size to meet the collective needs of installations for which the registers are maintained at the district level.

334.32 When Register Is Inadequate

When a register is exhausted or deemed inadequate to meet the needs of installations served, the Manager, Human Resources (District), takes the necessary action to open the appropriate examination for the installations. See Handbook EL-312, chapter 2, for an explanation of this process. NTAC provides the necessary announcement materials for these examinations. The district then administers the appropriate examination according to provisions in Handbook EL-312, chapter 3.

334.33 Publicizing Job Opportunities

Installation heads must ensure that job opportunities are given widespread publicity within the area from which they will recruit employees. The recruitment area must reflect postal policy regarding the employment of minorities, women, special emphasis groups, and people with disabilities. See Handbook EL-312, 22, Conducting Recruitment Activities.

334.4 Restricted Records

Registers are systems of confidential records. For information on safeguarding these records, see Handbook EL-312, 415, Information Given to Applicants, for situations where information found in the records may be disclosed to applicants.

340 Suitability, Selection, and Appointment

341 Positions Restricted to Preference Eligibles

The Postal Service restricts certain positions to preference eligible applicants under the Veterans' Preference Act of 1944, as amended. This restriction applies only to appointments made from external recruitment sources. See Handbook EL-312, 232.52, Positions Restricted to Applicants Eligible for Veterans' Preference, for more information.

342 Preemployment Suitability Determinations

To maintain public trust and confidence in the reliability and integrity of its employees, the Postal Service must evaluate the overall suitability of applicants for postal employment prior to consideration and selection.

It is the policy of the Postal Service not to discriminate in personnel decisions on the basis of (1) race, color, religion, sex, national origin, age, or disability as provided by law, or (2) other nonmeritorious factors such as political affiliation, marital status, sexual orientation, or gender identity. See Handbook EL-312, chapter 5, for more information.

343 Applicants Separated for Cause

Prior approval of the Manager, Human Resources (District), the Manager, Human Resources (Area), or the vice president, Employee Resource Management, must be obtained before employing any former postal or federal employee who was removed from the Postal Service or other federal employment for cause or who resigned after being notified that charges proposing removal would be, or had been, issued. See Handbook EL-312, 514.11, Handling Removals From Postal Service or Other Federal Employment, for further information.

344 Hiring Worksheets

344.1 When to Issue Hiring Worksheets

When necessary to hire from a register, the appointing official authorizes the district Human Resources office to issue a PS Form 5900, *Hiring Worksheet,* or an electronic equivalent.

344.2 Interviewing Applicants

A trained and certified interviewer must conduct face-to-face interviews with applicants. See Handbook EL-312, 54, Preemployment Interview, for further information on conducting this type of interview.

344.3 Appointing Official Responsibilities

The appointing official must make selections for appointment. Selections must be made on the basis of merit. It is the policy of the Postal Service not to discriminate in personnel decisions on the basis of (1) race, color, religion, sex, national origin, age, or disability as provided by law, or (2) other

nonmeritorious factors such as political affiliation, marital status, sexual orientation, or gender identity.

344.4 Rule of Three

Appointing officials select from among the three highest ranked and available eligibles from the appropriate register for the type of appointment being offered. This selection method is known as the *rule of three.*

344.5 Nonselection of a Veteran

A veterans' preference eligible may not be passed over to select a nonpreference eligible who is lower on the Hiring Worksheet, unless the selecting official objects to the veteran and the objection is sustained. See Handbook EL-312, 627, *Objection to or Pass Over of Preference Eligible,* for requirements for passing over a veteran.

345 Auditing Hiring Worksheets

After the appointing official has made all selections and each action has been properly documented, the selections are audited according to provisions found in Handbook EL-312, 63, Auditing Selection Actions. District Human Resources officials keep PS Forms 5900 on file for 5 years.

346 Offer of Appointment

When an eligible is selected, the appointing official makes an offer of appointment that includes:

a. Full particulars regarding the position, including title, duties, level, salary, location of employment, nature, and duration of appointment.

b. Instructions for making an appointment for a medical assessment before entrance on duty.

c. Any required conditions the appointee must fulfill after entrance on duty, e.g., serving a probationary period and being subject to investigation.

347 Former Postal or Federal Employees

For applicants selected and hired for temporary or casual jobs after having previously served in a position in the Postal Service or other federal agency, wherein they were covered by civil service retirement, health benefits, or life insurance, such persons must have at least a 4-day break between such service and their appointment as a casual or temporary employee. For more information on restrictions on hiring a postal or federal employee covered by benefits into a temporary postal position, see Handbook EL-312, 233.34, Dual Employment.

348 Dual Employment

348.1 Dual Employment Within the Postal Service

348.11 General Explanation

Under certain circumstances, as described in this chapter, an employee may be appointed to more than one position in the Postal Service. This type of employment is known as a *dual appointment.* Only one of the appointments may be to a position in the career workforce. The primary purpose of dual appointments is to improve the opportunity of career part-time employees and noncareer employees who provide relief or leave replacement service on rural routes and in small Post Offices™ to gain additional employment and to minimize unemployment compensation expense. Substitute rural carriers (72-0 and 73-0) may be given a dual appointment to a career part-time position or noncareer position. Rural carrier relief (RCRs), rural carrier associates (RCAs), and postmaster relief/leave replacements cannot be given a dual appointment to a career position. Dual appointments also allow the Postal Service to use experienced employees instead of hiring new employees.

348.12 Consideration Factors

Installation heads must ensure that all dual appointments are cost effective and in the best interest of the Postal Service. Before deciding to make dual appointments, installation heads should consider the following factors:

a. Estimated daily workload requirement (hour by hour) in each craft.

b. Workload that can be covered by increasing the hours of part-time flexible employees currently on the rolls, by the judicious use of overtime hours.

c. Workload that can be covered by using employees from another craft, in accordance with applicable provisions in collective bargaining agreements.

d. Practicality of using part-time employees from nearby Post Offices.

e. Installation flexibility to make necessary leave replacements if dual appointments are made.

f. Average weekly workhours for each employee on the rolls and dual appointment reduction in the Postal Service's liability for state unemployment compensation benefits.

g. Combined hours of the dual appointment totaling more than 8 hours a day or 40 hours a week.

348.13 Appointment Authority

The district manager or designee has authority to make dual appointments, as appropriate.

348.14 Appointment Requirements

Employees considered for dual appointments must meet all qualification requirements for both positions, including examination requirements, if any. Likewise, substitute rural carrier employees may be appointed to entry-level career positions noncompetitively. All other procedures for conducting

examinations, maintenance of registers, selections, and promotions are included in Handbook EL-312, *Employment and Placement.*

348.15 Compensation, Benefits, and Other Rights

An employee serving under a dual appointment is compensated for the work performed in a particular position at the appropriate rate for that position. If one of the positions of a dual appointment carries the right to benefits, the employee accrues the rights immediately upon appointment to that position and retains the rights even while working in another position that does not have such benefit rights. Other rights, which accrue to a position under the terms of a collective bargaining agreement, are accorded to the employee.

348.16 Change to Full-time Status

An employee's change to full-time status requires termination of the dual appointment.

348.2 Between Postal Service and Other Federal Agencies

An employee may serve and receive pay concurrently as an employee of the Postal Service (other than as a member of the Board of Governors or of the Postal Rate Commission) and as an employee of any other federal agency. See Handbook EL-312, 233.34, Dual Employment, and 234.23, Dual Employment, for information on restrictions on dual employment.

348.3 Between Postal Service and Private Industry

A Postal Service employee may be employed concurrently as an employee in the private sector unless such employment has an adverse impact on postal operations or where conflicts of interest may be generated between the private employer and/or employee and the Postal Service. See 662.1 for further information.

349 Official Personnel Folder

349.1 Purpose

The Official Personnel Folder (OPF) documents the employment history of individuals employed by the federal government. The records included in the OPF protect the legal and financial rights of the government and the employee. An OPF is established and maintained for each Postal Service employee, regardless of appointment type or duration.

349.2 Contents

The OPF contains personnel records that reflect the employee's official status, benefits, and service and includes other documents that are significant in the employee's Postal Service career. When an employee has former postal or federal civilian service, the OPF for that service must be merged into a single OPF.

349.3 Electronic Official Personnel Folder System

The official record of a document in an OPF is the hard copy until the document is scanned and accepted into the Postal Service's electronic Official Personnel Folder (eOPF) system. At that point, the scanned image

contained in the eOPF system is the official record of the document, and the hard copy ceases to be the official record.

Exceptions:

a. If a PS Form 50, *Notification of Personnel Actions,* (1) has been created electronically and stored in the Postal Service's human resources information system, and (2) has not been printed out in hard copy and placed in the OPF, then the official record is the electronic version of the PS Form 50 stored in the human resources information system.

b. If a document has been created electronically and stored in the Postal Service's eOPF system, the official record is the electronic version of the document stored within the eOPF system.

350 Assignment, Reassignment, and Promotion

351 Introduction

351.1 Purpose and Scope

351.11 Employee Utilization

Postal officials in charge of installations have an overall responsibility to effectively use human resources. Supervisory employees have specific responsibilities to improve the use of human resources. Postal officials in charge of installations and supervisors must carefully plan and analyze the anticipated workload to enable the use of the minimum workforce consistent with effective operations.

351.12 Filling Postal Positions

The assignment, reassignment, or promotion of postal employees fills most postal positions, except entry-level positions.

351.13 Eligibility for Promotion

An employee serving under a career appointment is eligible for reassignment or promotion. An employee serving under a temporary or casual appointment is not eligible for reassignment or promotion.

351.2 Positions Not to Be Filled on a Permanent Basis

Any position (a) for which a career employee has been granted reemployment rights or (b) from which the regular incumbent is temporarily absent may be filled only on a temporary basis. Examples of such situations and the conditions for filling the position temporarily are given in Handbook EL-312, 716, Positions Filled Temporarily. See also 363.31.

Employees who have been temporarily promoted pending the return of employees having reemployment rights are considered for reassignment to permanent positions when such positions become vacant. The position for which an employee is entitled to reemployment rights should remain available for the return of the absent employee or for filling by temporary promotion again.

351.3 Qualification and Eligibility Requirements

351.31 Qualification

Employees selected for a position must meet the minimum qualification requirements established for the position. See Handbook EL-312, chapter 7, for explanation of nonbargaining qualification standards and bargaining qualification standards.

351.32 Eligibility for Consideration

Eligibility for consideration for some positions is limited to employees in specific grades, occupations, geographic areas, or organizations. The limitations for bargaining positions are described in Handbook EL-312, 72, Bargaining Positions. The limitations for Executive and Administrative Schedule (EAS) positions are described in Handbook EL-312, 74, EAS Positions. Employees with restoration rights by reason of military duty are considered for promotion and conversion to full-time status, if otherwise eligible. Employees on extended leave or leave without pay are considered, provided they are eligible and have submitted an application. The personnel action is effected upon return to duty. The action is dated as of the date the change would have occurred had the employee not been absent. Upon selection and while the personnel action is pending, the notation of the selection is made in the employee's official personnel folder.

351.4 Equal Opportunity

Equal opportunity for assignment and promotion must be based on merit and the relevant experience, training, knowledge, skills, and ability required for the positions being filled. It is the policy of the Postal Service not to discriminate in personnel decisions on the basis of (1) race, color, religion, sex, national origin, age, or disability as provided by law, or (2) other nonmeritorious factors such as political affiliation, marital status, sexual orientation, or gender identity.

351.5 General Promotion Policies

351.51 Merit Promotion Program

The promotion program for positions in the Postal Service is based on the principle of promotion by merit. The program provides the means for making selections for promotions according to the relative qualifications of the employees eligible for consideration. Officials engaged in the selection process must administer the program systematically, uniformly, and equitably. Promotions to craft positions must be made in accordance with applicable collective bargaining agreements.

351.52 Merit Promotion Program Objectives

The goal of the merit promotion program is to obtain maximum effectiveness and efficiency in postal operations by:

a. Identifying highly qualified candidates for management's consideration in a timely manner.

b. Ensuring best placement of employees according to their capabilities and potential.

c. Maximizing use of employees' special skills and abilities.

d. Providing employees an incentive to improve their performance and develop their knowledge, skills, and abilities.

e. Providing all employees the maximum possible opportunities for advancement, and ensuring that qualified employees who are eligible and available are given fair and appropriate consideration when filling higher-grade vacancies.

351.53 Policies

The following promotion policies apply:

a. First consideration is given to qualified employees within the Postal Service. The area of consideration is broad enough to provide a supply of well-qualified candidates for promotion. The selecting official is provided an adequate number of well-qualified candidates from which to choose, but should not be burdened with a lengthy list of candidates to consider.

b. Consideration is given to postal employees outside the initial area of consideration when appropriate and necessary to ensure that an adequate number of qualified candidates are available for promotion consideration.

c. Required files are maintained, adequate procedures are developed for periodic review of promotion actions, and appropriate corrective action is taken if procedural, regulatory violations, or other deficiencies are found.

d. Employees selected for promotion are released from their current positions without undue delay. This is normally not later than 2 to 4 weeks after selection or in conformance with the provisions of any applicable labor agreement.

e. Employees selected for promotion are released from their current positions without undue delay or as dictated by the provisions of any applicable labor agreement.

f. Information is made available to employees, upon request, about promotion program requirements and procedures and the promotion programs affecting them; about promotion opportunities available to them; about their eligibility in specific promotion actions; and about the identity of the person selected.

g. Restrictions on the promotion (or recommendation for promotion) of immediate relatives are explained in Handbook EL-312, 513.3, Relatives.

351.54 Exceptions to Competitive Promotion Procedures

Promotions excepted from competitive procedures are listed in Handbook EL-312, 717.32, Exceptions to Competitive Procedures.

351.55 Temporary Promotions

See Handbook EL-312, 716.2, Temporary Promotion, for a discussion of the conditions when temporary promotions are appropriate, including termination.

351.6 Mutual Exchanges

351.61 General Policy

Career employees may exchange positions (subject to the provisions of the appropriate collective bargaining agreement) if the officials in charge at the installations involved approve the exchange of positions. Mutual exchanges must be made between employees in positions at the same grade levels. The following employees are not permitted to exchange positions:

a. Part-time flexible employees with full-time employees.

b. Bargaining employees with nonbargaining employees.

c. Nonsupervisory employees with supervisory employees.

351.62 Rural Letter Carrier Employees

The mutual exchange of regular rural letter carrier employees of different Post Offices is permitted in accordance with the applicable provisions of the USPS-NRLCA National Agreement. The following mutual exchanges are not permitted:

a. Between regular rural letter carrier employees in the same Post Office.

b. Between rural letter carrier employees and members of other crafts.

352 Selection for Bargaining Positions

Procedures and requirements for filling craft positions are found in the following publications:

a. The appropriate collective bargaining agreement contains governing policies and procedures affecting bidding, assignments, reassignments, higher-grade assignments, and promotions.

b. Handbook EL-312, 72, Bargaining Positions, contains detailed procedures and administrative requirements.

c. Bqnet, *Bargaining Qualifications* on the Postal Service Intranet, contains qualification standards for bargaining positions.

353 Selection for Nonbargaining Positions

353.1 Promotion

A promotion is the permanent assignment, with or without relocation, of an employee (a) to a position having a higher grade than the position to which the employee is currently assigned or (b) to a position with a higher equivalent grade.

In addition to the general promotion policies in 351.5, specific policies and procedures govern promotion to various nonbargaining positions. Selection procedures for Postal Career Executive Service (PCES) employees are described in 380 of this manual, and for other nonbargaining positions, in Handbook EL-312, 74, EAS Positions.

353.2 Reassignment

A reassignment is the permanent assignment, with or without relocation, of an employee (a) to another position with the same grade or (b) to a position with an equivalent grade.

353.21 Management Option

Authorized management officials may reassign nonbargaining employees without following regular competitive procedures.

353.22 Employee Self-Nomination

Employees who desire reassignment may nominate themselves in the same manner provided for employees who desire promotion consideration.

353.23 Unassigned Employees

Unassigned employees (i.e., employees whose positions have been abolished) are reassigned in accordance with 354.

353.3 Temporary Assignment

See Handbook EL-312, 716.1, Temporary Assignments.

353.4 Realignment or Reevaluation

In a realignment or reevaluation involving nonbargaining positions, Headquarters Employee Resource Management determines the effect on individual positions. Based on those determinations, the following general rules apply when assigning incumbents and filling affected positions:

a. The incumbent is automatically assigned to the position if there is no significant change in duties or responsibilities and no change in grade.

b. The incumbent is promoted noncompetitively if the position is upgraded with no significant change in duties or responsibilities.

c. The incumbent has no assignment or promotion right to the new position if there is a significant change in duties and responsibilities that result in the authorization of a new position at the same or higher grade and abolishment of the present position. The new position is filled in accordance with regular procedures, and the incumbent of the abolished position is assigned in accordance with 354.

d. The incumbent is treated in accordance with 354.241 in any situation where a position is evaluated at a lower grade.

354 Assignment of Unassigned Employees

354.1 Policy

354.11 Bargaining Employees

Assignment of excess bargaining employees must be in accordance with the applicable provisions of the appropriate collective bargaining agreement.

354.12 Nonbargaining Employees

Assignment of unassigned career nonbargaining employees must be in accordance with the procedures described in 354.2 and 354.3, as appropriate. Postal policy provides equal opportunities for all employees without discrimination because of race, color, religion, sex, national origin, disability, or age. In exercising the various managerial options described in these procedures, managers are responsible for ensuring and documenting, where appropriate, that no discriminatory impact results from discussions or personnel actions implementing these procedures.

354.2 Assignment of Nonbargaining Unit Employees Due to a Potential or Actual Reduction in Force

354.21 General

354.211 Definition of Reduction in Force

A reduction in force (RIF) is a uniform and systematic way of making organizational changes resulting in the release of an employee from his or her competitive level as defined in 354.217a. A RIF action occurs in the Postal Service when an employee is released from his or her competitive level by separation, demotion, or a reassignment requiring displacement. Release from a competitive level must be caused by elimination or significant modification of existing work, creation of new work, reorganization, transfer of function, an individual's exercise of reemployment or restoration rights, or a reclassification of an employee's position based on the erosion of duties that will take effect after a RIF has been formally announced in the employee's competitive area (see 354.217b), or when a RIF takes effect within 180 days.

Note: With the exception identified above concerning the reclassification of an employee's position, a change to lower grade based on the reclassification of an employee's position due to a change in classification standards or a correction of a classification error is not a RIF.

354.212 Legal Basis for Reduction in Force

Laws governing RIF are found in Title 5, United States Code (U.S.C.), Sections 3501–3503. These laws are implemented in the federal government through regulations issued by the U.S. Office of Personnel Management (OPM) (Title 5, *Code of Federal Regulations* (CFR), 351). In the Postal Service, these laws apply only to preference eligible employees (individuals entitled to veterans' preference status during a RIF). The legislative provisions making these laws and regulations applicable to preference eligible employees in the Postal Service are found in 39 U.S.C. 1005 (a)(2).

354.213 Management Responsibility

Management must plan the work and organize the workforce to accomplish Postal Service objectives. This responsibility includes determining the type, number, and location of positions that are to be filled, abolished, or vacated. When changes are anticipated as a result of this responsibility, management determines whether a RIF is necessary and when such action will occur.

The managers of Human Resources at the district and area levels and the manager of Corporate Personnel Management for Headquarters and Headquarters-related units are designated as *placement administrators.* A placement administrator is responsible for coordinating all RIF avoidance or minimization strategies and placement activities for a competitive area undergoing a RIF. This responsibility includes close coordination with the manager of Selection, Evaluation, and Recognition, competitive area management, and other human resources personnel in other competitive areas. The placement administrator is also responsible for coordinating the activities associated with a reinstatement list (see 354.27). A placement administrator who has direct responsibility over the competitive area in which

employees have been separated due to a RIF and who have requested consideration for future reinstatement to the Postal Service is considered the *primary placement administrator.*

354.214 **Coverage of Reduction in Force Procedures**

These RIF procedures apply to the assignment or separation of career nonbargaining employees who occupy positions that have the potential of being impacted by, or will be directly affected by, a RIF. These procedures apply to noncareer nonbargaining employees only to the extent necessary to terminate their employment to avoid (or minimize) the impact of a RIF on career nonbargaining employees.

Exclusion: Bargaining employees are excluded from these procedures. The assignment or separation of excess bargaining employees is in accordance with the applicable collective bargaining agreement and applicable statutes.

354.215 **Veterans' Preference Status**

Entitlement to veterans' preference for RIF purposes is based on the Veterans' Preference Act of 1944, as amended, and is codified in various provisions of Title 5, U.S.C. Detailed instructions for adjudicating veterans' preference claims are contained in chapter 7 of the *Guide to Processing Personnel Actions,* an operating manual issued by OPM. Employees who are eligible for veterans' preference for purposes of initial appointment are also eligible for veterans' preference for RIF, except for employees who are retired members of the uniformed services. Employees who retired from the military must meet one of several special conditions before they can be granted veterans' preference for RIF purposes. The conditions differ and depend on whether the employees retired below, at, or above the rank of major. Exhibit 354.215a shows the conditions that must be met by retired members of the uniformed services before veterans' preference for RIF is granted. Exhibit 354.215b shows the pay grades and titles (ranks) of officers of the uniformed services as defined by 5 U.S.C. 2101.

Exhibit 354.215a
Veterans' Preference for Retired Military

Retiree *below rank of major* must meet one of the following conditions:	**Retiree *at or above rank of major* must meet one of the following conditions:**
Be retired based on war or combat-incurred disability.	Be retired based on war or combat-incurred disability.
Be retired based on less than 20 years of active duty.	Be retired based on less than 20 years of active duty.
Have continuous federal employment since November 30, 1964, without a break in service of more than 30 days.	Have continuous federal employment since November 30, 1964, without a break in service of more than 30 days.
	Be a disabled veteran eligible for retired pay under 10 U.S.C. 67.

Exhibit 354.215b
Officer Personnel by Pay Grades and Titles (Ranks)

Pay Grade	Army, Air Force, and Marine Corps	Navy, Coast Guard, and NOAA	Public Health Service (PHS)
Below Major:			
W-1	Warrant officer	Warrant officer	
W-2	Chief warrant officer	Chief warrant officer	
W-3	Chief warrant officer	Chief warrant officer	
W-4	Chief warrant officer	Chief warrant officer	
O-1	Second lieutenant	Ensign	Junior assistant
O-2	First lieutenant	Lieutenant (jg)	Assistant grade
O-3	Captain	Lieutenant	Senior assistant grade
Major and Above:			
O-4	Major	Lieutenant commander	Full grade
O-5	Lieutenant colonel	Commander	Senior grade
O-6	Colonel	Captain	Director grade
O-7	Brigadier general	Rear admiral (lower half) or commodore	Assistant surgeon general
O-8	Major general	Rear admiral (upper half)	Assistant surgeon general
O-9	Lieutenant general	Vice admiral	(**Note:** PHS does not use O-9 or O-10)
O-10	General	Admiral	

354.216 **Veterans' Preference Entitlement**

Veterans' preference eligible employees are entitled to the following:

a. *Higher Retention Standing.* A preference eligible employee is entitled to a higher retention standing (seniority) on a retention register (see 354.217c) than a nonpreference eligible employee during a RIF.

b. *Assignment Rights.* A preference eligible employee in tenure group I or II with a current merit performance rating of *Met Expectations* or higher, who is released from his or her competitive level during a RIF, may displace another employee with a lower retention standing under certain circumstances. The assignment of a preference eligible employee to a position with an appropriate representative rate (see 354.217g) held by an employee with lower retention standing can occur either through bumping or retreating.

(1) *Bumping.* A preference eligible employee may replace an employee in the same competitive area who has a lower retention standing and occupies a position that is no more than three grade levels (or appropriate grade interval or equivalent) lower than the position from which the preference eligible employee is released.

(2) *Retreating.* A preference eligible employee may replace an employee in the same competitive area, tenure group, and veterans' preference subgroup who has a lower retention standing and occupies a position identical to a position previously held by the preference eligible employee, that is no more than three grade levels (or appropriate grade interval or

equivalent) lower than the position from which the preference eligible employee is released. A preference eligible employee with a compensable service-connected disability of 30 percent or more can retreat to a position that is up to five grade levels (or appropriate grade interval or equivalent) lower.

c. *Appeal Rights.* A preference eligible employee may file an appeal with the Merit Systems Protection Board (MSPB) under the provisions of 5 CFR 351.901.

354.217 **Definitions and Explanations**

Definitions and explanations relevant to RIF procedures are as follows:

a. *Competitive level* – one or more positions in a competitive area that are:

(1) In the same rate schedule code (e.g., EAS and PCES) and grade level.

(2) In the same job classification series and leadership code (i.e., type of contribution made to the organization as an executive, mid-level manager, initial-level supervisor, or individual contributor).

(3) Similar enough in duties, qualification standards (knowledge, skills, and abilities), and working conditions so that the incumbent of one position can successfully perform the critical elements of any other position in the level upon assignment to it, without any loss of productivity during a 90-day orientation period beyond that normally expected of a new employee who is otherwise qualified.

b. *Competitive areas* – organizational units that have separate management authority and geographical boundaries under which employees compete during a RIF. As an example, the Center for Employee Development in Norman, Oklahoma, is a Headquarters-related field unit; however, it is a separate competitive area because it has its own management authority and geographical boundary. Generally, a competitive area should be in effect for at least 90 days before the effective date of a RIF. The manager of Selection, Evaluation, and Recognition publishes a list of competitive areas in the *Postal Bulletin* at least annually.

c. *Retention register* – a list of employees by competitive level ranked in descending order based on their retention standing within a specific competitive area. The retention standing for each competing employee is based on his or her tenure group, veterans' preference subgroup, and RIF service date. Employees are listed on the retention register in the following order:

(1) By tenure group I, group II, and group III (see 354.217d).

(2) Within each tenure group, by veterans' preference subgroup AD, subgroup A, or subgroup B (see 354.217e).

(3) Within each veterans' preference subgroup, by RIF service date (see 354.217f).

d. *Tenure groups* – the groups into which employees are separated for retention standing purposes during a RIF, based on their employment status. There are three tenure groups:

(1) *Tenure group I* – career employees who have completed their probationary period.

(2) *Tenure group II* – career employees who are serving their probationary period and who will not complete it before the RIF effective date.

(3) *Tenure group III* – noncareer employees serving under indefinite appointments, temporary appointments pending establishment of a register, status quo appointments, term appointments, and any other nonstatus nontemporary appointments that meet the definition of provisional appointments contained in 5 CFR 316.401 and 316.403.

e. *Veterans' preference subgroups* – the subgroups into which employees are placed based on veterans' preference entitlement. The three preference eligible subgroups are defined as:

(1) *Subgroup AD* – employees entitled to veterans' preference based on a compensable service-connected disability of 30 percent or more.

(2) *Subgroup A* – all other preference eligible employees not included in subgroup AD.

(3) *Subgroup B* – employees who are not preference eligibles.

f. *RIF service date* – the date used in conjunction with the tenure group (see 354.217d) and preference eligible subgroup (see 354.217e) to determine an employee's retention standing on a retention register (see 354.217c) during a RIF. The RIF service date is derived by subtracting the additional years of service credit based on performance ratings from the employee's leave computation date.

(1) *Leave computation date* – a date based on total creditable service – generally including all creditable Postal Service, federal civilian service, and active military service (see 512.2). For an employee who is a retired member of the uniformed services (see 354.215), the leave computation date is adjusted by the amount of service credit based on the rank at which an employee retires and the circumstances of the retirement. The specific methodology used to calculate the leave computation date is provided in Exhibit 210d of Handbook EL-301, *Guidelines for Processing Personnel Actions.*

(2) *Performance ratings* – the three most recent merit performance ratings of record received during the 4-year period before the issuance date of the specific RIF notices. Based on these performance ratings, nonbargaining employees are entitled to

additional service credit towards their RIF service date, as follows:

(a) Merit performance ratings are used as follows:

(i) If an employee has received three merit performance ratings of record during the period, the values of the ratings are added together and divided by three (rounded in the case of a fraction to the next higher whole number) to determine the amount of additional service credit.

(ii) If an employee has received at least one but fewer than three merit performance ratings of record, the employee receives additional service credit for performance based on the amount derived when the values of the ratings received are added together and divided by the number of ratings actually received (rounded in the case of a fraction to the next higher whole number).

(iii) If an employee has received no merit performance ratings of record, the employee receives additional service credit for performance based on the modal rating. The modal rating is determined based on the most prevalent merit performance rating received postal-wide during the most recent performance evaluation period.

(b) Values are assigned to each merit performance rating of record (or the modal rating) as follows:

(i) 20 additional years of service are credited for an adjective rating of Exceptional Contributor (EC).

(ii) 16 additional years of service are credited for an adjective rating of High Contributor (HC).

(iii) 12 additional years of service are credited for an adjective rating of Contributor (C), Not Rated (NR), or No Score (NS).

(iv) No additional years of service are credited for an adjective rating of Non-Contributor (NC) or Excluded (EX).

g. *Representative rate* – the hourly pay rate of a position that is used to determine a preference eligible employee's assignment rights during a RIF. The representative rate is calculated by dividing the annual base salary for a position by 2,087 hours (number of hours in a government year). The annual base salaries used to derive the representative rates for career nonbargaining positions are based on the 25th percentile of annual base salary range for each grade level in the EAS, Structured Management Development (SMD) Schedule, A–E Postmaster (EPM) Schedule, and the Attorney Pay Schedule (APS). Level 01 positions under the PCES are subject to a market maximum that is used to cap salaries for each position. The market maximum is used to calculate

the appropriate representative rate for PCES-01 positions. PCES-02 positions (corporate officers) are not covered by the RIF procedures.

354.22 Processing Requests for Organizational Change

354.221 Evaluating the Need for Change

Requests to change a Headquarters or field organizational structure are initiated by functional organization management with approval of the functional organization vice president. Such requests are processed as follows:

a. The manager of Organizational Design and Management reviews and evaluates plan requirements; determines the appropriate categories, numbers, and grade levels of positions; and, if appropriate, develops job descriptions to support new positions and establishes reporting relationships for positions within the competitive areas impacted by the proposed change.

b. The manager of Selection, Evaluation, and Recognition evaluates how the proposed changes will affect specific competitive areas and determines whether a RIF may be necessary. If a RIF potential exists, the manager of Selection, Evaluation, and Recognition provides functional organization management with a preliminary placement plan that, if possible, outlines the strategies to minimize or avoid the need for a RIF.

354.222 Implementing the Change

Following completion of the evaluation process and final approval by functional organization management of any revisions to the initial organizational change request and the placement plan, the following actions are taken:

a. The manager of Organizational Design and Management notifies the functional organization vice president and the competitive area management of the new or modified structure and staffing changes to be implemented.

b. The manager of Selection, Evaluation, and Recognition develops qualification standards (knowledge, skills, and abilities) for any new positions and assigns the positions to the appropriate competitive levels. If placement of competitive area employees into the new organization based on competitive levels and qualification standards does not result in a potential RIF situation, the functional organization vice president and competitive area management are advised to proceed to fill any vacant positions under the normal EAS selection procedures. If the organizational change does result in a potential RIF, the manager of Selection, Evaluation, and Recognition is responsible for coordinating RIF avoidance or minimization strategies, conducting the RIF process, and, if necessary, coordinating with competitive area management other placement opportunities that may be available.

354.23 Implementing RIF Avoidance or Minimization Strategies

To minimize or avoid the impact of a RIF, the manager of Selection, Evaluation, and Recognition, in coordination with the functional organization vice president and competitive area management, may implement some or

all of the following actions, either in the competitive area proposed to undergo the RIF or in additional specified competitive areas:

a. Freeze hiring and promotion actions.

b. Separate contract employees, temporary employees, and reemployed annuitants.

c. Reassign employees out of a competitive area for which a RIF may be required and into vacant positions in competitive areas where a RIF is not being contemplated. Reassignments may be made to positions within or outside the commuting area and may be voluntary (e.g., where an employee has responded to a vacancy announcement) or directed by management. Such assignments are not subject to RIF procedures as long as preference eligible employees are not involuntarily placed into lower grade positions.

d. Cancel all detail and temporary promotion PS Forms 50, *Notification of Personnel Action.*

e. Terminate probationary employees.

f. Approve employee requests to voluntarily change to vacant positions at lower grades within the competitive area, including bargaining positions.

g. Provide voluntary resignation incentives.

h. Obtain approval from OPM to offer a voluntary early retirement option.

i. Provide voluntary early retirement incentives.

j. When circumstances warrant, implement other RIF avoidance measures, provided such measures are in compliance with regulations and, if appropriate, the applicable collective bargaining agreements.

354.24 Providing Initial Notification and Making Preliminary Placements

354.241 Notifying Employees of a Potential RIF

If a potential RIF situation exists, management at the competitive area must meet with employees to advise them of the situation, either individually or in groups. This meeting occurs after approval is received from Organizational Design and Management and Selection, Evaluation, and Recognition, but before issuance of the general RIF notice. The information provided to employees includes, if applicable:

a. A description of the new organization, including the job title and number of any new positions added, their grade levels, and reporting relationships.

b. The number of positions by title and grade level in the organization being abolished.

c. The position titles, grade levels, or organizational function that will be directly impacted by the RIF.

d. The options available to potentially impacted employees, including any RIF avoidance or minimization strategies that will be used (see 354.23).

354.242 Establishing Employee Qualifications

Employees who may be impacted by a RIF must provide updated pages 1 and 2 of PS Form 991, *Application for Promotion or Assignment,* to establish

their qualifications for any vacant positions that remain in the new organization at the same grade level.

354.243 **Making Preliminary Placements**

Management at a competitive area, in coordination with the manager of Selection, Evaluation, and Recognition, matches employees to positions, including any vacant positions at the same grade levels, if any, in the new organization, based on employee qualifications and position requirements.

354.25 Implementing RIF Procedures

354.251 **Issuing General RIF Notices**

A RIF situation exists if a preference eligible employee in the competitive area undergoing a potential RIF is matched to a lower-grade position or is unplaced following the preliminary placement procedures in 354.23. The manager of Selection, Evaluation, and Recognition issues a general RIF notice to all employees within the competitive area. The general RIF notice advises employees that a RIF exists within their competitive area and provides the following information:

a. The business reasons for the RIF.

b. The position titles, grade levels, and organizational functions that will be directly impacted by the RIF.

c. The RIF effective date is established no less than 60 days after anticipated receipt of specific RIF notices. Generally, the RIF effective date is established at the close of business on the last Friday of a pay period.

354.252 **Issuing Specific RIF Notices**

The manager of Selection, Evaluation, and Recognition issues specific RIF notices to all employees within the competitive area no less than 30 days after the issuance of the general RIF notice. Each specific RIF notice either advises an employee that he or she has been placed in the new organization, giving the position title, grade level, occupational code, and duty station location, or that he or she did not receive a placement offer and will be separated from the Postal Service. The specific RIF notice also contains the following:

a. Information used to determine an employee's assignment rights in the RIF, including the competitive area, competitive level, tenure group, veterans' preference subgroup, RIF service date, and the four most recent merit performance ratings of record.

b. A statement that all employees are entitled to review the OPM retention regulations (5 CFR 351) at their personnel services office.

c. If the employee is a preference eligible, a copy of the MSPB regulations (5 CFR 1201) and appeal form.

d. If the employee did not receive a placement offer and was notified that he or she would be separated from the Postal Service:

(1) A Postal Service document titled *Explanation of Compensation Programs* that would be sent with the letter of notification.

(2) PS Form 999, *Application for Reinstatement List.*

e. If the employee is a preference eligible who is changed to a lower grade level as a result of the RIF, information concerning Veterans' Preference Saved Grade NTE and Veterans' Preference Retained Salary under the provisions of 415.12.

354.253 **Placing Unplaced or Displaced Employees**

Procedures for placing employees before the RIF effective date are as follows:

a. Preference eligible employees who are not placed based on their RIF rights and nonpreference eligible employees who are considered for any appropriate and available vacant positions remaining in their competitive area as follows:

(1) Following the issuance of the specific RIF notice, the manager of Selection, Evaluation, and Recognition provides the placement administrator with a list of employees not placed during the specific RIF action (see 354.252), and a list of vacant positions within the competitive area undergoing the RIF, if any. In the case of closure of an entire competitive area, all positions are abolished and no placement opportunities remain within the competitive area.

(2) Any vacant positions that exist in the competitive area are used as placement opportunities during a 2-week period beginning with the date of receipt of the lists. During this 2-week period, qualified employees are matched to these vacant positions. If warranted by the number of vacant positions and individuals impacted by the RIF, the placement administrator, with the help of a committee, if desired, may review PS Forms 991 and establish employee referral lists of individuals who meet the basic qualifications for available vacancies. If not, directed reassignments may be made. PS Forms 50 for these selections bear the same effective date as the RIF effective date.

(3) Selecting officials must return the entire placement file to the placement administrator, including the referral list and PS Forms 991, with a written list of selected employees in rank order, within 1 week. Selecting officials should list more than one acceptable selection for each vacancy, if possible.

b. Career bargaining employees displaced in order to afford a preference eligible his or her RIF assignment rights are reassigned in accordance with the applicable collective bargaining agreement.

354.254 **Advising Employees of Options**

During the week before the effective date of the RIF, the placement administrator meets, individually or in groups, with employees who remain unplaced. The administrator discusses in detail the following options with the employees:

a. *Nonpay, Nonduty Status.* Employees who do not expect to be placed by the RIF effective date may request to be placed in a 30-day nonpay, nonduty status, an extension to the RIF effective date. The placement administrator must receive this request before the RIF effective date. During the 30-day extension, employees may continue to seek a

position with the Postal Service based on the conditions specified in 354.26.

b. *Compensation Alternatives.* Generally, information provided about compensation alternatives that may be available to employees upon separation should include:

(1) An overview of the compensation programs available to separated employees and answers to any questions employees may have concerning the information previously provided in the Explanation of Compensation Programs attached to the specific RIF notice.

(2) Assistance in identifying and completing the forms necessary to apply for any compensation to which individuals may be entitled.

(3) A reminder for those individuals who have not indicated an interest in being reinstated that they are eligible to apply for placement on the reinstatement list (see 354.27).

354.255 **Separating Remaining Employees**

Employees who decline or fail to request a 30-day extension in a nonpay, nonduty status by the RIF effective date are separated on that date.

354.26 Making Post-RIF Employee Placements

Employees placed on a 30-day extension in a nonpay, nonduty status have the following options:

a. *Noncompetitive Consideration.* Employees may apply noncompetitively for any vacancy at or below their current grade within the commuting area. Employees assigned to a lower grade position are entitled to grade and salary treatment in accordance with 415.4.

b. *Voluntary Bargaining Position Placement.* If employees meet the qualifications for vacant bargaining positions, they may volunteer for placement into these vacancies subject to the approval of the manager where the vacancy exists. Seniority and pay provisions governing such placements are in accordance with the applicable collective bargaining agreement.

354.27 Establishing a Reinstatement List

354.271 **Providing Priority Consideration to Employees**

A reinstatement list (RL) identifies for priority consideration for reinstatement to the Postal Service those eligible career nonbargaining employees who have been separated due to a RIF.

The RL is established on the 31st day following the RIF effective date, provided one or more employees have been found eligible for placement on the RL. The RL remains in effect for 2 years following its establishment, or until no eligible employees remain on the RL, whichever is earlier.

Note: Acceptance of an employee's PS Form 999, *Application for Reinstatement List,* and placement on the RL does not guarantee former employees reinstatement to the Postal Service.

354.272 **Determining Employee Eligibility**

Employees are eligible to be placed on a RL if the following occurs:

a. They received a specific RIF notice indicating that they will be separated from the Postal Service and are subsequently separated on their RIF effective date. Employees who retire on or after their RIF effective date are eligible for placement on the RL, provided they meet all other eligibility requirements.

b. Their last merit performance rating of record before separation was above *Unacceptable.*

c. They submit their PS Form 999 no later than 30 days after their RIF effective date.

d. They are found at least *minimally qualified* by the primary placement administrator for one or more of the positions identified on their PS Form 999.

354.273 **Considering Employees on a Reinstatement List**

Provisions for reinstatement list consideration are as follows:

a. Eligible RL applicants are provided initial consideration before advertisement of a vacant position within their competitive area and all other competitive areas within commuting distance not undergoing a RIF action (the reinstatement list area of consideration (RLAC)). Consideration is limited to those applicants who have been found at least *minimally qualified* for the vacant position by the primary placement administrator.

Note: A vacant position does not include positions that are filled through other special programs such as the restoration of individuals who served in the uniformed services and the reemployment or reassignment of employees injured on duty.

b. Positions identified by eligible RL applicants on their Form 999 for which they have been found at least *minimally qualified* by the primary placement administrator must be:

(1) Authorized positions within the RLAC.

(2) At the same or lower grade level (or representative rate for PCES employees) as the positions held before separation due to a RIF action.

c. After initial consideration, eligible RL applicants may either be given further consideration for the identified vacant position on a competitive or noncompetitive basis, or not be considered further. A decision to *not consider* an applicant further for a particular vacancy does not impact the applicant's standing on the RL. This decision does not prevent the applicant from being considered for a similar vacant position at a later date or for any other position that the applicant has been found eligible to be considered for on the RL.

354.274 **Removing Employees From a Reinstatement List**

Names of former employees are taken off the RL, if they:

a. Accept a career appointment with the Postal Service or other federal agency.

b. Voluntarily request, in writing, to have their names removed from the RL.

c. Decline or fail to reply to a written or telephone notification concerning an employment opportunity to a specific position identified on the RL.

d. Decline an interview or fail to appear for a scheduled interview, provided they are notified in advance of the interview, and do not take reasonable action to reschedule the interview.

e. Fail to provide the placement administrator with any changes in their address or telephone number and thus prevent contact concerning potential employment opportunities.

354.3 Actions for Nonbargaining Employees in Connection With the Discontinuance and Consolidation of Post Offices

354.31 Background

Statutory and regulatory requirements mandate consideration of the effects of closing or consolidating a Post Office on Postal Service employees in that office, and making a public record and analysis concerning the effects on these employees.

354.32 Definition of Terms

District manager refers to the manager who is proposing the discontinuance of a Post Office within his or her district under *Domestic Mail Manual* (DMM) G011.1.2 and G011.1.3. Discontinuance of a Post Office includes the consolidation of the Post Office with another Post Office and replacing it with a community Post Office, or a classified or contract station or branch, as well as the discontinuance of a Post Office without establishing another facility to replace it.

354.33 Planning Considerations

The dual objectives of minimizing the impact on individual employees, and maximizing the economies to be affected by consolidating or discontinuing Post Offices, can best be achieved through careful planning and judicious placement of impacted employees. Management keeps employees informed at each step of the process and identifies positions appropriate for reassignment and for which employees are willing to accept reassignment voluntarily.

354.34 Postmaster and Supervisors

354.341 Postmasters

When the district manager proposes to recommend the discontinuance of a Post Office where there is an incumbent postmaster, each of the following alternatives, as applicable and appropriate, are discussed with the incumbent postmaster, and the district manager prepares a memorandum stating which alternative is recommended. The following alternatives are available:

a. *Reassignment to Another Postmaster Vacancy.* The district manager may recommend that the established procedures for the selection of postmasters be waived and that the postmaster be reassigned to an existing postmaster vacancy located within the same district. The

district manager includes in the memorandum a statement that the postmaster meets the requirements and qualifications of the vacant postmaster position to which reassignment is recommended and can satisfactorily perform the duties of that position. A signed statement from the postmaster that the reassignment recommended by the district manager, if approved, will be accepted, must also be obtained for the record.

b. *Unavailable Postmaster Vacancy.* In the event there is no postmaster vacancy to which an affected postmaster may be reassigned, the district manager notifies the postmaster in writing. If the affected postmaster accepts a nonpostmaster assignment, that postmaster retains the right, for 104 weeks from the date of reassignment, to be offered a vacant postmaster position located within the district at his or her former level, when one occurs. Declination of an offer in writing, voluntary acceptance of a lower level postmaster position, or promotion to a higher level postmaster position terminates the right to be offered a postmaster vacancy at the postmaster's former level.

c. *Reassignment to a Supervisory Vacancy.* If there are no postmaster vacancies available for possible reassignment, or if it is determined and documented that the postmaster does not meet the requirements and qualifications of the vacant postmaster positions available and cannot satisfactorily perform the duties, the district manager may recommend that the postmaster be reassigned to an existing supervisory vacancy within the district. The vacancy can be a station or branch manager of the classified station or branch established as a result of a consolidation. The district manager documents that the postmaster meets these requirements and qualifications of the vacant supervisory position to which reassignment is recommended and can satisfactorily perform the duties of that position, and includes a signed statement from the postmaster that the reassignment as recommended by the district manager will, if approved, be accepted.

d. *Reassignment to Another Position in the Postal Service.* If there are no postmaster or supervisory vacancies within the district to which the postmaster can be reassigned, because either the vacancies do not exist or it is determined and documented that the postmaster does not meet the requirements and qualifications of the positions that are available for possible reassignment and cannot satisfactorily perform the duties of those positions, the district manager recommends that the postmaster be reassigned to another position in the Postal Service. As appropriate, postmasters at noncity delivery offices may be offered available full- or part-time clerk or carrier positions or other available craft positions for which qualified. In all such cases, the individual's seniority is established in accordance with the applicable provisions of the National Agreement. In recommending reassignment to another position in the Postal Service, every effort is made to recommend a position for which the annual pay that the postmaster can expect to receive is as nearly equal as possible to the pay received during the last year as a postmaster. A signed statement from the postmaster that

the reassignment recommended by the district manager, if approved, will be accepted, must be obtained for the record.

e. *Voluntary Retirement.* Eligibility for voluntary retirement is established if, by the anticipated date of discontinuance of the Post Office, the postmaster has been employed under the Civil Service Retirement System for at least 1 year within the 2-year period preceding the discontinuance, and:

(1) Has at least 30 years of creditable service and is at least 55 years of age.

(2) Has at least 20 years of creditable service and is at least 60 years of age.

(3) Has at least 5 years of creditable service and is at least 62 years of age.

If the postmaster is employed under the Federal Employees Retirement System, one of the following conditions must be met:

(a) Has at least 30 years of creditable service and is at least the minimum retirement age (MRA) (see 583.14).

(b) Has at least 10 years of creditable service and is at least the MRA. This is a reduced annuity retirement, without a reduction of 1/6 of 1 percent for each month the employee is under age 62.

(c) Has at least 20 years of creditable service and is at least 60 years of age.

(d) Has at least 5 years of creditable service and is at least 62 years of age.

The district manager advises the postmaster of the eligibility for voluntary retirement. Under no circumstances may the district manager attempt to coerce the postmaster into taking voluntary retirement in lieu of reassignment to a postmaster, supervisory, or any other position in the Postal Service. The decision to take voluntary retirement in lieu of reassignment must be made by the postmaster, and this alternative may not be recommended by the district manager, unless the postmaster has chosen it.

f. *Discontinued Service Annuity.* Eligibility for a discontinued service annuity is established if, by the recommended date of discontinuance of the Post Office, the postmaster has been employed under the Civil Service Retirement System for at least 1 year within the 2-year period preceding the discontinuance (see 563.21), and:

(1) Has at least 25 years of creditable service regardless of age.

(2) Has at least 20 years of creditable service and is at least 50 years of age.

The district manager advises the postmaster of the eligibility for a discontinued service annuity and of the fact that under present law this type of an annuity requires a reduction of 1/6 of 1 percent for each month the employee is under 55 years of age at the time of retirement.

If the postmaster is under the Federal Employees Retirement System, the same age and service requirements must be met, but there is no reduction for being under age 55 (see 583.21).

Under no circumstances may the district manager attempt to coerce the postmaster to accept a discontinued service annuity in lieu of assignment to a postmaster, supervisory, or any other position in the Postal Service. The decision to accept a discontinued service annuity in lieu of reassignment must be made by the postmaster, and the district manager may not recommend this alternative, unless the postmaster has chosen it.

354.342 **Supervisors**

When the district manager proposes to recommend the discontinuance of a Post Office at which a supervisor is stationed and whose position would be abolished, each of the following alternatives, as applicable and appropriate, is discussed with the affected supervisor, and the district manager prepares a memorandum for the record stating which alternative is recommended. The following alternatives are available:

a. *Reassignment to a Postmaster Vacancy.* The district manager may recommend that the established procedures for the selection of postmasters be waived, and that the supervisor be reassigned to an existing postmaster vacancy. The district manager includes a statement that the supervisor meets the requirements and qualifications of the vacant postmaster position to which reassignment is recommended and can satisfactorily perform the duties of that position, and a signed statement from the supervisor that the reassignment as recommended by the district manager will, if approved, be accepted.

b. *Reassignment to a Supervisory Vacancy.* The district manager may recommend that the supervisor be reassigned to an existing supervisory vacancy, including that of a station or branch established as a result of a consolidation. The district manager includes a statement that the supervisor meets the requirements and qualifications of the vacant supervisory position to which reassignment is recommended and can satisfactorily perform the duties of that position, and endorses a signed statement from the supervisor that the reassignment as recommended by the district manager will, if approved, be accepted.

c. *Reassignment to Another Position in the Postal Service.* If there are no postmaster or supervisory vacancies to which the supervisor can be reassigned, either because the vacancies do not exist or it is determined and documented that the supervisor does not meet the requirements and qualifications of the positions that are available and cannot satisfactorily perform those duties, the district manager recommends that the supervisor be reassigned to another position in the Postal Service. Supervisors may be offered available full- or part-time clerk, carrier, or other craft positions for which they are qualified. In all such cases, the individual's seniority is established in accordance with the applicable provisions of the National Agreement. A signed

statement from the supervisor that the reassignment to another position in the Postal Service as recommended by the district manager will, if approved, be accepted, must be obtained for the record.

d. *Voluntary Retirement.* Eligibility for voluntary retirement is established if, by the expected date of discontinuance of the Post Office, the supervisor has been employed under the Civil Service Retirement System for at least 1 year within the 2-year period preceding the discontinuance, and:

(1) Has at least 30 years of creditable service and is at least 55 years of age.

(2) Has at least 20 years of creditable service and is at least 60 years of age.

(3) Has at least 5 years of creditable service and is at least 62 years of age.

If the supervisor is under the Federal Employees Retirement System, one of the following conditions must be met:

(a) Has at least 30 years of creditable service and is at least the MRA (see 583.14).

(b) Has at least 10 years of creditable service and is at least the MRA. This is a reduced annuity retirement, without a reduction of 1/6 of 1 percent for each month the employee is under age 62.

(c) Has at least 20 years of creditable service and is at least 60 years of age.

(d) Has at least 5 years of creditable service and is at least 62 years of age.

The district manager advises the supervisor of the eligibility for voluntary retirement. Under no circumstances may the district manager attempt to coerce the supervisor into taking voluntary retirement in lieu of reassignment to a postmaster, supervisory, or any other position in the Postal Service. The decision to take voluntary retirement in lieu of reassignment must be made by the supervisor, and this alternative may not be recommended by the district manager unless the supervisor has chosen it.

e. *Discontinued Service Annuity.* Eligibility for a discontinued service annuity is established if, by the recommended date of discontinuance of the Post Office, the supervisor has been employed under the Civil Service Retirement System for at least 1 year within the 2-year period preceding the discontinuance (see 563.21), and:

(1) Has at least 25 years of creditable service regardless of age.

(2) Has at least 20 years of creditable service and is at least 50 years of age.

The district manager advises the supervisor of the eligibility for a discontinued service annuity and that under present law this type of an annuity requires a reduction of 1/6 of 1 percent for each month the employee is under 55 years of age at the time of retirement.

If the supervisor is under the Federal Employees Retirement System, the same age and service requirements must be met, but there is no reduction for under age 55 (see 583.21).

Under no circumstances may the district manager attempt to coerce the supervisor into accepting a discontinued service annuity in lieu of reassignment to a postmaster, supervisory, or any other position in the Postal Service. The decision to accept a discontinued service annuity in lieu of reassignment must be made by the supervisor, and the district manager may not recommend this alternative, unless the supervisor has chosen it.

354.343 **Reassignment to Higher Grade Position**

In situations where the proposed reassignment would be to a higher-grade position and a promotion procedure is prescribed by regulation, that promotion procedure must be followed.

354.344 **Salary Protection**

See 415.12 for information on salary protection.

354.345 **Relocation Expenses**

Any postmaster or supervisor who is reassigned as a result of the discontinuance of the Post Office where employed is entitled to reimbursement of approved relocation expenses consistent with Handbook F-15, *Travel and Relocation.*

354.346 **Discussions With Postmasters and Supervisors**

When possible, the district manager must discuss with the affected postmasters and supervisors the alternatives available to them incident to the discontinuance of their Post Office of employment. In isolated instances where the district manager cannot personally discuss this with the affected postmasters and supervisors, a manager at the district as designated by the district manager performs it.

354.347 **Subsequent Personnel Actions**

Employees who voluntarily accept lower-grade positions may subsequently be assigned to positions that do not exceed the grade from which they were downgraded. The normal promotion procedures may be waived. However, employees must meet the prescribed minimum qualification requirements for the positions to which they are assigned. Eligibility for special placement in postmaster positions described in 354.341 is limited to 104 weeks.

354.348 **Refusal of Reassignment Offer**

If a postmaster or supervisor is offered reassignment to a postmaster, supervisory, or any other position in the Postal Service and refuses to accept any of these alternatives, RIF procedures are instituted. The postmasters or supervisors must apply for any retirement benefits for which they are eligible. If the postmaster or supervisor is separated from the Postal Service and is not eligible for either voluntary retirement or a discontinued service annuity, severance pay is paid if provided for in the relevant Postal Service rules and regulations.

355 Light Duty Assignments

355.1 Voluntary Requests

355.11 Circumstances

Any full-time regular or part-time flexible employee recuperating from a serious illness or injury and temporarily unable to perform the assigned duties may voluntarily submit a written request to the installation head for temporary assignment to a light duty assignment.

Any ill or injured full-time regular or part-time flexible employee having a minimum of 5 years of postal service, or any full-time regular or part-time flexible employee who sustained injury on duty while performing the assigned duties, regardless of years of service, can submit a voluntary request to the installation head for permanent reassignment to a light duty assignment.

355.12 Method

Voluntary requests are made in accordance with the applicable collective bargaining agreement.

355.13 Response

The light duty provisions of the various collective bargaining agreements between the Postal Service and the postal unions require that installation heads show the greatest consideration for full-time regular or part-time flexible employees requiring light duty or other assignments, giving each request careful attention, and reassign such employees to the extent possible in the employee's office.

355.14 No Guarantee

The light duty provisions of the various collective bargaining agreements between the U.S. Postal Service and the postal unions do not guarantee any employee who is on a light duty assignment any number of hours of work per day or per week.

360 Other Personnel Actions

361 General Considerations

It is the policy of the Postal Service not to discriminate in personnel decisions on the basis of (1) race, color, religion, sex, national origin, age, or disability as provided by law, or (2) other nonmeritorious factors such as political affiliation, marital status, sexual orientation, or gender identity.

Postal officials must concentrate on the effective and efficient use of employee skills and potentials available to the Postal Service.

362 Change to Lower Level

362.1 Purpose and Authority

Changes are initiated based on the application of the employee or at the request of the installation head. Postal officials who are not authorized to take final action provide recommendations to the higher authority.

362.2 When Change to Lower Level May Be Made

362.21 At Request of Employee

Employees may be changed to a position of lower-grade level at their own request, without regard to adverse action procedures, when their written requests establish that the changes are made solely for personal reasons in their own interests. Employees' written requests are made a permanent part of their official personnel folders. The request must contain the following facts:

a. Employee and not the postal official initiated the request for the action.

b. Postal official, or any superior, has not pressured the employee.

c. Employee fully understands the requested transaction and considers the reduction to be in his or her self-interest and benefit.

362.22 Because of Performance

When an employee's performance is unsatisfactory due to the employee's inability to do the work, a change to a lower grade may be made to a position where the employee can reasonably be expected to adequately perform. A written notice prepared in compliance with the adverse action procedure precedes the change.

362.23 Relegation of a Post Office

A change to a lower grade resulting from relegation of a Post Office must be in accordance with the adverse action procedures. See 650 for nonbargaining employees. See the appropriate collective bargaining agreement for bargaining employees.

362.24 Realignments

In organizational realignments, management may offer an employee a lower-grade position. Although the offer is management-initiated, the change, if voluntarily accepted by the employee, is not processed as an adverse action. In realignments involving a RIF, 354.2 and 354.3 govern voluntary changes to a lower grade for nonbargaining employees.

362.3 Restrictions on Change to Lower Level

To fill a position by change to lower-grade level, an employee must meet the requirements for the new position described in the applicable qualification standard.

363 Conversions

363.1 Definition

Conversion refers to the process of changing a noncareer employee's status to a career appointment in one personnel action. The selected noncareer employee should not be separated and then given a career appointment unless the employee's appointment expires before the employee can be converted to career status. If a postmaster relief/level replacement (PMR/LR) employee is being converted to career status, the PMR/LR must be separated before being given a career appointment.

363.2 Competitive and Noncompetitive Authority

A conversion to career status based on a competitive authority occurs when a selection is made from a Hiring Worksheet and the Hiring Worksheet documents the selection. A conversion to career status based on a noncompetitive authority occurs when a selection is made due to noncompetitive eligibility such as reinstatement, transfer from another agency, or veterans recruitment appointment.

363.3 Restrictions on Conversion to Career Appointment

363.31 Vacancies

A vacancy for a permanent position must exist for an employee to be converted to a career appointment. Conversion is not possible to a temporary vacancy incident to another employee's absence on active military duty.

363.32 Positions Restricted to Veterans

An employee who is not entitled to veterans' preference may not be converted to career status in a position restricted to veterans unless preference eligibles are unavailable. See Handbook EL-312, 232.52, Positions Restricted to Applicants Eligible for Veterans' Preference.

364 Changes in Duty Status

Changes in *duty status* are changes that place employees in a nonpay status or return them to active duty and pay status. These changes are defined in items a through d.

a. *Leave Without Pay (LWOP)* – A temporary nonpay status and absence from duty, granted when appropriate, as a result of an employee's request (includes time spent on active military duty).

b. *Suspension* – A temporary nonpay status and absence from duty for disciplinary or other reasons. If the suspension is for a specific period, the appropriate documentation specifies the exact number of days and dates of suspension.

c. *Absence Without Leave (AWOL)* – A temporary nonpay status and absence from duty without appropriate authorization.

d. *Return to Duty* – A return to active duty and pay status from LWOP in excess of 30 days.

In the remarks section of the personnel action, Human Resources indicates the authority and reason for effecting the change in duty status.

365 Separation

365.1 Administrative Considerations

365.11 Definition

Separations are personnel actions that result in taking the employee off the rolls of the Postal Service.

365.12 Effective Date of Separation

The effective date of separation is the last day the employee is carried on the rolls.

365.13 Standard Terminology

A separation from the service must be identified by the prescribed term. Care must be taken to use the term appropriate to the case, (e.g., death, removal, resignation). Standard procedures and terminology must be used in preparing personnel action forms.

365.14 Notice to Federal Employee About Unemployment Insurance

See 550.

365.2 Separations - Voluntary

365.21 Resignation

365.211 Definition of Resignation

Resignation is a separation at the employee's discretion. Resignations must be accepted and are binding once submitted. However, employees are permitted to withdraw their resignation request provided the request to withdraw is made before close of business on the effective date of the resignation.

365.212 To Avoid Separation for Cause

If an employee submits a resignation after having been notified, either orally or in writing, that an adverse action has been proposed for removal, change to lower grade, or suspension for reasons furnished him or her, the resignation must be accepted. A resignation must also be accepted if an employee receives a written notice of decision to separate the employee for reasons given in a notice of decision.

365.213 Because of Illness

The following policies apply in cases of resignation caused by illness:

a. *5 Years or More of Service.* Employees covered by the Civil Service Retirement System with 5 or more years of civilian service who resign because of illness must be advised of their eligibility to apply for a disability retirement.

b. *18 Months or More of Service.* Employees covered by the Federal Employees Retirement System with 18 months or more of creditable civilian service must be advised of their eligibility to apply for a disability retirement.

c. *Less Than 18 Months of Service.* Employees covered by the Federal Employees Retirement System who have less than 18 months of creditable civilian service must furnish medical evidence supporting their claim to the installation head at the time of separation if their seniority on reinstatement is to be restored. The existence of such evidence should be annotated on the separation PS Form 50. The evidence itself is forwarded to the appropriate Postal Service medical official for retention.

365.214 **Notice and Acceptance**

The following policies apply regarding notice and acceptance of resignations:

a. *Written Resignation.* Resignations should be submitted in writing. The employee specifies the reason and effective date. When possible, written notice of resignation must be given at least 2 weeks before the anticipated last day of work.

b. *Oral Resignation.* If employees decline to submit written resignations, their oral resignations must be accepted, preferably in the presence of witnesses. The supervisor or other official who receives an oral resignation records the date received, the reason given, the effective date, and the names of any witnesses. This record, signed by the supervisor, is placed in the employee's official personnel folder as a permanent record.

c. *Reason for Resignation.* The reason for a resignation should be clearly stated in either a written or oral resignation. If the employee fails to give a reason for resignation, the supervisor enters the reason she or he believes the employee resigned.

d. *Effective Date.* When the employee sets an effective date of resignation to include a period of unapproved leave, the unauthorized absence may be charged to either earned annual leave or LWOP at the discretion of the appointing official. The employee is informed of the decision and given an opportunity to change the effective date. If the employee is resigning in lieu of an involuntary separation, he or she may not set an effective date for resignation that will occur after the effective date for the involuntary separation.

365.22 Separation-Transfer

365.221 **Definition**

Separation-transfer is an action by which career employees are taken off the rolls of a postal installation to permit their appointments to positions in other federal agencies without a break in service.

365.222 **Effective Date**

An employee who notifies the appointing officials of a pending separation-transfer may be carried in an annual leave (or nonpay, if no annual leave is available) status between the last workday in the postal installation and the entrance on duty in the other agency. No action is taken until notice of employment has been received from the gaining agency. The personnel action form is then prepared effective as of the close of business the day before the employee's entrance-on-duty date at the new activity.

365.223 **Replying to Requests for Suitability Information**

When another government agency requests information on the suitability of an employee transferring from the Postal Service, relevant information contained in Postal Service records is furnished to safeguard its confidential nature and to protect confidential sources.

365.23 Separation, Retirement

See 560 and 580.

365.3 Separations - Involuntary

365.31 Removal

365.311 **Definition**

Removal is an action involuntarily separating an employee, other than an employee serving under a temporary appointment or a career employee who has not completed the applicable probationary period, for cause.

365.312 **Effective Date**

The effective date is the date designated by the official making the decision, but is not before the expiration of the required time limit for the notice period.

365.32 Separation-Disqualification

365.321 **Applicability**

This type of *separation* applies only to employees who have not completed their probationary period.

365.322 **Reasons for Action**

Separation-disqualification is an action that results from the failure to meet conditions specified at the time of appointment (such as failure to qualify by conduct or capacity during the probationary period). It may also result from information that, if known at the time of appointment, would have disqualified the employee for the appointment.

365.323 **Probationary Period**

Separation-disqualification must be effected during the probationary period. Action is initiated at any time in the probationary period when it becomes apparent that the employee lacks capacity for efficient service.

365.324 **Who Initiates Action**

Supervisors may recommend separation-disqualification, but such recommendations must be referred for decision to the official having authority to take the action.

365.325 **Procedure in Separating**

If an appointing official decides to terminate an employee who is serving a probationary period due to conditions arising prior to appointment, or because work performance or conduct during this period fails to demonstrate qualification for continued postal employment, the employee's services are terminated by notifying the employee in writing as to why he or she is being terminated and the effective date of the action. The written notice of termination must at a minimum consist of the appointing official's conclusions about the inadequacies of performance or conduct.

365.326 **Effective Date**

The *effective date* of separation must be before the end of the probationary period and must not be retroactive.

365.33 Termination or Separation of Temporary or Casual Employees

An employee serving under a temporary appointment may be separated at any time after notice in writing. In determining the proper action for a particular case, the following criteria are used:

a. *Termination, expiration of appointment,* is the term used to separate an employee whose services are no longer required.

b. *Separation* is the term used when describing the discontinuance of the service of a temporary or casual employee because of unsatisfactory performance that warrants termination from the Postal Service.

365.34 Separation-Disability

365.341 **Definition**

Separation-disability is a term used to indicate the separation of an employee other than a temporary, casual, or a probationary employee whose medical condition renders the employee unable to perform the duties of the position and who is ineligible for disability retirement.

365.342 **Applicability**

a. At the expiration of 1 year of continuous absence without pay, an employee who has been absent because of illness may be separated for disability. This action is not mandatory, however, and if there is reason to believe the employee will recover within a reasonable length of time beyond the 1-year period, the employee may be granted additional leave in 30-day periods, not to exceed 90 days. If the employee's condition indicates that LWOP beyond that period is necessary incident to full recovery, the postal official must submit a comprehensive report to the area manager of Human Resources with appropriate recommendation and retain the employee on the rolls pending a decision.

b. If an employee on the rolls of the Office of Workers' Compensation Programs (OWCP) is unable to return to work at the end of the initial 1-year period of LWOP, the LWOP may be extended for successive additional periods of up to 6 months each. Extensions are granted only if it appears likely that the employee will be able to return to work within the period of the extension. If it does not appear likely that the employee will be able to return to work during the period, the employee, upon approval of the area manager of Human Resources, is separated subject to reemployment rights.

c. Before any employee on the rolls of the OWCP can be separated, the requesting postal official must submit a comprehensive report through channels to the area manager of Human Resources, with appropriate recommendations. The employee must be retained on the rolls of the Postal Service pending a decision.

d. If the area approves the request, and if the employee has sufficient service for entitlement to retirement, the employee is not separated until given an opportunity to retire. For involuntary separation, the

notice and appeal procedures outlined in 650 or the applicable collective bargaining agreement, whichever is appropriate, is followed.

e. An employee who is eligible for disability retirement but chooses not to apply is not separated for disability until a complete medical report has been received and the employee has received retirement counseling.

f. An employee who is eligible for disability retirement is not separated for mental disability. Rather, the appointing official files an application for disability retirement on the employee's behalf provided the requirements are met (see 568 and 588).

365.343 Notice to Employee

No employees who have completed their probationary period are separated for disability until given a notice in writing of the proposed action and an opportunity to reply in accordance with appropriate adverse action procedures. Employees eligible for disability retirement are advised and notified that unless they file application for disability retirement within 1 year of separation their rights will lapse.

365.344 Effective Date

Separation-disability is effective on the date determined by the Human Resources official or on the date authoritative notice is received in the case of legal incompetence. If unused sick leave remains to the employee's credit, the effective date may be extended to permit payment for the unused sick leave. If an annuity is involved, an employee may wish to evaluate an earlier annuity payment against the unused sick leave. Separations for disability may not be effected retroactively or before the date of expiration of the time specified in the notice.

365.35 Separation, Reduction in Force

The Postal Service procedure for effecting reductions in force parallels the OPM procedure. The Postal Service attempts to make personnel adjustments by various administrative actions other than RIF. If these actions are not adequate, however, and RIF appears to be appropriate, prior approval for such action must be obtained, through channels of communication, from the vice president of Employee Resource Management.

365.36 Death

365.361 Proof of Death

No action is taken to process the separation until credible evidence of death is received. Evidence of death is filed in the deceased employee's official personnel folder. The time and date of a postmaster's death should be reported immediately to the vice president of Area Operations and the vice president of Employee Resource Management.

365.362 Effective Date

The effective date of separation is the date of the employee's death. Personnel action forms also show the last day that the employee was in a pay status.

365.363 **Expression of Condolence**

The appropriate postal official should express condolences to the survivors, including a sincere expression of sympathy, and an offer to assist in filing claims for any funds to the deceased employee's credit.

370 Performance Evaluation

371 Introduction

Postal Service employees are expected to conduct themselves in a manner that reflects favorably upon the organization and perform their duties in the most efficient manner. Both the supervisor and employee have a mutual responsibility to achieve these goals. When properly used, performance evaluation strengthens the daily supervisor-employee relationship in working toward this end.

372 Sound Supervision

The principles of sound supervision require that supervisors evaluate employee performance daily. Supervisors should counsel and instruct their employees as necessary, giving attention to evidence of good performance, as well as to areas where the employees need improvement.

373 Performance Evaluation Systems

373.1 Formal Evaluation

Postal Service Headquarters prescribes formal evaluation systems for a variety of purposes. A formal evaluation consists of defined standards of performance, instructions for establishing a measure of where an employee fits within the standards, and a form to record information.

373.2 Informal Evaluation

Informal evaluation is based on the supervisor's day-to-day observations and is characterized by the absence of forms and instructions. The supervisor should make use of available human resources and give personal encouragement and guidance as a part of his or her daily practice. These practices must be part of a continuous formal and informal process.

374 Discussing Performance With Employees

The supervisor must discuss job performance with each employee. If the employee's performance is unsatisfactory, the supervisor suggests constructive measures for an employee to follow to improve his or her performance to a satisfactory level.

375 Outstanding and Unsatisfactory Performance

375.1 Outstanding Performance

Outstanding performance is a level of performance that far exceeds that which is normally expected of an individual in a particular position and is far above the performance and achievement of most satisfactory employees in terms of productive effort, proficiency, and significant contributions to the Postal Service. If a supervisor determines that a bargaining employee's performance is outstanding, the supervisor considers recommending the employee for a special achievement award or quality step increase. For EAS employees, such performance is recognized in their annual merit review and recognition programs. See 416 and 470 for more information.

375.2 Unsatisfactory Performance

Unsatisfactory performance is a level of performance that is repeatedly or consistently below the minimum requirements expected of an employee in the position, based on an evaluation of job-related factors such as reliability, willingness to work with fellow employees, quantity or quality of work production, and attendance. If a supervisor determines that an employee's performance is unsatisfactory and reasonable efforts toward improving performance to a satisfactory level have not been successful, effort is made to reassign the employee to a job that the employee can be expected to perform satisfactorily. If there is no such job available and if disciplinary action must be taken, the appropriate adverse action procedure is followed.

376 Performance Evaluation During Probation

See Handbook EL-312, 584, Employee Evaluation.

380 Postal Career Executive Service

381 Purpose

The Postal Career Executive Service (PCES) was established in 1979 to develop and maintain a highly motivated, competent group of individuals capable of filling the key management positions and providing the leadership needed for the continued success of the Postal Service. PCES comprises Officers (PCES II) and Executives (PCES I).

382 Equal Opportunity

The principles of equal opportunity apply to all aspects of the PCES, including executive reassignment, training and development, evaluation, compensation, and awards. The Postal Service considers individuals seeking entry into the PCES without regard to race, color, sex, religion, age, national origin, political affiliation, marital status, disability, or any other nonmeritorious factor or consideration.

383 Positions in the PCES

383.1 Officer Positions

The postmaster general establishes officer positions, subject to approval by the Board of Governors.

383.2 Other Executive Positions

The Executive Compensation Committee (ECC) establishes executive positions (PCES I), subject to approval of the postmaster general.

384 Filling PCES Vacancies

384.1 PCES II Vacancies

The postmaster general fills PCES II vacancies through appointment (except for the positions of postmaster general and deputy postmaster general, which are filled pursuant to 39 U.S.C. 202).

384.2 PCES I Vacancies

An officer, subject to approval of the next officer level, fills PCES I vacancies through selection from the Succession Planning List or from outside the Postal Service.

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4 Pay Administration

410 Pay Administration Policy for Nonbargaining Unit Employees

411 General

411.1 Scope

This subchapter establishes the conditions and procedures for setting salaries of Postal Service™ nonbargaining unit career and noncareer employees in supervisory, professional, technical, clerical, administrative, and managerial positions in the Executive and Administrative Schedule (EAS) and applies to all employees *except* the following:

a. Employees covered by collective bargaining agreements (except when assigned to nonbargaining positions).

b. Employees assigned to the Postal Career Executive Service (PCES).

c. Employees in the Office of Inspector General.

d. Employees in the Inspection Service designated as *law enforcement.*

e. Employees in attorney positions in the office of the General Counsel.

411.2 Objectives

The principal objectives of Postal Service compensation policies are:

a. To provide compensation for Postal Service work comparable to compensation paid for comparable levels of work in the private sector of the U.S. economy.

b. To provide compensation that will attract, motivate, and retain qualified and capable personnel.

c. To provide adequate and reasonable differentials in rates of pay between employees in the clerk and carrier grades in the line work force and supervisory and other managerial personnel.

d. To provide for effective administration of salary expenditures.

e. To provide for recognition of and reward for differences in individual ability and performance.

f. To provide uniform methods for establishing and applying salary rates to employment, placement, promotion, and other changes in the status of employees.

411.3 Responsibility

411.31 Assignment of Positions

The vice president of Employee Resource Management has the responsibility for determining the appropriate dollar range and salary grade for each position covered by 410.

411.32 Policy and Procedural Changes

Recommendations concerning compensation policy and procedural matters are evaluated and developed under the direction of the vice president of Employee Resource Management. Exceptions to the policies contained in this subchapter require approval by the vice president of Employee Resource Management or designee.

411.33 Determination of Salaries

411.331 Responsibility of Appointing Officer

The appointing officer has the primary responsibility for setting salaries of employees in nonbargaining unit positions according to the policies contained in this subchapter.

411.332 Approval Required

In all cases, the appointing officer's superior must approve the salaries set by the appointing officer.

411.333 EAS A–E Postmaster Rates

A–E postmasters are paid at hourly rates for less than a 40-hour week (see Rate Schedule F). For changes between A–E postmaster and full-time positions, these hourly rates are first converted to full-time annual salaries using the following equation:

Full-time Annual Salary = Hourly Rate X 2080.

411.4 Payment Procedures for Post Office Space

411.41 Lease Agreement

411.411 Basis for Payment

A postmaster who has a lease agreement is reimbursed on the basis of actual lease rates for the location and not on the basis of the postmaster's salary grade.

411.412 Newly Appointed Postmaster

Postmasters who are newly appointed as EAS A–E or EAS-11 are (a) paid under standard lease agreements for the space they provide and (b) receive equipment from the Postal Service supply system.

411.413 Conversion to Rental Allowance

Conversion from the lease agreement system to the rental allowance system is not permitted.

411.42 Rental Allowance

411.421 Allowance Amounts

The rental allowance for EAS A–E postmasters who furnish quarters and equipment covers rent, fuel, lights, and equipment. The rental allowance maximums for these Post Offices™ are fixed as follows:

Post Office Service Hour Category	Annual Rental Allowance
A	$342.75
B	$514.05
C	$685.50
D	$856.80
E	$1,028.10

411.422 Change in Allowance

If the salary grade of a postmaster (who receives an allowance) is increased, the rental allowance is not increased. If, however, the grade of the postmaster is decreased, the allowance is reduced to the amount shown in 411.421 for the new (lower) grade.

411.423 Manner of Payment

Normally, payment of rental allowance is made at the same time and in the same manner as payment for basic compensation. (See also 411.424 and 411.425.)

411.424 Absent Postmaster

When a postmaster is absent on approved leave without pay, the allowance continues to be paid to the postmaster — not to the person performing the duties of the postmaster.

411.425 Vacant Postmaster Position

When a postmaster's position is vacant and the facilities are still used by the Postal Service, claims for payment must be filed with the Eagan Accounting Service Center (ASC). Note that:

a. If the facilities are furnished by the former postmaster (or his or her estate), the allowance continues to be paid to the former postmaster (or his or her estate) until a new postmaster is appointed. A lease agreement is then negotiated.

b. If the person performing the duties of postmaster provides the facilities, the allowance for the salary grade of the Post Office is paid to the person performing the postmaster duties.

411.426 Conversion to Lease Agreement

A postmaster receiving rental allowance is permitted to convert to the lease agreement system at any time. If the rental allowance is to be discontinued, the change is effective on the date of the lease agreement.

412 New Appointment

412.1 Career Appointment

A new employee hired into the EAS schedule is paid the minimum salary for the grade of the position to which hired, although the appointing official has

the flexibility to set the *starting* salary up to the midpoint of the grade. Further variation may occur in the following circumstances:

a. *Exceptional Qualifications.* If the person has exceptional qualifications, the appointing official may request an exception to set the salary over the midpoint of the grade. The exception over the midpoint requires the approval of the functional vice president.

b. *Supervision of Bargaining Unit Employees.* When an appointment is to an exempt EAS-15 through EAS-19 grade position that involves directly supervising two or more full-time equivalent bargaining unit employees, the minimum salary must be equal to, or exceed, the supervisory differential adjustment (SDA) rate as described in Exhibit 412.1b.

Exhibit 412.1b
Position Groups Eligible for Supervisory Differential Adjustment Rate (effective January 22, 2005)

Position Group	Minimum Salary is 5 Percent Above
Plant Maintenance	PS-11, step P
Vehicle Maintenance, Transportation Operations	PS-7, step O
Postal Police Officer — Supervisor	PPO-6, step 20
All Other Eligible EAS-15 to EAS-19	PS-5, step O

412.2 Noncareer Appointment

A noncareer employee is hired in accordance with the provisions in 419.

413 Promotion to Nonbargaining Unit Positions

413.1 Definition

A *promotion* is the permanent assignment, with or without relocation, of an employee to (a) an established position having a higher grade than the position to which the employee was previously assigned in the same schedule or (b) a position with a higher than equivalent grade (see 418.1) in another schedule.

Note: When an employee who has rate retention (see 415.3) is assigned to a different position, the assignment is not a promotion unless it is to a position with a grade or grade equivalent higher than the grade on which the rate retention was established.

413.2 Promotion Increase

413.21 Nonbargaining Unit Employees

Nonbargaining unit employees may receive promotion increases of from 3 to 10 percent, although increases of up to 12 percent may be granted on an exception basis. Management should consider the full 3 to 10 percent range in determining the amount of a promotion increase, giving consideration to such factors as responsibility and complexity of the job, skill requirements, and the employee's experience, credentials, and salary history. Increases of as much as 12 percent should be reserved for employees with exceptional qualifications and can be granted only with the approval of the functional

vice president. Promotional increases are subject to the conditions and exceptions described below:

a. An increase cannot result in a salary that is below the minimum or exceeds the maximum of the new grade.

b. An increase of more than 10 percent is given if necessary to bring the salary to the minimum of the new grade or the minimum salary rate for certain supervisory positions as described in 412.1b.

c. If an employee is promoted more than once within 52 weeks, the aggregate promotional increase may not exceed 20 percent of the salary on which the first promotion action was calculated.

d. For promotions to positions at grades 15 through 19 that require supervising two or more full-time equivalent bargaining unit employees, the amount of the increase must result in a salary that is no less than the minimum salary rate for those employees promoted to positions as described in Exhibit 412.1b.

413.22 Bargaining Unit Employees

Bargaining unit employees permanently assigned to a higher equivalent grade in the nonbargaining unit schedule receive a salary adjustment of 5 percent of their basic salary subject to the following:

a. An increase cannot result in a salary that exceeds the maximum of the new grade.

b. An increase of more than 5 percent is given if necessary to bring the employee's salary to the minimum of the new grade or the minimum salary for certain supervisory positions as described in 412.1b.

413.3 Position Upgrade

When an employee's position is upgraded through the Workload Service Credit System (WSCS), the Station Manager Evaluation Process, the job evaluation process (JEP), or job-ranking standards and guidelines, a 2 percent basic salary increase is provided. The increase is adjusted higher if necessary to bring the salary to the minimum of the new grade or the minimum salary for certain supervisory positions as described in 412.1b. The increase is adjusted lower if necessary to keep the salary from exceeding the maximum of the higher grade.

413.4 EAS A–E Postmasters

When a postmaster in an EAS A–E Post Office is promoted to a position in a grade higher than the A–E postmaster grade, the postmaster's hourly rate is converted to the full-time annual salary equivalent to that hourly rate (hourly rate x 2080) and then further adjusted in accordance with the promotion procedures in 413.2. All A–E postmasters are in the same grade, EAS A–E; therefore, a change from one A–E service hour category to another does not result in a promotion (see 414.13).

414 Reassignment

414.1 Reassignment to Nonbargaining Unit Positions

414.11 Definition

A *reassignment to a nonbargaining unit position* is the permanent change, with or without relocation, of an employee to an established EAS position from a position with the same or equivalent grade. (For changes between pay schedules, see Exhibit 418.1.)

414.12 Rate Adjustment

414.121 Nonbargaining Unit Employees

An EAS employee's salary is not changed as a result of reassignment within the EAS schedule except when the employee is reassigned to an exempt EAS-15 through EAS-19 position that involves directly supervising two or more full-time equivalent bargaining unit employees. In this case, the salary must be no less than the supervisory differential adjustment (SDA) rate, as described in Exhibit 412.1b.

414.122 Bargaining Unit Employees

Bargaining unit employees reassigned to nonbargaining unit positions continue to receive their former basic salary provided that it is not below the minimum or above the maximum for the new position.

If the person is reassigned to an EAS-19 or below position and has served 52 weeks or more in the bargaining unit position since the last step, promotion, or other equivalent increase, the salary is advanced by 3 percent, provided all of the following conditions are met:

a. An equivalent increase (one equal to the most prevalent step in the salary schedule for the former position) is not received at the time of the reassignment.

b. The employee has satisfactory service.

c. The new salary is below the new maximum.

414.13 A–E Postmasters

When an A–E postmaster is reassigned to another A–E Post Office with a different number of service hours, or when the service hour category of an A–E Post Office is changed pursuant to the Workload Service Credit System (WSCS), the postmaster's basic hourly rate remains the same as before, regardless of the number of service hours.

When an employee is reassigned to an A–E postmaster position from a position in a grade equivalent to the grade for A–E postmasters, the following applies:

a. The employee is placed (1) at minimum of the hourly rate range for A–E postmasters or (2) at the discretion of the appointing official, up to the highest basic salary the employee has received that does not exceed the rate for the maximum of the hourly rate range for A–E postmasters.

b. If previously full-time, the employee's former annual salary is divided by 2080 hours. The resultant hourly rate is used to place the employee in the hourly rate range for A–E postmasters as provided in 414.13a.

414.2 Reassignment to Bargaining Unit Positions

414.21 Definition

A *reassignment from a nonbargaining unit position to a bargaining unit position* is the permanent change, with or without relocation, of a nonbargaining unit employee to an established bargaining unit position with an equivalent grade (see Exhibit 418.1).

414.22 Rate Adjustment

414.221 Former Bargaining Unit Service in an Equivalent Grade

If the employee has performed prior service in an equivalent bargaining unit grade, the step and next step date are determined as if service had been continuous in the equivalent bargaining unit grade.

Note: Reassignment to PS Schedule 2 must include service the employee would have had in PS Schedule 1 before conversion to PS Schedule 2.

414.222 No Former Bargaining Unit Service in an Equivalent Grade

If the employee has never performed prior service in an equivalent bargaining unit grade, the step is determined by moving the nonbargaining unit salary to the equivalent grade in the bargaining unit pay schedule. If the current salary falls between two steps, the higher step is assigned. To establish the next step date, creditable service is allowed since the last nonbargaining unit pay-for-performance increase or salary adjustment. The provisions contained in 422.124c4 also apply.

Note: If the employee's nonbargaining salary exceeds the amount associated with the top step in the bargaining unit schedule, the employee is placed at the top step.

415 Rate Retention and Change to Lower EAS Grade

415.1 Rate Retention Types

415.11 Saved Grade

Under *saved grade,* an employee assigned to a lower grade is treated as being in the higher grade for pay increases and benefit purposes during the saved grade period. Nonbargaining unit employees, except for those assigned to lower grades during RIF-related periods (see 415.21), may be granted saved grade only in accordance with the terms and conditions issued for special situations by the vice president, Employee Resource Management (ERM).

415.12 Saved Salary

Saved salary provides that an employee assigned to a lower grade position whose higher grade salary does not fall within the salary range of the lower grade has this higher grade salary continued (saved). For as long as the saved salary is higher than the maximum salary of the lower grade position, the employee may receive pay-for-performance lump sums based on the policies applicable to employees at or above their salary range maximum. The saved salary is continued until it is terminated as specified in 415.4.

415.2 Changes to Lower Grade

415.21 Change to Lower Grade During a RIF Avoidance Period, Specific RIF Notice Period, or a RIF

Nonbargaining employees who are changed to a lower grade career nonbargaining position during RIF-related periods — RIF avoidance, specific RIF notice, and RIF — retain their current grade and pay for a period not to exceed 2 years from the effective date of the change to the lower grade position. On expiration of the saved grade period, they are automatically reduced to the grade of their current position and receive saved salary indefinitely subject to ELM 415.41. This applies not only for changes to lower grade positions within the EAS pay schedule but also when changes occur within or between other nonbargaining pay schedules. (For further information, see 354.2.)

415.22 Voluntary Change to Lower Grade

An employee who voluntarily changes to lower grade position is immediately reduced to the lower grade, but the salary remains the same as that in the higher grade position, provided it is not above the maximum in the lower position's salary range. In no case may the salary be set above the maximum for the new grade or above the employee's salary immediately before the change. If the employee has a form of rate retention, it is terminated (see 415.4).

415.23 Position Reclassified to a Lower Grade

When a position is reclassified to a lower grade, the employee is immediately reduced to this grade, but saved salary is granted if the employee's salary exceeds the maximum salary of the lower grade. If the employee's salary is within the salary range for the lower grade, the salary is continued and there is no saved salary. Any management initiated involuntary change to a lower grade must be effected according to the grievance and appeals procedures in 650.

Reclassifications occur primarily under the WSCS and the Station Manager Evaluation Process. In cases where full-time postmaster positions are reclassified to part-time positions for 104 weeks, the postmaster receives an hourly rate that produces the annual salary in effect prior to the change (full-time annual salary divided by the annual service hours for the part-time position). At the end of 104 weeks, the affected postmaster's hourly salary is reduced to the *hourly equivalent* of the amount received in the full-time position (full-time annual salary divided by 2080 hours). This hourly amount becomes the saved rate.

Note: All A–E postmasters are in the same grade, A–E; therefore, a change from one A–E service-hour category to another does not result in a change in grade (see 414.13).

415.24 Management-Initiated Action Where Employee Voluntarily Accepts a Lower Grade EAS Position

In cases of management-initiated action or in cases in which management determines that it is in the mutual interest of both the employee and the Postal Service and an employee voluntarily accepts a lower grade EAS

position, the employee must be placed in a position that he or she is qualified to perform, and as near to the grade of his or her original position as possible. Saved salary (see 415.12) is applicable in such actions.

415.25 Refusal of a Reasonable Assignment to a Higher Grade Position During a Rate Retention Period

An employee in a lower grade position with rate retention who refuses a reasonable assignment to a higher grade position is immediately reduced to the lower grade, and the salary is reduced by the dollar amount of the most recent promotion or upgrade received.

415.26 Change to Lower Level Due to Demotion for Cause

An employee who is changed to a lower grade position as a result of a demotion for cause is immediately reduced to the lower grade, and the salary is reduced by 10 percent or placed at the maximum of the lower grade, whichever is lower.

415.3 Rate Retention Effect on Promotion

If an employee with rate retention is assigned to a different position, there is no promotional pay raise unless the assignment is to a position with a grade that is higher than the grade on which the retained rate was established. Pay adjustments are made as follows:

a. If the employee is assigned to a position with a *grade equal to or lower than* the grade on which the retained rate was established, the employee is placed at a salary in the new grade equal to the existing salary, and the retained rate continues until terminated in accordance with 415.4.

b. If the employee is assigned to a position with a *grade higher than* the grade on which the retained rate was established, the retained rate is terminated, and the employee is eligible for a promotional increase to base pay.

415.4 Termination of Salary Retention

415.41 Reason for Terminating

A saved grade and/or retained rate ceases at the beginning of the pay period following a determination that the employee is no longer entitled to saved grade and/or rate retention for any one of the following reasons:

a. A break in service of 1 workday or more.

b. A demotion or employee-initiated change to a lower grade position.

c. A promotion or assignment change to a rate in a grade or range equal to or above the saved grade and/or retained rate.

d. A change in compensation of the employee, for any reason, to a rate equal to or higher than the retained rate.

e. The employee refuses a reasonable assignment to a higher grade position.

f. A change from nonbargaining unit to a bargaining unit schedule.

Note: This terminates nonbargaining unit saved grade and/or saved salary; however, an eligible employee may continue to receive rate retention subject to bargaining unit rules.

416 Pay for Performance Program

416.1 Policy

EAS employees are eligible for an annual pay for performance (PFP) salary increase and/or lump sum payment based on a fiscal year performance evaluation. These evaluations are conducted in accordance with established performance appraisal instructions. PFP adjustments are made in accordance with guidelines issued annually.

416.2 Eligibility Requirements

416.21 General

To be eligible for a PFP adjustment, an employee must have an appointment that is not time-limited and receive a performance rating warranting an adjustment as provided in the applicable PFP guidelines.

416.22 Management Association Officials

Employees who are placed on leave without pay (LWOP) to devote full-time service as elected national officers of a recognized management association are eligible to have their salary of record adjusted to reflect annual PFP increases as if they were continuing in a pay status. The effective date of an employee's adjustment is the same as it would be if the employee were in a pay status. The amount of such an adjustment is determined as follows:

a. The percentage increase is equal to the National Performance Assessment score (national rating).

b. The adjusted salary may not exceed the maximum of the range for the employee's grade.

c. The employee is not eligible for a PFP lump sum.

416.23 Leave Without Pay

Employees who return to Postal Service duty following an absence for military duty are eligible for a PFP adjustment for time spent in a military LWOP status.

Employees who are on LWOP for other purposes during the year are eligible for a PFP adjustment subject to a prorated reduction for the LWOP hours according to the PFP guidelines issued annually.

416.3 Simultaneous Personnel Actions

When a PFP increase and another personnel action are effective on the same date, the PFP increase is granted first.

417 Temporary Assignment to Nonbargaining Unit Positions (Career Employees)

417.1 Definitions

417.11 Temporary Assignment

A *temporary assignment* is the placement of a career employee in another established position which is vacant or from which the incumbent is absent from duty, to perform duties and responsibilities other than those specifically set forth in the employee's position description, when the employee is not awarded the position on a regular basis.

417.12 Pay Schedule and Premiums

The salary of a career employee who is temporarily assigned to an EAS position is based on the career EAS schedule. However, employees continue to receive pay premiums applicable to their permanently assigned positions while temporarily assigned to EAS positions. Except that an FLSA-exempt employee who is assigned to perform FLSA-nonexempt work for more than 50 percent of the work hours for the week is eligible for FLSA overtime for hours actually worked over 40 in that week.

417.2 Rates of Pay

417.21 Lower Grade

Employees who are temporarily assigned to perform duties of a lower grade continue to receive their existing basic salaries.

417.22 Same or Equivalent Grade

Employees who are temporarily assigned to perform duties of the same grade or of an equivalent grade (see 418.1) continue to receive their existing salaries.

417.23 Higher Grade

417.231 General Requirement

A career employee who is temporarily assigned to a higher grade position must be assigned the primary or *core* duties and be directed to assume the major responsibilities of the higher grade position to be eligible for higher level pay under the conditions of this section.

417.232 Employee With Rate Retention

When an employee who has rate retention is assigned to a different position, it is not considered a higher level assignment unless that position is at a grade higher than the grade on which the rate retention was established.

417.233 Higher Level Pay Eligibility

An employee whose temporary assignment meets the conditions described in 417.234 is eligible for higher level pay when temporarily assigned to an authorized established EAS position in a higher grade than that of the position to which permanently assigned, *except* as follows:

a. Employees temporarily assigned to PCES positions.

b. Employees in developmental programs for which management instructions provide that participants do not receive higher level pay.

417.234 **Higher Level Pay Conditions**

Conditions for higher level pay are as follows:

a. *EAS Employees.* Higher level pay is authorized to eligible EAS employees during each temporary assignment to higher level EAS positions in Headquarters, Headquarters-related units, area offices, and field installations for all such service beginning after 5 consecutive workdays, excluding breaks for normal days off, and continuing for the duration of the assignment. Different employees are not to be assigned consecutively to the same vacancy solely to avoid the higher level pay requirements.

b. *Bargaining Unit Employees.* Bargaining unit employees are authorized higher level pay for all time worked on higher level assignments. They receive certain bargaining unit pay premiums according to their bargaining unit agreement when temporarily assigned to a nonbargaining position. However, they are not also eligible for supervisory differential adjustment (SDA) or the Pay for Performance Program.

417.235 **Payment Amount**

Higher level pay is calculated as follows:

a. *To or Within the EAS Schedule, Except Rural Carriers.* The employee receives a salary increase equal to 5 percent of the employee's actual salary or the minimum salary for the higher grade, whichever is greater. Total higher level compensation may not exceed the maximum salary rate of the higher level position in which such service is performed, or the employee's existing salary if above the maximum of the range for the higher grade.

b. *From Rural Carrier to Nonbargaining Unit Schedule.* A rural carrier is paid based on the assigned route's evaluation for the first 30 days of a temporary higher level assignment. At the beginning of the pay period following this 30-day period, the carrier's salary is converted to that of a 40-hour route, attained step. The salary is then adjusted in accordance with 417.235a.

417.236 **Payment Factors**

Payment factors for nonbargaining employees include:

a. *Holiday Pay.* An employee receives holiday leave pay for the holiday at the rate of the higher level position, provided the employee received the higher level pay for both the full workday preceding the holiday and the full workday following the holiday. If the employee works in the higher level position on a holiday, he or she is paid at the rate of the higher level position for work in the higher level position on a holiday.

b. Annual, Sick, Holiday, or Other Paid Leave During Higher Level Service.

(1) Except as provided in (2) below, when full-time employees are absent on approved annual, sick, or other paid leave falling within a period of temporary assignment to a higher level position, they receive leave pay at the rate for the higher level position provided they receive higher level pay for both the full workday

immediately preceding and the full workday immediately following the period of absence.

(2) If a second person is assigned to replace the absent employee, the original temporary higher level assignment is canceled and the absent employee has no entitlement to higher level pay for the parts of the leave period during which he or she is replaced.

c. *Determination of FLSA Status.* An employee's FLSA status during a temporary assignment is based on the FLSA status of the position of record. (See 417.12 and 444.313 to determine an FLSA-exempt employee's eligibility for FLSA overtime when, due to temporary assignments, FLSA-nonexempt work is performed over 50 percent of the actual work hours worked in a single workweek.)

417.3 Postmaster Positions

417.31 Officer in Charge

417.311 Definition

The assignment to be an *officer in charge* (OIC) is the temporary assignment of an employee to act as postmaster during which the accountability of postmaster is transferred to the employee.

417.312 Basis for Rate of Pay

The salary of a career employee temporarily assigned to a Post Office as OIC is based on the grade of the Post Office to which he or she is assigned and is determined in accordance with the provisions of 417.2. The salary of a noncareer employee assigned to a Post Office as OIC is set in accordance with 419.2.

417.32 Postal Operations Administrator

417.321 Definition

The assignment to be a *postal operations administrator* (POA) is the temporary assignment of a career employee to act as postmaster during which time the accountability of postmaster *is not* transferred to the employee.

417.322 Basis for Rate of Pay

The salary of a career employee temporarily assigned to a Post Office as POA is based on the grade two grades below the grade for that office and is determined as provided in 417.2.

418 Assignment to a Different Salary Schedule

418.1 Equivalent Grades

When an employee is reassigned, reduced in grade, promoted, or otherwise permanently or temporarily changed to a position in another salary schedule, see Exhibit 418.1 for grades that are equivalent for pay purposes. This chart determines the appropriate Nature of Action (NOA) triggered when processing a PS Form 50, *Notification of Personnel Action.* Special salary handling during an involuntary reduction in grade involving bargaining unit employees is performed in accordance with the applicable collective bargaining agreement.

Exhibit 418.1
Equivalent Grades

C — Mail Equipment Shops & Material Distribution	E — EAS	V — Pay Band	U — Attorney	F — A–E Postmasters	G — Postal Nurses	K — Operating Services	M — Mail Handlers	N — Information/ Technology Accounting Service	P — Postal Service	Q — City Carriers	R — Rural Carriers	T — Tool & Die Shop	Y — Postal Police Officers
–	1–4	–	–	–	–	–	–	–	–	–	–	–	–
–	5	–	–	A–E	–	–	–	–	–	–	–	–	–
–	6	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–		–	–	–	–	–	–	–
–	7	–	–	–	–		–	–	–	–	–	–	–
–	8	–	–	–	–	–	–	–		–	–	–	–
–	9	–	–	–	–	3	–	–		–	–	–	–
3	–	–	–	–	–	4	–	–	3	–	–	–	–
4	10	–	–	–	–	5	4	6,7,8	4	–	–	4	–
5	11	–	–	–	X *	6	5	9,10	5	–	X *	–	–
6	12	–	–	–	–	7	6	11,12	6	1	–	6	X *
7	–	–	–	–	–	–	–	13	7	2	–	7	–
8	13	–	–	–	–	8	–	14	8	–	–	8	–
9	14	–	–	–	–	9	–	15	9	–	–	9	–
–	15	–	–	–	–	10	–	16		–	–	–	–
–	16	–	–	–	–	–	–	17		–	–	11	–
10	–	–	–	–	–	–	–	18	10	–	–	–	–
11	–	–	–	–	–	–	–	19	11	–	–	–	–
–	17	–	–	–	–	–	–	20	–	–	–	–	–
–	18	–	–	–	–	–	–	21	–	–	–	–	–
–	19	–	–	–	–	–	–	22	–	–	–	–	–
–	20	–	–	–	–	–	–	23	–	–	–	–	–
–	21	–	–	–	–	–	–	–	–	–	–	–	–
–	22	–	–	–	–	–	–	–	–	–	–	–	–
–	23	–		–	–	–	–	–	–	–	–	–	–
–	24	–	–	–	–	–	–	–	–	–	–	–	–
–	25	–	x*	–	–	–	–	–	–	–	–	–	–
–	26	–	–	–	–	–	–	–	–	–	–	–	–
–	–	01	–	–	–	–	–	–	–	–	–	–	–
–	–	02	–	–	–	–	–	–	–	–	–	–	–

** X signifies a single–level schedule.*

EQUIVALENT GRADE DETERMINATION —To use the chart:

Step 1. In the horizontal list at the top, locate the salary schedule and grade of the employee's position before the change action.

Step 2. Cross over to the salary schedule into which the employee is being assigned.

Step 3. Determine the nature of the placement action from the following:

If the new grade is…	***Then the placement action is…***
On the same line as the previous grade	Lateral reassignment to an equivalent grade.
On a lower line than the previous grade	Promotion.
On a higher line than the previous grade	Reduction in grade (change to lower level).

The number of lines on the chart between the old grade and the new grade is considered to be the number of grades changed for the purpose of calculating promotions or reductions in grade.

418.2 Changes Between Nonbargaining Unit Schedules

Changes between EAS and PCES salary schedules are made in accordance with the provisions of the Postal Career Executive Service Program. Changes between other nonbargaining unit schedules are made in accordance with the promotion and reassignment provisions of this subchapter (see 413, 414, and 415).

418.3 Changes From Nonbargaining Unit to Bargaining Unit Schedules

Changes of nonbargaining unit employees to bargaining unit positions are made in accordance with 420 and any applicable collective bargaining agreement.

418.4 Changes From Bargaining Unit to Nonbargaining Unit Schedules

Changes of bargaining unit employees to nonbargaining unit positions are made in accordance with 413, 414, 415, or 417.

419 Supplemental EAS Noncareer Workforce

419.1 Casual Employee

419.11 Definition

Casual employees are nonbargaining unit, noncareer employees with limited-term appointments. These employees are employed as a supplemental workforce, as described in collective bargaining agreements, to perform duties assigned to bargaining unit positions.

419.12 Salary Grade

Appointments of casuals are made to the position of Casual, Occupation Code 5201-1001, at grade EAS-7 in the Noncareer Temporary Rate (NTR) Schedule or as otherwise authorized by the vice president of Employee Resource Management.

419.2 Nonbargaining Temporary Employees

419.21 Definition

Nonbargaining temporary employees, including officers in charge (OICs) appointed from outside the Postal Service, are nonbargaining unit, noncareer employees who perform duties assigned to nonbargaining unit positions.

419.22 Salary Grades

Temporary employees hired as OICs are paid in accordance with the *Officers in Charge* schedule. Prior to hiring a temporary employee for other positions, the installation head or other appointing official should carefully assess operational needs of the office and determine the EAS grade for the types of work to be performed. Based on this determination, the temporary employee is hired at the minimum salary for that grade. The full-time salary is divided by 2080 to determine the appropriate hourly rate.

419.3 Postmaster Relief/Leave Replacements

419.31 Definition

A Postmaster Relief/Leave Replacement (PMR) is a noncareer hourly rate employee who performs as a relief or leave replacement during the absence of a postmaster in an EAS-16 or below Post Office.

419.32 Salary Grades

PMRs are employed at the Noncareer Temporary Rate schedule grades indicated below, and are paid in accordance with the *Postmaster Relief/ Leave Replacements* schedule.

PMR Occupation Code	Rate Schedule Code (RSC)	PMR Grade	Post Office Level	Post Office Status
2305-0073	L	14	16	Full-time
2305-6115	L	13	15	Full-time
2305-6113	L	11	13	Full-time
2305-6111	L	09	11	Full-time
2305-6100	L	55	55	Part-time
2305-0044	L	54	54	Part-time
2305-0042	L	53	53	Part-time
2305-0041	L	52	52	Part-time
2305-0040	L	51	51	Part-time

420 Wage Administration Policy for Bargaining Unit Employees

421 General Principles and Terms

421.1 Scope

This subchapter establishes the conditions and procedures for setting the wages for Postal Service employees covered by collective bargaining agreements.

Note:

a. *Consistency With Agreements.* It is not the intent of these instructions to amend or conflict with the provisions of the collective bargaining agreements negotiated between the Postal Service and the officially recognized labor unions. The applicable provisions of a collective bargaining agreement control in the event of any conflict with this subchapter.

b. *Categorization of Bargaining Units.* Exhibit 421.7 provides a categorization of bargaining unit employees.

c. *Employee Classifications.* Employee classifications for bargaining unit employees appear in 432.111.

421.2 Objectives

The principal objectives of the wage administration policies are:

a. To provide uniform compensation rules and practices consistent with the provisions of the bargaining unit agreements for the establishment of wage rates for employment, reassignment, promotion, and other changes in the pay status of bargaining unit employees.

b. To provide for the effective administration of wage expenditures.

421.3 Responsibilities

421.31 Assigning Positions to Salary Schedules

The executive vice president of Human Resources is responsible for determining the appropriate salary schedule for each position covered in 420.

Note:

a. A position is the aggregate of all the current duties and responsibilities contained in a work assignment. These duties and responsibilities are to be performed during an employee's full working schedule, as normally reflected in the authorized position description.

b. The procedures for authorizing and ranking bargaining unit positions appear in 230 and 240.

c. Each bargaining unit position is assigned to one of the authorized salary schedules, based upon the established categories listed in Exhibit 421.7.

421.32 Setting Wages

The appointing official has primary responsibility for setting the wage of an employee according to the guidelines for the appropriate salary schedule (see 422.12). Higher level approval is required when appropriate or when specified (see 422.514 and 422.714).

421.4 Definitions

421.41 Appointments

The types of appointments are as follows:

a. *Career appointment* — a new hire for an appointment without time limit requiring the completion of a probationary period that confers full employee benefits and privileges. The term applies to (a) new employees, (b) former employees who are being reinstated, (c) employees transferring from federal agencies, and (d) current Postal Service employees who choose to transfer to or from the rural carrier craft.

b. *Temporary/casual appointment* — a new hire for a time-limited appointment; does not apply to bargaining unit employees.

c. *Appointment to additional position* — applies to cases of dual employment, as described in 422.15, when an existing employee is appointed up to three additional positions.

421.42 Assignments

The types of assignments are as follows:

a. *Permanent assignment* — simply called *assignment;* a set of specific duties at a specified location in a specified schedule related to an employee's position description. For postal police officers, an individual preferred schedule consists of a desired tour and nonscheduled days at a work facility.

b. *Temporary assignment* — the assignment of an employee for a short period of time to perform duties and responsibilities other than those specifically contained in his or her position description when a formal personnel action is not required.

(1) Employees assigned to higher level duties may receive higher level pay (see 422.14).

(2) Employees other than rural carriers assigned to lower level duties continue to receive their regular pay. In the rural carrier craft, compensation is dependant upon the evaluated route hours or length of the assigned route.

(3) For postal police officers, temporary assignment is a transfer to another schedule (tour and days off) or work facility.

421.43 Change Actions

The types of change actions are as follows:

a. *Promotion* — the permanent assignment of an employee (a) to an established position having a higher grade than the position to which the employee was previously assigned in the same schedule or (b) to a position with a higher than equivalent grade (see Exhibit 418.1) in another schedule.

b. *Reassignment* — the permanent assignment or relocation of an employee (a) to another established position with the same grade in the same schedule or (b) to a position with an equivalent grade (see Exhibit 418.1) in another schedule, also called *lateral assignment* or simply *lateral.* For postal police officers, reassignment is a permanent transfer to another work facility.

c. *Demotion* — the permanent assignment due to unsatisfactory performance of an employee (a) to an established position with a lower grade in the same schedule or (b) to a position with a lower than equivalent grade (see Exhibit 418.1) in another schedule, also called *disciplinary reduction.*

d. *Voluntary reduction* — the permanent assignment at the request of the employee (a) to an established position with a lower grade in the same schedule or (b) to a position with a lower than equivalent grade (see Exhibit 418.1) in another schedule.

e. *Management action reduction* — the permanent, nondisciplinary, and involuntary, assignment of an employee for reasons such as changes in job ranking criteria and job elimination (a) to an established position with a lower grade in the same schedule or (b) to a position with a lower

than equivalent grade (see Exhibit 418.1) in another schedule. Rate retention provisions apply in cases of this type of reduction (see 421.5).

421.44 Terms

The wage terms are as follows:

a. *Basic wage* — the annual, daily, or hourly rate of pay provided by the applicable salary schedule for the employee's assigned position.

b. *Compensation* — the same as an employee's basic wage plus special pay.

c. *Special pay* — pay and allowances for additional and premium hours. See 430 for special pay provisions, which include the following:

(1) Overtime pay (see 434.1).

(2) Night differential (see 434.2).

(3) Sunday premium (see 434.3).

(4) Holiday-worked pay (see 434.5).

(5) Out-of-schedule overtime (see 434.6).

(6) Information service center on-call pay (see collective bargaining agreement).

(7) Territorial cost-of-living allowance — TCOLA (see 439).

d. *Grade* — the numerical salary standing and salary range in the salary schedule assigned to a position; also called *salary grade.*

e. *Equivalent grade* — the grade in one salary schedule that is most similar in salary range to the grade in another salary schedule whether bargaining or nonbargaining (see Exhibit 418.1). (See 418 for wage adjustment rules for assignments to a different salary schedule.)

f. *Step* — the number or letter assigned to specific wage rates within a grade of a salary schedule. Maximum step is the highest schedule step for a position.

g. *Salary standing* — the step rate or percentile with respect to the appropriate salary schedule.

h. *Red-circle amount* — the dollar portion of an employee's salary that is in excess of the maximum salary of the grade and that results from the saved rate provisions described in 421.52.

i. *Promotion* — an increase in an employee's pay grade, within a rate schedule or as a result of a movement to a different rate schedule, determined to be a promotion by Exhibit 418.1.

j. *Repromotion* — a promotion to a grade equivalent to that originally held before reduction in grade occurred (see 421.5).

k. *Interim promotion* — a promotion to a grade lower than a grade held before reduction in grade (see 422.123).

l. *Reduction in grade* — a voluntary or involuntary change to lower or lower than equivalent level.

421.45 Wage Increases

The types of wage increases are as follows:

a. *General increase* — an across-the-board wage increase in the step rate or salary range that applies to all employees within the specified category.

b. *Step increase* — an increase that represents advancement from one step to the next within a specific grade of a position dependent on satisfying certain waiting period criteria (see 422.13); also called *periodic step increase*. To be eligible for a step increase, occupational health nurses and postal police officers must in addition satisfy certain performance criteria (see 422.53 and 422.83).

Most prevalent step is the dollar amount determined by calculating the most frequently occurring incremental amount between steps within a grade level, known in mathematics as the *mode.* When two amounts occur the same number of times, the higher of the two amounts is designated as the *most prevalent step.* In the unusual circumstance in which there are multiple most prevalent steps (multiple modes), the most prevalent step chosen is the most similar to historical precedent.

c. *Equivalent increase* — any increase other than a general increase, a quality step increase, or an incentive award that results in a total increase equal to or greater than the most prevalent step in the salary range for the employee's position and grade. The following is applicable:

(1) When moving between salary schedules, there may be an equivalent increase if the total amount of an increase exceeds the most prevalent step in the salary range for the employee's former position.

(2) A new waiting period begins on the effective date of an equivalent increase, except as described in 422.123a4 for repromotions and in 422.125 for reduction in grade.

d. *Quality step increase* — an increase in addition to a periodic step increase granted on or before expiration of required waiting periods in recognition of extra competence (see 475.3).

e. *Cost-of-living adjustment (COLA)* — a general increase based on increases in the consumer price index (CPI) over a base month as specified by collective bargaining agreements.

421.5 Rate Retention Provisions

421.51 Protected Rate

421.511 Explanation

An individual employee who is assigned to a lower grade position has a protected rate (i.e., continues to be paid the wage he or she received in the previous higher grade position, as detailed in 421.512, below, augmented by any general increases granted (see also 422.113)), for a specified period of 2 calendar years provided all of the following conditions are satisfied:

a. The employee is serving under a career appointment.

b. Reduction in salary standing is not disciplinary (for personal cause) or voluntary (at the request of the employee).

c. The employee served for 2 continuous years immediately preceding the effective date of reduction in a position with a salary standing higher than that to which reduced.

d. Salary in the higher salary standing was not derived from a temporary appointment or temporary assignment.

e. Reduction in salary standing is not caused by a reduction in force due to lack of funds imposed on the Postal Service by outside authority or curtailment of work. For this purpose, curtailment of work does not include reduction in revenue unit category of any Post Office or reduction in route mileage on a rural route.

f. Employee's performance of work was satisfactory at all times during such period of 2 calendar years.

421.512 **Rate Determination**

The basic wage of an employee entitled to a protected rate is *the lowest* of the following:

a. The employee's basic wage at the time of reduction.

b. An amount that is 25 percent more than the maximum basic wage for the new grade (i.e., the grade to which reduced).

c. The basic wage in the *lowest* salary standing that the employee held during the 2 years immediately preceding reduction in salary standing, augmented by each step increase he or she would have earned in such salary standing.

Note: For rural carriers serving evaluated routes, the existing basic wage includes additional heavy duty compensation up to 40 hours.

421.513 **Duration**

An employee who is entitled to a protected rate retains the protected rate, augmented by general increases, for 2 calendar years from the effective date of the protected rate. If, before the 2 years expires the employee is again reduced in salary standing, the following applies:

a. A new protected rate period of 2 calendar years begins.

b. The new protected rate is redetermined according to the rule in 421.512 in relation to the salary standing following the latest reduction.

421.514 **Termination**

Rate protection ceases at the beginning of the pay period following a determination that an employee is no longer entitled to protection for any one of the following reasons:

a. A break in service of 1 workday or more.

b. Reduction to a lower salary standing (1) for disciplinary reasons or (2) at employee's own request.

c. Promotion (or other advancement) of an employee to a higher grade in the same rate schedule, or to a position with a higher than equivalent grade in another rate schedule that includes a maximum wage equal to or above the protected rate. For the protected rate special pay status to terminate in this circumstance, the employee must be first slotted to

the appropriate step in the new grade that represents a wage equal to or above that protected by the special pay status.

d. Change in compensation of the employee to a basic wage equal to or higher than the protected rate for any reason other than by a general increase.

421.515 **Effect on Other Compensation**

Rate protection affects other compensation as follows:

a. *Promotion Rules.* In applying the promotion rules, the former basic wage is the basic wage the employee would have received except for the protected rate.

b. *Rural Routes.* Equipment maintenance allowances on rural routes are paid in relation to the documented route to which the carrier is assigned.

421.516 **Documentation**

PS Form 50, *Notification of Personnel Action,* is used to notify an employee who is changed to a lower grade or salary standing of entitlement to rate retention. The PS Form 50 contains under the Remarks section a reference to 421.5 explaining the amount and duration of the rate retention. The PS Form 50 is also used to notify an employee of the expiration of the rate retention status.

421.517 **Step Increases**

An employee with a protected rate continues to receive step increases in the grade to which the employee is reduced. However, under no circumstances can receipt of these step increases cause the employee's wage to exceed the maximum step of the lower grade.

421.52 Saved Rate

421.521 **Explanation**

Employees with a saved rate will continue to be paid the wage they received in the previous higher grade position, augmented by any general increases occurring while the saved rate is in effect. A saved rate differs from a protected rate in that it continues for an indefinite period, subject to the conditions explained below (see 421.522 through 421.526) and occurs in several different circumstances, as follows:

a. An employee is given a *permanent, nondisciplinary*, and *involuntary* assignment to a lower grade due to a management action such as a change in job ranking criteria affecting more than one position under the same job description. In this case, *saved rate* means that the employee continues to receive the wage of the higher grade position.

b. Management action effects a general increase that, when added to an employee's wage, produces a wage above the maximum rate for the grade. In this case, *saved rate* means that the amount of the general increase is added to the employee's wage and the employee continues to receive the new wage even though it is above the maximum for the grade.

c. An employee is given a position reevaluation down-grade assignment to a lower grade due to a change in the Cost Ascertainment Group (CAG) of a Post Office.

d. An employee accepts a job offer based on his or her limitations due to an injury on duty (see 546.143e).

421.522 **Red-Circle Amount**

The *red-circle amount* is the dollar portion of an employee's salary that is in excess of the maximum salary of the grade. An employee continues to receive a red-circle amount as long as he or she is in saved rate status. Note the following:

a. Red-circle amount results from saved rate only. It does *not* result from protected rate.

b. If an employee who receives a red-circle amount (under section C, Special Rule, Pay System for Employees, covered by the collective bargaining agreement of November 18, 1970) is subsequently promoted and later returned to the former position, the red-circle amount is restored.

421.523 **Duration**

Employees retain the saved rate for as long as they hold a position in the same or higher grade for which the maximum schedule rate is below the saved rate.

421.524 **Termination**

Saved rate is terminated for any of the following reasons:

a. A break in service of 1 workday or more.

b. Demotion or voluntary reduction.

c. Promotion (or other advancement) of an employee to a higher grade in the same rate schedule, or to a position with a higher than equivalent grade in another rate schedule, which has a maximum wage equal to or above the saved rate. For the saved rate special pay status to terminate in this circumstance, the employee must be first slotted to the appropriate step in the new grade that represents a wage equal to or above that saved by the special pay status. See 421.525.

d. Change in compensation of the employee to a basic wage equal to or higher than the saved rate for any reason other than by a general increase.

421.525 **Effect on Promotion**

If an employee with a saved rate is placed into a different position, the placement is compared to those in Exhibit 418.1, Equivalent Grades, to determine whether or not the placement action is a promotion, change to lower level, or lateral reassignment. If the action is a promotion and the employee's saved wage exceeds the maximum of the new grade, then the saved rate special pay status continues following the promotion. However, if the promotion is to a higher grade in the same rate schedule, or to a position with a higher than equivalent grade in another rate schedule that includes a maximum wage equal to or above the saved rate, the employee is slotted to the appropriate step in the new grade, and the saved rate special pay status terminates.

421.526 **Documentation**

PS Form 50 is used to notify an employee of a saved rate status.

421.53 Saved Grade

421.531 **Explanation**

Saved grade provisions can be invoked only in accordance with the applicable collective bargaining agreement. Decisions to disapprove saved grade are subject to review through the grievance and arbitration process. Saved grade must be approved by area Human Resources managers or their designees. Saved grade applies to all bargaining unit employees *except* the following:

a. Employees in Operating Services Division at Headquarters and the Merrifield Engineering Support Center (APWU) (see 422.7).

b. Employees under the National Postal Professional Nurses' (NPPN) Agreement (see 422.5).

c. Employees under the Fraternal Order of Police, National Labor Council (FOP-NLC) Agreement (see 422.8).

421.532 **Duration and Termination**

The saved grade will be in effect for an indefinite period of time subject to the conditions below:

a. To continue to receive a saved grade, an employee must bid or apply for all vacant jobs in the saved grade for which he or she is qualified.

b. If the employee fails to bid or apply, the employee loses the saved grade status immediately.

c. The Information Service Centers collective bargaining agreement requires that, in order to retain the saved grade, employees bid or apply for reassignment to their former grade or to any position at a grade between that of their former grade and present grade.

421.533 **Step Increases**

An employee with a saved grade continues to receive step increases in the saved grade. However, under no circumstances can these step increases exceed the maximum step of the saved grade (see 421.45b).

421.6 Changes in Compensation Following Review or Audit

A review or audit of a position may result in a change in compensation if a decision is made to change the evaluation of the position or its identification. The compensation change occurs at the beginning of the pay period following the date of the decision.

421.7 Rate Schedule Summary and References

Exhibit 421.7, Rate Schedule Summary and References, outlines the rate schedule codes (RSCs) for the categories and subcategories of bargaining unit employees, their salary schedule acronyms, and their grade ranges. It also provides references to ELM sections with appropriate exhibits and explanations.

Exhibit 421.7
Rate Schedule Summary and References
Effective November 29, 2003

Rate Schedule Code (RSC)	Salary Schedule	Salary Schedule Acronym	Range	ELM 420 Reference
C CB	Mail Equipment Shops/Material Distribution Center	MESC-1 MESC-2	Grades 1–12	422.1
G	Postal Nurses	PNS	Grade 1	422.5
K	Operating Services Division	OSD	Grades 1–9	422.7
M	Mail Handlers	MH	Grades 4–6	422.3
N	Information Technology/Accounting Service Centers	IT/ASC	Grades 6–23	422.6
P PB	Postal Service	PS-1 PS-2	Grades 1–12	422.1
Q	City Carriers	CC	Grades 1–2	422.2
	Rural Carrier			422.4
R	Evaluated	RC	Hours 12–48	
R	Mileage	RCS	Miles 6–140	
R	Substitute Rural Carrier	RSCR	6-Day: Hours 12–48 5 1/2-Day: Hours 41–46 5-Day: Hours 40–48	
B	Rural Auxiliary	RAUX	Grade 5	422.4
B	Rural Carrier Associate	RCA		
B	Rural Carrier Relief	RCR		
T	Tool and Die Shop	TDS	Grades 4–11	422.9
Y	Postal Police Officers	PPO	Grade 6	422.8

421.8 Calculation Methods

421.81 Exhibit 421.81, Higher Level Pay

Exhibit 421.81, Higher Level Pay, provides calculation methods to use in computing higher level pay.

Exhibit 421.81
Higher Level Pay
Effective November 20, 1999

[Reserved]

421.82 Exhibit 421.82, Promotional Increases

Exhibit 421.82, Promotional Increases, provides calculation methods to use in computing promotional increases.

Exhibit 421.82
Promotional Increase

Effective November 20, 1999

Note: Use this chart in conjunction with Exhibit 418.1, Equivalent Grades, to determine whether or not a change represents an equivalent grade or a higher grade.

From Rate Schedule	To Rate Schedule													
	C — Mail Equip. Shops/Material Distribution Center (MESC-1)	CB — Mail Equipment Shops/ Material Distribution Center (MESC-2)	E — Executive & Administrative (EAS)	F — A–E Postmasters (A–E)**	G — Postal Nurses (PNS)	K — HQ Operating Service (OSD)	M — Mail Handlers (MH)	N — Information Technology/ Accounting Service Centers (IT/ASC)	P — Postal Service (PS-1)	PB — Postal Service (PS-2)*	Q — City Carriers (CC)	R — Rural Carriers (RC)***	T — Tool & Die Shop (TDS)	Y — Postal Police Officers (PPO)
C — Mail Equipment Shops/ Material Distribution Center (MESC-1)	–	9	2	–	1	1	1	1	–	9	1	3	1	1
CB — Mail Equipment Shops/ Material Distribution Center (MESC-2)*	–	5	2	–	7	7	7	7	–	5	7	3	7	7
E — Executive & Administrative (EAS)	–	8	6	6	8	8	8	8	–	8	8	3	8	8
F — A–E Postmasters (A–E)**	–	8	6	–	8	8	8	8	–	8	8	3	8	8
G — Postal Nurses (PNS)	–	9	2	–	–	1	1	1	–	9	1	–	1	1
K — HQ Operating Service (OSD)	–	1	2	–	1	1	1	1	–	1	1	3	1	1
M — Mail Handlers (MH)	–	9	2	–	1	1	1	1	–	9	1	3	1	1
N — Information Technology/ Accounting Service Centers (IT/ ASC)	–	1	2	–	1	1	1	1	–	1	1	3	1	1
P — Postal Service (PS-1)	–	9	2	–	1	1	1	1	–	9	1	3	1	1
PB — Postal Service (PS-2)*	–	5	2	–	7	7	7	7	–	5	7	3	7	7
Q — City Carriers (CC)	–	9	2	–	1	1	1	1	–	9	1	3	1	1
R — Rural Carriers (RC)***	–	9	2	–	1	1	1	1	–	9	1	–	1	1
T — Tool & Die Shop (TDS)	–	8	2	–	8	8	8	8	–	8	8	3	4	8
Y — Postal Police Officers (PPO)	–	1	2	–	1	1	1	1	–	1	1	–	1	–

* *New schedules effective 11/20/1999 for all new hires and promotions from within and from other rate schedules.*

** *For A–E postmasters promoted to full-time positions, first adjust the current wage to the full-time equivalent rate. For EAS employees promoted to A–E postmasters, compute the full-time equivalent rate per item number 7 in step 3 below, and convert to the A–E rate using the appropriate hours for the office.*

*** *Rural carriers promoted into a different salary schedule are converted first to the wage for a 40-hour evaluated route, attained step, before applying the applicable promotional increase.*

Wage Adjustment Calculations — To use this chart:

Step 1. In the vertical list on the left side, locate the rate schedule of the employee's position before the change action.

Step 2. On the same line, cross over to the rate schedule of the position into which the employee is being assigned.

Step 3. Use the number found in that cell to choose from the following:

Number in Cell Above	Calculation Method to Use
1	To current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if between two steps. If the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), refer to 422.123a4.
2	To the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within the range.
3	Place at Step A all new regular rural carriers appointed from other schedules unless they were on Postal Service rolls before August 7, 1991. In that case, place instead at Step C.
4	Assign the Incumbent Rate of the new position to employees promoted from the Incumbent Rate of the former position. For employees at less than the Incumbent Rate to the current full-time salary, add 2 percent for a one-grade promotion, and 3 percent increase for a two or more grade promotion.
5	Use the PS and MESC Schedule 2 to Schedule 2 Promotion Chart. Note, however, that the bargaining unit repromotion rule does not apply to promotions within Schedule 2 (see Exhibit 422.123b).
6	To the current full-time salary, add up to 8 percent. The new salary may not be below the minimum or exceed the maximum for the new grade.
7	To the current full-time salary, add 2 step increments of the current grade. Advance this amount to the next higher salary step in the new grade if between two steps. If the employee is promoted to a bargaining unit grade previously held, place the salary and the next step the same as if the employee had remained in that grade.
8	To the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if between two steps. If the employee is promoted to a bargaining unit previously held (i.e., repromotion), place the salary and next step date the same as if the employee had remained in that grade.
9	Use the PS and MESC Schedule 1 to Schedule 2 Promotion Chart. **Note:** the bargaining unit repromotion rule does not apply to promotions to or within Schedule 2 (see Exhibit 422.123a).

422 Salary Schedules Covered by Specific Agreements

422.1 Postal Service and Mail Equipment Shops/Material Distribution Center Salary Schedules

422.11 Salary System

422.111 Salary Schedules

The relevant salary schedules are as follows:

a. The Postal Service (PS) Schedule applies to clerks, vehicle service drivers, maintenance service employees, and vehicle maintenance employees. The PS schedule consists of PS Grades 1 through 12.

b. The Mail Equipment Shops/Material Distribution Center (MESC) Schedule applies to bargaining unit employees in the mail equipment shops and the material distribution center. The MESC schedule consists of MESC Grades 1 through 12.

422.112 **Basis of Rates**

Rates are established as follows:

a. *Annual Rates for Full-time Employees.* The basic annual salaries for the grades and steps of the schedule are established for full-time employees on the basis of a work schedule of 2080 hours per annum.

b. *Hourly Rates for Part-time Employees.* The basic hourly rates of the schedule are determined as follows:

(1) For part-time regular schedule employees, divide the appropriate annual rate by 2,080 hours.

(2) For part-time flexible schedule employees, divide the appropriate annual rate by 2,000 hours.

422.113 **Cost-of-Living Adjustment**

Bargaining unit employees receive cost-of-living (COLA) as specified by their applicable collective bargaining agreement (see 421.45e).

422.114 **Setting Wages**

The appointing officer has primary responsibility for setting wages of employees according to the guidelines in 422.1.

422.115 **Employee Classifications**

The bargaining unit classifications in 432.111 that apply are:

a. Full-time regular.

b. Part-time regular.

c. Part-time flexible.

422.12 Change Action Pay Rules

422.121 **Career Appointment**

An employee new to the Postal Service hired with a career appointment is to be paid the rate for the first step of the grade of the position for which hired, except as specified below:

a. *Reinstatement.* A former Postal Service employee is to be paid the rate for the first step of the grade of the position for which hired. However, for exceptional circumstances, as authorized by the district Human Resources manager, a former Postal Service employee may be placed in the first step that is less than one full step above the highest former basic wage (augmented by any general increases since the date of separation) — provided the new basic wage does not exceed the maximum step of the grade.

b. *Congressional Service.* A new employee who has 2 or more years of service in the legislative branch and was paid by either house of Congress may be placed in the first step that does not exceed the highest previous basic wage (augmented by statutory pay increases).

c. *Transfer of Function.* If a Postal Service installation assumes the function of a federal agency, the employee who performed the function may be transferred with the function. If so, the employee is placed in the first step that is less than one full step above the pretransfer basic wage — provided the basic wage does not exceed the maximum of the grade.

d. *Veterans' Preference Eligible.* An employee whose service seniority is established pursuant to the appropriate entrance register standing (i.e., a veterans' preference eligible) is placed in the step attained by the lower eligible with the same anniversary date for step increases as the lower eligible. (See also Handbook EL-312, *Employment and Placement.)*

e. *Hiring Into the Rural Carrier Craft.* A new employee to the Postal Service, or an existing employee hired since August 7, 1991, who transfers into the rural carrier craft, is given a new appointment and placed into Step A in the rural carrier pay schedule (RSC R or B). An existing Postal Service employee who has been on the rolls before August 7, 1991, who decides to transfer to the rural carrier craft is placed at Step C in the rural carrier pay schedule.

f. *Hiring Into PS (RSC PB) and MESC (RSC CB) Schedule 2.* All employees new to the Postal Service are hired into the entry step of Schedule 2. All reinstated former employees are hired into the entry step of Schedule 2 or, at the discretion of the district Human Resources manager, into a higher Schedule 2 step that is less than one full step above the highest former basic salary (augmented by any general increases since the date of separation), providing the new basic salary does not exceed the maximum salary.

422.122 **Additional Appointment**

If an employee is appointed to an additional position, the compensation for the position is determined according to the rules for career appointment in 422.121 above. (See 422.15 for additional information about dual employment.)

422.123 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion,* and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules.* The basic rules are as follows:

(1) *Promotion From PS or MESC Schedule 1.* For this promotion:

(a) To a position in PS (RSC PB) or MESC (RSC CB) Schedule 2: Assign the proper step in Schedule 2 by referring to Exhibit 422.123a. A new step waiting period begins on the effective date of the promotion.

(b) To a position in EAS (RSC E): Add 5 percent to the current full-time salary. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: Promotions to FLSA-exempt EAS-15 to EAS-18 positions that supervise two or more full-time equivalent bargaining unit employees are instead given a supervisory differential adjustment, as described in 413.21d.

Note: For promotion from this schedule to a nonbargaining schedule, see 413.

(c) To a position in PNS (RSC G), OSD (RSC K), MH (RSC M), IT/ASC (RSC N), CC (RSC Q), TDS (RSC T), or PPO (RSC Y): To the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromoted), in which case see 422.123a4.

(2) *Promotion From PS Schedule 2*. For this promotion:

(a) To a position in the PS (RSC PB) or MESC (RSC CB) Schedule 2: Assign the proper step in the new grade by referring to Exhibit 422.123b. A new step waiting period begins on effective date of the promotion.

(b) To a position in EAS (RSC E): Add 5 percent to the current full-time salary. If the result is below the minimum or above the maximum of the new grade, adjust the new salary to fit within this range.

Note: Promotions to FLSA-exempt EAS-15 to EAS 18 positions that supervise two or more full-time equivalent bargaining unit employees are instead given a supervisory differential adjustment, as described in 413.21d.

Note: For promotion from this schedule to a nonbargaining schedule, see 413.

(c) To a position in PNS (RSC G), OSD (RSC K), MH (RSC M), IT/ASC (RSC N), CC (RSC Q), TDS (RSC T), or PPO (RSC Y): To the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromoted), in which case see 422.123a4.

(3) *Promotion From Other Rate Schedules To PS Schedule 2.* For this promotion:

(a) From PPO (RSC Y), IT/ASC (RSC N), or OSD (RSC K): To the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is

promoted to a bargaining unit grade previously held (i.e., repromoted), in which case see 422.123a4.

(b) From PS (RSC P) or MESC (RSC C) Schedule 1, PNS (RSC G), MH (RSC M), CC (RSC Q), or RC (RSC R or B): Assign the proper step by referring to Exhibit 422.123a. A new step waiting period begins on the effective date of the promotion.

(c) From EAS (RSC E), Postmaster (A-E) or TDS (RSC T): To the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromoted), in which case see 422.123a4.

(d) From PS (RSC PB) or MESC (RSC CB) Schedule 2: Assign the proper step in the new grade by referring to Exhibit 422.123b. A new step waiting period begins on the effective date of the promotion.

(4) *Repromotion.* An employee is repromoted if he or she is promoted to a bargaining unit grade previously held, or to one equivalent to the one previously held, before a change to lower level, as defined further under 421.5. When a repromotion occurs, the employee is assigned to the step in the repromoted grade, or its equivalent, with waiting period credit toward the next step date as if he or she had remained continuously in that previously held grade.

Note: Effective November 20, 1999, and later, the repromotion rule stated above *does not apply* to employees promoted within or into the PS or MESC Schedule 2. The repromotion rule *does*, however, apply to employees promoted to other rate schedules.

(5) *Promotion Pay Anomaly.* No employee is at any time compensated less as a consequence of a promotion than that employee would have been if the employee had not been promoted but, instead, advanced in step increments in the lower grade by fulfilling the waiting time requirements necessary for step increases. This rule includes employees who were promoted to a higher grade and subsequently reassigned to their former grade. If, during any pay period following the promotion, the employee's basic wage is less than the employee would have received for that pay period if the employee had not been promoted, the difference is paid to the employee in a lump sum payment.

Note: The promotion pay anomaly policy described above *does not apply* to employees promoted into (or within) the PS (RSC PB) and MESC (RSC CB) Schedule 2, or to PS or MESC employees promoted into other rate schedules.

b. *Supplemental Rules.* The supplemental rules are as follows:

(1) *Maximum Step.* An employee is placed into the maximum step for the new grade if there is no other step below the maximum step that provides the increase specified in 422.123a above.

(2) *Above Maximum Step.* An employee's existing basic wage is retained if it exceeds the maximum step of the new grade.

(3) *Protected Rate.* This paragraph applies the rules in 422.123a to an employee whose rate of pay is protected under the provisions of 421.51, as follows:

(a) *Promotion or Interim Promotion to Grade With Maximum Wage Below the Protected Rate.* If an employee with a protected rate of pay receives an interim promotion to a grade that includes a maximum wage below the protected rate, the rate protection continues.

(b) *Promotion or Interim Promotion to Grade With Maximum Wage Equal To, or Above, the Protected Rate.* If an employee with a protected rate receives an interim promotion to a grade that includes a maximum wage equal to or above the protected rate, the employee is slotted to the step in the new grade that represents the same or higher wage protected by the special pay status. To determine the appropriate pay schedule step during slotting, only the protected rate of pay is considered (no promotion increase should be added). After the employee is slotted to the appropriate step, the rate protection terminates.

(c) *Repromotion.* If an employee with a protected rate receives a repromotion, the rate protection terminates and the appropriate step is assigned in accordance with 422.123a4.

(4) *Saved Rate*. This paragraph applies the rules in 422.123a to an employee whose rate of pay is saved under the provisions of 421.52, as follows:

(a) *Promotion or Interim Promotion to Grade With Maximum Wage Below the Saved Rate.* If an employee with a saved rate of pay receives an interim promotion to a grade which includes a maximum wage below the saved rate, the saved rate continues.

(b) *Promotion or Interim Promotion to Grade With Maximum Wage Equal To, or Above, the Saved Rate*. If an employee with a protected rate receives an interim promotion to a grade which includes a maximum wage equal to or above the saved rate, the employee is slotted to the step in the new grade that represents the same or higher wage saved by the special pay status. To determine the appropriate pay schedule step during slotting, only the saved rate of pay is considered (no promotion increase should be added). After

the employee is slotted to the appropriate step, the saved rate terminates.

(c) *Repromotion.* If an employee with a protected rate receives a repromotion, the saved rate terminates and the appropriate step is assigned in accordance with 422.123a4.

(5) *Saved Grade.* In applying the rules in 422.123a to an employee whose grade is protected under the provisions of 421.53, the employee does not receive a promotional increase unless the promotion is to a position with a grade higher than the saved grade.

(6) *Rule Choice.* When the wage would be more favorable to the employee, the district Human Resources manager may determine an employee's wage under rules for career appointment in 422.121 instead of under the rules for promotion increases.

(7) *Exclusions.* Salary received under limited appointments cannot be used as the highest previous salary when determining the employee's new salary.

Exhibit 422.123a

Promotion Chart — PS Schedule 1 to PS Schedule 2

(For promotions to PS Schedule 2 from PS Schedule 1 and from other rate schedules)
Effective November 29, 2003

How to use this chart:

1. Choose the table from the chart that has the employee's current grade and step in the "From Grade" row.
2. In the "To Grade" rows of that table, find the row that represents the grade to which the employee is being promoted.
3. Move to the right along that row until you reach the cell directly under the employee's current step in the "From Grade" row.
4. The letter in that cell represents the step the employee should be assigned to in the new grade after the promotion.

		Step																	
From Grade	**1**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	2	BB	D	F	I	I	M	M	M	M	N	N	N	O	O	O	O	O	–
	3	BB	B	E	G	I	L	L	L	L	M	M	M	M	N	N	N	N	–
	4	A	B	C	E	H	L	L	L	L	L	L	L	L	M	M	M	M	–
	5	A	B	B	E	E	K	K	K	K	K	K	K	K	L	L	L	L	–
	6	A	A	A	B	F	G	K	K	K	K	K	K	K	K	K	K	K	–
	7	A	A	A	A	F	G	G	G	G	J	J	J	J	J	J	J	J	–
	8	D	D	D	D	D	D	D	D	D	D	D	D	H	H	H	H	H	–
	9	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	H	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**2**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	3	BB	D	F	H	I	L	M	M	M	M	N	N	N	O	O	O	O	–
	4	A	B	E	E	H	L	L	L	L	L	L	M	M	M	N	N	N	–
	5	A	B	B	E	H	K	K	K	K	K	L	L	L	L	M	M	M	–
	6	A	A	A	B	F	K	K	K	K	K	K	K	K	K	K	L	L	–
	7	A	A	A	A	F	G	G	J	J	J	J	J	J	J	J	J	J	–
	8	D	D	D	D	D	D	D	D	D	H	H	H	H	H	H	H	H	–
	9	D	D	D	D	D	D	D	D	D	D	D	D	D	H	H	H	H	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**3**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	4	A	B	E	H	I	L	L	L	M	M	M	N	N	N	N	O	O	–
	5	A	B	B	E	H	K	K	K	K	L	L	L	M	M	N	N	N	–
	6	A	A	B	B	F	K	K	K	K	K	K	K	L	L	L	M	M	–
	7	A	A	A	B	F	J	J	J	J	J	J	J	J	K	K	K	L	–
	8	D	D	D	D	D	D	H	H	H	H	H	H	H	H	H	H	H	–
	9	D	D	D	D	D	D	D	D	D	D	H	H	H	H	H	H	H	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	H	H	H	H	–
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**4**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	5	–	–	C	F	H	K	L	L	L	M	M	N	N	N	N	O	O	–
	6	–	–	B	F	F	K	K	K	K	K	L	L	L	M	M	M	N	–
	7	–	–	A	C	F	J	J	J	J	J	K	K	K	L	L	M	M	–
	8	–	–	D	D	D	H	H	H	H	H	H	H	H	I	I	I	J	–
	9	–	–	D	D	D	D	D	H	H	H	H	H	H	H	H	H	H	–
	10	–	–	D	D	D	D	D	D	D	D	H	H	H	H	H	H	H	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**5**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	6	–	–	B	F	G	K	K	L	L	L	M	M	N	N	N	O	O	–
	7	–	–	B	F	G	J	J	J	J	K	K	L	L	M	M	M	N	–
	8	–	–	D	D	D	H	H	H	H	H	I	I	I	J	K	K	K	–
	9	–	–	D	D	D	H	H	H	H	H	H	H	H	I	I	I	J	–
	10	–	–	D	D	D	D	D	H	H	H	H	H	H	H	H	H	H	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	D	E	E	F	F	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	D	E	E	F	–

		Step																	
From Grade	**6**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	7	–	–	F	F	G	J	K	K	L	L	M	M	N	N	N	O	O	–
	8	–	–	D	D	D	H	H	H	H	I	I	J	K	K	L	L	M	–
	9	–	–	D	D	D	H	H	H	H	H	I	I	I	J	K	K	K	–
	10	–	–	D	D	D	H	H	H	H	H	H	H	H	I	I	I	J	–
	11	–	–	D	D	D	D	D	D	D	E	E	E	F	F	G	G	H	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	E	E	E	F	F	G	–

		Step																	
From Grade	**7**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	8	–	–	D	D	H	H	I	I	J	K	K	L	M	M	M	N	O	–
	9	–	–	D	D	D	H	H	H	H	I	I	J	K	K	L	L	M	–
	10	–	–	D	D	D	H	H	H	H	H	I	I	I	J	K	K	K	–
	11	–	–	D	D	D	D	D	E	E	F	F	G	G	H	H	I	I	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	E	E	F	F	G	G	H	H	–

		Step																	
From Grade	**8**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	9	–	–	–	–	E	H	I	I	J	K	K	L	M	M	M	N	O	P
	10	–	–	–	–	E	H	H	H	H	I	I	J	K	K	L	L	M	N
	11	–	–	–	–	D	E	F	F	G	G	H	H	I	J	J	K	K	L
To Grade	**12**	–	–	–	–	D	D	D	E	E	F	F	G	G	H	H	I	I	J

		Step																	
From Grade	**9**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	10	–	–	–	–	E	H	I	I	J	K	K	L	M	M	M	N	O	P
	11	–	–	–	–	D	F	G	G	H	H	I	J	J	K	K	L	M	N
To Grade	**12**	–	–	–	–	D	E	F	F	G	G	H	H	I	J	J	K	K	L

		Step																	
From Grade	**10**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	11	–	–	–	–	D	H	H	I	I	J	K	K	L	M	M	N	O	P
To Grade	**12**	–	–	–	–	D	F	G	H	H	I	J	J	K	K	L	M	M	N

Exhibit 422.123b

Promotion Chart — PS Schedule 2 to PS Schedule 2

(For promotions within the P-2 and MESC-2 Schedules)
Effective November 29, 2003

How to use this chart:

1. Choose the table from the chart that has the employee's current grade and step in the "From Grade" row.
2. In the "To Grade" rows of that table, find the row which represents the grade to which the employee is being promoted.
3. Move to the right along that row until you reach the cell directly under the employee's current step in the "From Grade" row.
4. The letter in that cell represents the step the employee should be assigned to in the new grade after the promotion action.

		Step																	
From Grade	**1**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	2	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	3	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	4	A	A	A	A	A	C	D	E	F	G	H	I	J	K	L	M	O	–
	5	A	A	A	A	A	A	B	C	D	E	F	H	I	J	K	L	N	–
	6	A	A	A	A	A	A	A	A	B	C	D	F	G	H	I	K	L	–
	7	A	A	A	A	A	A	A	A	A	B	C	E	F	G	H	I	K	–
	8	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	G	–
	9	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	F	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**2**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	3	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	4	A	A	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	5	A	A	A	A	A	B	C	D	E	F	H	I	J	K	L	M	O	–
	6	A	A	A	A	A	A	A	B	C	E	F	G	H	I	K	L	M	–
	7	A	A	A	A	A	A	A	A	B	C	E	F	G	H	I	J	L	–
	8	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	G	H	–
	9	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	G	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	–
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**3**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	4	A	A	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	5	A	A	A	A	B	C	D	E	G	H	I	J	K	L	M	N	O	–
	6	A	A	A	A	A	A	B	C	E	F	G	H	I	K	L	M	N	–
	7	A	A	A	A	A	A	A	B	D	E	F	G	H	I	J	L	M	–
	8	D	D	D	D	D	D	D	D	D	D	D	D	D	E	G	H	J	–
	9	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	G	H	–
	10	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	F	–
	11	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	E	–
To Grade	**12**	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**4**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	5	–	–	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	6	–	–	A	A	B	C	D	E	F	G	H	J	K	L	M	N	O	–
	7	–	–	A	A	A	B	C	D	E	F	G	H	I	J	L	M	N	–
	8	–	–	D	D	D	D	D	D	D	D	D	D	E	G	H	J	K	–
	9	–	–	D	D	D	D	D	D	D	D	D	D	D	E	G	H	I	–
	10	–	–	D	D	D	D	D	D	D	D	D	D	D	D	E	F	H	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	D	D	D	E	F	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	–

		Step																	
From Grade	**5**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	6	–	–	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	7	–	–	A	A	B	D	E	F	G	H	I	J	K	L	M	N	O	–
	8	–	–	D	D	D	D	D	D	D	D	D	F	G	H	J	K	M	–
	9	–	–	D	D	D	D	D	D	D	D	D	D	E	G	H	I	K	–
	10	–	–	D	D	D	D	D	D	D	D	D	D	D	E	F	H	I	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	D	D	E	F	G	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	D	D	D	F	–

		Step																	
From Grade	**6**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	7	–	–	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	–
	8	–	–	D	D	D	D	D	D	D	E	F	H	I	J	L	M	N	–
	9	–	–	D	D	D	D	D	D	D	D	E	F	G	H	J	K	L	–
	10	–	–	D	D	D	D	D	D	D	D	D	D	F	G	H	I	J	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	D	E	F	G	H	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	D	E	F	G	–

		Step																	
From Grade	**7**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	8	–	–	D	D	D	D	D	D	E	G	H	I	K	L	M	N	O	–
	9	–	–	D	D	D	D	D	D	D	E	F	H	I	J	K	M	N	–
	10	–	–	D	D	D	D	D	D	D	D	E	F	G	H	J	K	L	–
	11	–	–	D	D	D	D	D	D	D	D	D	D	F	G	H	I	J	–
To Grade	**12**	–	–	D	D	D	D	D	D	D	D	D	D	D	E	F	G	H	–

		Step																	
From Grade	**8**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	9	–	–	–	–	–	D	E	F	G	H	I	J	K	L	M	N	O	P
	10	–	–	–	–	–	D	D	E	F	G	H	I	J	K	K	L	M	N
	11	–	–	–	–	–	D	D	D	E	E	F	G	H	I	J	J	K	L
To Grade	**12**	–	–	–	–	–	D	D	D	D	D	E	E	F	G	H	I	I	J

		Step																	
From Grade	**9**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	10	–	–	–	–	–	D	E	F	G	H	I	J	K	L	M	N	O	P
	11	–	–	–	–	–	D	D	E	F	G	H	I	J	K	K	L	M	N
To Grade	**12**	–	–	–	–	–	D	D	D	E	E	F	G	H	I	J	J	K	L

		Step																	
From Grade	**10**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	11	–	–	–	–	–	D	E	F	G	H	I	J	K	L	M	N	O	P
To Grade	**12**	–	–	–	–	–	D	D	E	F	G	H	I	J	K	K	L	M	N

		Step																	
From Grade	**11**	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
To Grade	**12**	–	–	–	–	–	D	E	F	G	H	I	J	K	L	M	N	O	P

422.124 **Reassignment Rules**

An employee's step, next step date, and salary are not changed as a result of reassignment. (See 421.43b for definition of *reassignment*.) The following provisions apply:

a. A change from a *part-time position* (flexible or regular) to a *full-time position* (or reverse) in the same grade is a reassignment — not a promotion; the employee retains the step attained and the existing basic annual salary including any red-circle amount.

b. A part-time regular employee must be converted to a part-time flexible before becoming a full-time regular unless that bargaining unit craft does not have an employee classification of part-time flexible.

c. For reassignments to equivalent grades in another bargaining unit (see Exhibit 418.1), the following provisions apply:

(1) *When an employee is reassigned to an equivalent grade in another rate schedule not formerly held,* the employee's current salary is moved to the equivalent grade in the new schedule. If the current salary falls between two steps of the new grade, the new salary is set at the higher of the two steps. However, the new salary may not be set below the minimum nor above the maximum of the new grade.

(2) *When an employee is reassigned to an equivalent grade formerly held in another rate schedule,* the employee is returned to the formerly held grade as if service had been uninterrupted since the last time held.

(3) Career Postal Service employees reassigned to a rural carrier position are assigned to the appropriate step in the Rural Carrier schedule in accordance with Article 9 of the USPS-NRLCA National Agreement.

(4) Creditable service in the former position is maintained toward a step increase, subject to two situations.

(a) If the employee's salary is increased by the reassignment by at least one most prevalent step in the former grade, a new step waiting period commences on the effective date of the reassignment (see 421.45c).

(b) If the waiting period time already served equals or exceeds that required to advance to the next step following reassignment, the employee is advanced one additional step and a new step waiting period commences on the effective date of the reassignment.

d. For PS and MESC employees, reassignments are handled as follows:

(1) *Within the PS or MESC Schedules.* The employee is reassigned to the same grade and into PS (RSC PB) and MESC (RSC CB) Schedule 2. The step and next step date are not changed following the reassignment.

(2) *From Other Rate Schedules To a Grade in the PS (RSC PB) and MESC (RSC CB) Schedule 2 Not Formerly Held.* The employee is reassigned to the step in Schedule 2 that is equal to his or her current salary. If the salary falls between two steps, the employee is reassigned to the next higher step. Creditable service in the former position is maintained toward a step increase (see 422.124c4).

(3) *From Other Rate Schedules To a Grade in the PS (RSC PB) and MESC (RSC CB) Schedule 2 Formerly Held.* The employee is reassigned to the appropriate step in Schedule 2, and to the next step date, as if service had been continuous in the grade.

Note: The reassignment to PS Schedule 2 must include service the employee would have had in PS Schedule 1 before conversion to PS Schedule 2.

(4) *From the PS and MESC Schedules To a Grade in Another Rate Schedule Not Formerly Held.* The employee is assigned the step in that rate schedule that is equal to his or her current salary. If the salary falls between two steps, the employee is assigned to the next higher step. Creditable service in the former position is maintained toward a step increase (see 422.124c4).

(5) *From the PS and MESC Schedules To a Grade in Another Rate Schedule Formerly Held*. The employee is assigned to the appropriate step in that rate schedule, and the next step date as if service had been continuous in the grade.

422.125 **Reductions in Grade**

The following provisions apply.

a. *General.* Reductions in grade include voluntary changes to a lower level, management-initiated changes to a lower level, and demotions.

b. *Step and Next Step Date Assignment for Bargaining Unit to Bargaining Unit Reductions in Grade.* Assignments are made as follows:

(1) *Step.* The employee's current salary is moved to the lower grade. If the current salary falls between two steps in the lower grade, the salary is set at the higher of the two steps. The salary may not be set below the minimum or above the maximum of the lower grade.

(2) *Next Step Date.* Creditable service in the former position is maintained toward the next step increase, with the following exceptions:

(a) If the employee's salary is increased by at least one most prevalent step in the former grade, a new step waiting period begins on the effective date of the reduction in grade (see 421.45c).

(b) If the conditions of 422.125b2a are not met, and if the waiting period time already served equals or exceeds that required to advance to the next step following the reduction in grade, the employee is advanced one additional step and a new step waiting period begins on the effective date of the reduction in grade.

c. *Step and Next Step Date Assignment for Nonbargaining Unit to Bargaining Unit Reductions in Grade.* For all nonbargaining reductions in grade to the Rural Carrier schedule, consult 422.423 and 422.424 to determine the proper step and next step date. For all other nonbargaining-to-bargaining reductions in grade, determine the employee's salary, step, and next step date as if the service had continued uninterrupted from the level/step in effect at the time of the nonbargaining promotion.

(1) For reductions in grade to the same Rate Schedule occupied immediately prior to a promotion to a nonbargaining position, the following provisions apply:

(a) When an employee returns to the same level as that occupied immediately prior to the nonbargaining

promotion, assign the salary, step, and next step date as if the service had continued uninterrupted from the level/step in effect at the time of the nonbargaining promotion.

(b) When an employee changes to a higher level than that occupied immediately prior to the nonbargaining promotion, apply the promotion rules for the appropriate salary schedule in 422 to determine the employee's new salary, step, and next step date.

(c) When an employee changes to a lower level than that occupied immediately prior to the nonbargaining promotion, apply the reduction in grade rules in 422.125b to determine the employee's new salary, step, and next step date.

(2) For reductions in grade to a different Rate Schedule occupied immediately prior to a promotion to a nonbargaining position, use the Equivalent Grades chart (Exhibit 418.1) and apply the appropriate rule as follows:

(a) When an employee changes to an equivalent level, apply the reassignment rules in 422.124c to determine the employee's new salary, step, and next step date.

(b) When an employee changes to a higher level, apply the promotion rules for the appropriate salary schedule in 422 to determine the employee's new salary, step, and next step date.

(c) When an employee changes to a lower level, follow the reduction in grade rules in 422.125b to determine the employee's new salary, step, and next step date.

(3) For reductions in grade when there is no prior bargaining unit service, the employee is assigned to the step and next step date in the lower grade as if all career postal service had been in the lower grade.

d. *Rate Retention.* Rate retention provisions do not apply to changes to a lower grade that are voluntary or disciplinary. However, they do apply in nondisciplinary management reductions, as follows (also see 421.511 and 421.512 for application):

(1) Protected Rate. The employee continues to receive the wage he or she received in the higher grade for 2 calendar years (a) if the grade of the position is reduced due to a management action such as a change in job ranking criteria that affects the grade of only one position and (b) if the employee occupied the position at the higher grade for 2 consecutive years preceding the effective date of the reduction. (See also 421.51.)

(2) Saved Rate. For saved rate:

(a) An employee has a saved rate resulting in a red-circle amount if the grade of his or her position is reduced due to a management action such as a change in job ranking

criteria that affects the grade of more than one position under the same job description.

(b) If an employee who receives a red-circle amount is subsequently promoted and later returned to the former position through no fault of his or her own, the red-circle amount is restored. (See also 421.52.)

(3) Saved Grade. A bargaining unit employee is entitled to saved grade if he or she is assigned to a lower grade position because of a management action that eliminates the position (e.g., job elimination due to technological and mechanization changes). (See also 421.53.)

422.13 Step Increases

422.131 Eligibility Requirements

Eligibility for a *periodic* step increase is based on three conditions. An employee must have:

a. Received and currently be serving under a career appointment.

b. Not received an equivalent increase (see 421.45c) during the waiting period.

c. Completed the required waiting period according to the step increase waiting period table, Exhibit 422.13.

In addition to the periodic step increase, employees may be considered for a quality step increase (see 475.3).

Exhibit 422.13

Bargaining Unit Step Increase Waiting Periods

(All waiting periods shown are expressed in weeks.)

Postal Service (PS 2) & Mail Equipment Shops/Material Distribution Center (MESC 2) Schedule 2

	Steps (From — To)																	
RSC PB & CB	**BB–AA**	**AA–A**	**A–B**	**B–C**	**C–D**	**D–E**	**E–F**	**F–G**	**G–H**	**H–I**	**I–J**	**J–K**	**K–L**	**L–M**	**M–N**	**N–O**	**O–P**	**Yrs.**
Grade 3	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	–	13.5
Grade 4	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	–	11.1
Grades 5–7	–	–	36	36	36	36	36	36	36	36	36	36	36	36	36	36	–	9.7
Grade 8	–	–	30	30	30	30	30	30	30	30	30	30	30	30	30	30	–	8.1
Grades 9–11	–	–	–	–	–	30	30	30	30	30	30	30	30	30	30	30	30	6.9

Mail Handlers (MH) Schedule

	Steps (From — To)																
RSC M	**AA–A**	**A–B**	**B–C**	**C–D**	**D–E**	**E–F**	**F–G**	**G–H**	**H–I**	**I–J**	**J–K**	**K–L**	**L–M**	**M–N**	**N–O**	**O–P**	**Yrs.**
Grades 4–5	88	88	88	44	44	44	44	44	44	44	34	34	26	26	24	24	14.2
Grades 6–7	–	96	96	44	44	44	44	44	44	44	34	34	26	26	24	24	12.8

Rural Carrier Evaluated (RC) Schedule

	Steps (From — To)														
RSC R	**A–B**	**B–C**	**C–1**	**1–2**	**2–3**	**3–4**	**4–5**	**5–6**	**6–7**	**7–8**	**8–9**	**9–10**	**10–11**	**11–12**	**Yrs.**
Hours/Miles	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4

Rural Carrier Auxiliary (RAUX) Schedule

	Steps (From — To)														
RSC B	**A–B**	**B–C**	**C–1**	**1–2**	**2–3**	**3–4**	**4–5**	**5–6**	**6–7**	**7–8**	**8–9**	**9–10**	**10–11**	**11–12**	**Yrs.**
Grade 5	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4

Postal Police Officers (PPO) Schedule

	Steps (From — To)																				
RSC Y	**1–2**	**2–3**	**3–4**	**4–5**	**5–6**	**6–7**	**7–8**	**8–9**	**9–10**	**10–11**	**11–12**	**12–13**	**13–14**	**14–15**	**15–16**	**16–17**	**17–18**	**18–19**	**19–20**	**20–21**	**Yrs.**
Grade 6	78	42	34	34	34	34	34	34	34	34	26	26	26	26	26	26	26	26	52	52	14.0

Exhibit 422.13 (p.2)

Bargaining Unit Step Increase Waiting Periods

(All waiting periods shown are expressed in weeks.)

Postal Nurses (PNS) Schedule

	Steps (From — To)														
RSC G	**1–2**	**2–3**	**3–4**	**4–5**	**5–6**	**6–7**	**7–8**	**8–9**	**9–10**	**10–11**	**11–12**	**12–13**	**13–14**	**14–15**	**Yrs.**
Grade 1	52	44	44	44	44	44	44	44	44	44	44	44	44	44	12.0

Operating Services Division, Headquarters & Facilities Services Section, Merrifield, VA

	Steps (From — To)															
RSC K	**AA–A**	**A–B**	**B–C**	**C–D**	**D–E**	**E–F**	**F–G**	**G–H**	**H–I**	**I–J**	**J–K**	**K–L**	**L–M**	**M–N**	**N–O**	**Yrs.**
Grades 3–4	96	96	88	88	44	44	44	44	44	44	34	34	26	26	24	14.9
Grade 5	–	96	96	88	44	44	44	44	44	44	34	34	26	26	24	13.2
Grades 6–8	–	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4
Grades 9–10	–	–	–	52	44	44	44	44	44	44	34	34	26	26	24	8.8

Information Technology/Accounting Service Centers (IT/ASC) Schedule

	Steps (From — To)																
RSC K	**A–B**	**B–C**	**C–D**	**D–E**	**E–F**	**F–G**	**G–H**	**H–I**	**I–J**	**J–K**	**K–L**	**L–M**	**M–N**	**N–O**	**O–P**	**P–Q**	**Yrs.**
Grades 6–10	96	96	44	52	52	52	52	52	52	52	–	–	–	–	–	–	11.5
Grade 11	–	96	44	52	52	52	52	52	52	52	–	–	–	–	–	–	9.7
Grade 12	–	–	–	52	52	52	52	52	52	52	52	–	–	–	–	–	8.0
Grade 13	–	–	–	52	52	52	52	52	52	52	52	52	–	–	–	–	9.0
Grades 14–16	–	–	–	52	52	52	52	52	52	52	52	52	52	52	–	–	10.0
Grades 17–23	–	–	–	52	52	52	52	52	52	52	52	52	52	52	52	52	13.0

City Carriers (CC) Schedule

	Steps (From — To)														
RSC Q	**A–B**	**B–C**	**C–D**	**D–E**	**E–F**	**F–G**	**G–H**	**H–I**	**I–J**	**J–K**	**K–L**	**L–M**	**M–N**	**N–O**	**Yrs.**
Grades 1–2	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4

422.132 **Creditable Service**

The following provisions apply:

a. *Postal Service.* Except as provided in this section, credit for advancement for step increases may be earned only by career employees in pay status on the rolls of the Postal Service. For computing creditable service, the following applies:

(1) *Service Week.* In computing the required waiting period, each full service week beginning at 12:01 a.m. Saturday and ending at 12 midnight the following Friday is creditable.

(2) *Leave Without Pay (LWOP).* Periods of LWOP of less than 13 weeks for which no step deferment is made are included with paid service in computing the waiting period of service (see 422.133).

(3) *Prior Service.* Employees reinstated or reemployed to a career position within 52 weeks of separation are allowed credit (not in excess of 52 weeks) for prior service provided:

(a) An equivalent increase was not received at the time of reinstatement or reemployment.

(b) The prior service was not under a casual or temporary appointment.

b. *Military Duty.* An employee who returns to postal duty following a separation or leave for military duty receives credit for the period of military duty as if duty with the Postal Service had been continuous (see 517).

c. *Injury Compensation.* An employee on official absence due to an injury compensable under rules of the Office of Workers' Compensation Programs (OWCP) receives credit for the period of absence as if duty with the Postal Service had been continuous.

d. *Union Officials.* Employees on LWOP to devote full or part-time to a union signatory to a collective bargaining agreement with the Postal Service are to be credited with step increases as if they had been in a pay status (see 514).

422.133 **Leave Without Pay**

The following provisions apply:

a. When an employee has been on LWOP for 13 weeks or more during the waiting period for receipt of a periodic step increase and has not been on military furlough, on the rolls of the Office of Workers'

Compensation Programs, or on official union business, the scheduled date for the employee's next step increase is deferred as follows:

Total Weeks LWOP	Pay Periods Deferred
0 to less than 13	No deferment
13 to less than 26	7
26 to less than 40	13
40 to less than 52	20
52	26
More than 52	One pay period for each 2 weeks of LWOP

b. For periods of LWOP that encompass an entire pay period, the full charge of 80 hours is applied. For partial pay periods, absence from scheduled service on a day is counted as 1 calendar day. Only whole days of LWOP are counted. Fractional days on which the employee has work hours or paid leave and takes LWOP are not counted in calculating the total LWOP.

422.134 **Simultaneous Personnel Actions**

If an employee is eligible for a step increase in the assigned position and is being reassigned or promoted to another position on the same date:

a. The actions are effected simultaneously in a manner that provides maximum benefit to the employee.

b. If the assignment change involves an increase in compensation that is greater than the increase an employee could obtain by a step increase in the former position, the employee is given the step increase before compensation is adjusted to the appropriate step in the new position.

422.14 Higher Level Assignments

422.141 **Definitions**

A *higher level assignment* is a temporary assignment to a ranked higher grade position, whether or not such position has been authorized at the installation. The subcategories of such an assignment are:

a. *Short-term temporary assignment* — an assignment in which an employee has been on a temporary assignment to a higher level position for a period of 29 consecutive workdays or less at the time he or she takes any annual or sick leave. The temporary assignment must be resumed upon return to work. All short-term assignments are automatically canceled if replacements are required for employees temporarily assigned to higher level positions.

b. *Long-term temporary assignment* — an assignment in which an employee has been on temporary assignment to the higher level position for a period of 30 consecutive workdays or longer before he or she takes any annual or sick leave. The temporary assignment must be resumed upon return to work.

422.142 **Written Management Order**

Any employee, except one of those covered in 432.2, who is temporarily assigned to higher level work is given PS Form 1723, *Assignment Order,* stating beginning and approximate termination and directing the employee to perform the duties of the higher level position. The written order is accepted as authorization for higher grade pay. The failure of management to give a written order is not grounds for denial of higher level pay if the employee was otherwise directed to perform the duties of the higher level position.

422.143 **Rate of Pay**

Rates are as follows:

a. *Part-time Flexible Employees.* A part-time flexible employee remains a part-time flexible employee while temporarily assigned to a higher level position. The employee neither has nor acquires a regular work schedule and is paid at the part-time flexible hourly rate for the higher level position.

b. *Regular Employees.* Rules for pay for temporary higher level work depend on the factors below:

(1) *Assignment in PS Schedule.* A PS employee who is temporarily assigned to higher level work in the PS schedule is paid at the higher level for time actually spent on such job. The employee's higher level rate is determined as if he or she had been promoted to the position. (See promotion rules in 422.123.)

(2) *Assignment to Other Schedule.* The rate of pay for service in a higher grade position in other than the PS Schedule is determined in accordance with promotion rules for the salary schedule in which the higher level position is placed. (See rules for assignment to a different salary schedule in 410.)

(3) *Service in Several Positions.* If higher level service is performed in more than one position in a pay period, the appropriate rate for each wage level is determined and paid in accordance with the actual time worked at each level.

(4) *Annual and Sick Leave Pay.* Leave pay for employees temporarily assigned to a higher level position depends on the term of the assignment as follows:

(a) *Short-term Temporary Assignments* (see 422.141a). These employees, except those covered by 422.8, are entitled to approved annual and sick leave paid at the higher level rate for a period *not to exceed 3 days* for each occurrence, provided that they are not replaced while on leave and that they resume the assignment upon returning to work.

(b) *Long-term Temporary Assignments* (see 422.141b). These employees are entitled to approved annual and sick leave paid at the higher level rate for the full period of leave provided that they resume the assignment upon returning to work.

(5) *Holiday Leave Pay.* Full-time employees are paid for the holiday at the rate of the higher level, provided that they perform higher level service both on the workday preceding and on the workday following the holiday. Otherwise, the employee is paid for the holiday at the rate appropriate for his or her regular position.

(6) *Holiday Worked Pay.* If an employee performs authorized service at the higher grade on a holiday, the employee is paid at the rate for the higher grade position, in addition to holiday leave pay.

422.144 **Adjustments and Increases**

Adjustments and increases are made as follows:

a. *Step Increase Credit.* An employee temporarily assigned to a higher grade bargaining unit position is entitled to credit toward the next step increase for service in the higher grade with higher grade pay that is continuous to the date of any subsequent promotion.

b. *Effect on Promotion.* If subsequently promoted, the employee's salary is reviewed to ensure application of the appropriate promotion rule and credit for continuous service at the higher grade if the higher level service is continuous to the time of promotion to the higher grade. (See 422.123 for promotion rules.)

422.145 **Benefits**

The following benefits apply:

a. *Terminal Leave Payments.* Terminal leave payments resulting from death are paid at the higher grade for any employee, except one of those covered by 422.9, who is temporarily assigned to a higher grade position on his or her last day in a duty status.

b. *Retirement Deductions.* Retirement deductions are determined from the basic annual salary and any additional basic higher level pay the employee is receiving for the pay period.

c. *Continuation of Pay (Injury Compensation).* An employee who is eligible for continuation of pay as a result of an injury on duty and who is serving in a higher level position when injured will receive such payments at the higher level rate.

422.15 Dual (Multiple) Employment

422.151 **Explanation**

Dual or multiple employment means that a current employee is appointed to an additional position or a new employee is appointed to two or more positions at the same time.

422.152 **Salary Determination**

The appropriate compensation for each new position is determined under the rules relating to appointments (see 422.121).

422.153 **Documentation**

Separate personnel actions are effected for each position, with an estimate of the work hours to be spent in each position and compensation specified in advance for the employee's attention.

422.154 **Step Increases**

Periodic step increases for separate positions are earned separately:

a. If dual employment is accomplished on the same day or if the employee does not receive an equivalent increase when appointed to an additional position, creditable service toward step increases in the first position is also creditable toward step increases in the subsequent positions. In these cases, the anniversary dates for step increases in all positions are the same.

b. If an employee receives an equivalent increase when appointed to an additional position, step increases are earned separately for each position on the basis of time served in each position. Receipt of the equivalent increase in one position does not start a new waiting period in the other position.

422.155 **Leave**

The appropriate rate of compensation for annual and sick leave when taken from two or more positions in different salary grades is determined from the PS Form 50 affecting the assignment as follows:

a. An employee assigned for 50 percent or more of the time to the higher grade work is paid for leave at the higher grade rate of pay.

b. An employee assigned to the lower grade work for more than 50 percent of the time is paid for leave at the lower grade rate of pay.

c. If less than 50 percent of the time is spent in any one grade, the employee is paid for leave at the rate for the intermediate grade. The annual rate of compensation for annual or sick leave taken in one position is determined from the salary grade for that position.

422.156 **Reassignment**

When an employee serving in two or more part-time positions is changed to a full-time annual rate position in the same grade as one of the occupied positions, the step is determined according to 422.124. Compensation received in unaffected additional positions may not be used as highest previous compensation in calculating the new wage.

422.157 **Promotion**

When an employee is promoted to a position in a grade above the highest grade to which appointed, compensation of the highest grade is used in establishing the step according to 422.123.

422.16 Change From Rural Carrier Schedules

For all changes other than those covered by 546, a career rural carrier's wage is converted to that of the attained step in the 40-hour evaluated salary schedule. Following this conversion, the applicable procedures in 422.1 apply.

422.2 City Carrier Schedule

The provisions of 422.1 cited below are made applicable to this salary schedule by reference.

422.21 Salary System

422.211 Salary Schedule

The City Carrier (CC) Schedule consists of Grades 1 and 2.

422.212 Basis of Rates

See 422.112.

422.213 Cost-of-Living Adjustments

See 422.113.

422.214 Setting Wages

See 422.114.

422.215 Employee Classifications

See 422.115.

422.22 Change Action Pay Rules

422.221 Career Appointment

See 422.121.

422.222 Additional Appointment

See 422.122.

422.223 Promotion Rules

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion:

(a) The employee receives a promotional increase equal to two times the most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic wage and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) No employee is at any time compensated less as a consequence of a promotion than that employee would have been if the employee had not been promoted but, instead, advanced in step increments in the lower grade by fulfilling the waiting time requirements necessary for step increases. This rule includes employees who were promoted to a higher grade and subsequently reassigned to their former grade. If, during any pay period following the promotion, the employee's basic wage is less than the employee would have received for that pay period if the

employee had not been promoted, the difference is paid to the employee in a lump sum payment.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A-E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From PNS (RSC G), OSD (RSC K), MH, (RSC M), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), OSD (RSC K), MH (RSC M), IT/ASC (RSC N), TDS (RSC Y) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS or MESC Schedule 2 (RSC PB & CB), assign the proper step by referring to Exhibit 422.123a. A new step waiting period begins on the effective date of the promotion.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules.* See 422.123b.

422.224 **Reassignment Rules**

See 422.124.

422.225 **Reductions in Grade**

See 422.125.

422.23 Step Increases

422.231 **Eligibility Requirements**

See 422.131 and Exhibit 422.13.

422.232 **Creditable Service**

See 422.132.

422.233 **Leave Without Pay**

See 422.133.

422.234 **Simultaneous Personnel Actions**

See 422.134.

422.24 Higher Level Assignments

See 422.14.

422.241 **Definitions**

See 422.141.

422.242 **Written Management Order**

See 422.142.

422.243 **Rate of Pay**

See 422.143.

422.244 **Adjustments and Increases**

See 422.144.

422.245 **Benefits**

See 422.145.

422.25 Dual (Multiple) Employment

[Reserved]

422.26 Change From Rural Carrier Schedules

See 422.16.

422.3 Mail Handlers Schedule

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.31 Salary System

422.311 **Salary Schedule**

The Mail Handlers (MH) Schedule consists of Grades 4 through 6.

422.312 **Basis of Rates**

See 422.112.

422.313 **Cost-of-Living**

See 422.113.

422.314 **Setting Wages**

See 422.114.

422.315 **Employee Classifications**

See 422.115.

422.32 Change Action Pay Rules

422.321 **Career Appointment**

See 422.121.

422.322 **Additional Appointment**

See 422.122.

422.323 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion:

(a) The employee receives a promotional increase equal to two times the most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic salary and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) No employee is at any time compensated less as a consequence of a promotion than that employee would have been if the employee had not been promoted but, instead, advanced in step increments in the lower grade by fulfilling the waiting time requirements necessary for step increases. This rule includes employees who were promoted to a higher grade and subsequently reassigned to their former grade. If, during any pay period following the promotion, the employee's basic salary is less than the employee would have received for that pay period if the employee had not been promoted, the difference is paid to the employee in a lump sum payment.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A-E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the

employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From PNS (RSC G), OSD (RSC K), CC, (RSC Q), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), OSD (RSC K), CC (RSC Q), IT/ASC (RSC N), TDS (RSC Y) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS (RSC PB) or MESC (RSC CB) Schedule 2, assign the proper step by referring to Exhibit 422.123a. A new step waiting period begins on the effective date of the promotion.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules.* See 422.123b.

422.324 **Reassignment Rules**

See 422.124.

422.325 **Reduction in Grade**

See 422.125.

422.33 Step Increases

422.331 **Eligibility Requirements**

See 422.131 and Exhibit 422.13.

422.332 **Creditable Service**

See 422.132.

422.333 **Leave Without Pay**

See 422.133.

422.334 **Simultaneous Personnel Actions**

See 422.134.

422.34 Higher Level Assignments

422.341 **Definitions**

See 422.141.

422.342 **Written Management Order**

See 422.142.

422.343 **Rate of Pay**

See 422.143.

422.344 **Adjustments and Increases**

See 422.144.

422.345 **Benefits**

See 422.145.

422.35 Dual (Multiple) Employment

[Reserved]

422.36 Change From Rural Carrier Schedules

See 422.16.

422.4 Rural Carrier Schedules

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.41 Salary System

422.411 **Salary Schedules**

There are six types of Rural Carrier Schedules, as follows:

a. *Evaluated Schedule (RC).* This schedule applies to routes evaluated at 12 to 48 hours per week.

b. *Rural Carrier Mileage Schedule (RCS).* This schedule applies to routes evaluated at 6 to 140 miles per day.

c. *Rural Substitute Carrier Schedules (RSCR) — Daily Rates.* The 5-Day Evaluated Schedule is 40 to 48 hours per week. The 5 1/2-Day Evaluated Schedule is 41 to 46 hours per week. The 6-Day Evaluated Schedule is 12 to 48 hours per week.

d. *Rural Auxiliary Pay Schedule (RAUX).* This pay schedule includes Grade 5 — Annual Rates and Grade 5 — Hourly Rates.

e. Rural Carrier Associate (RCA).

f. Rural Carrier Relief (RCR) — Hourly Rates.

422.412 **Basis of Rates**

See the USPS–NRLCA National Agreement, Article 9, Section 2 (A, B, and C).

422.413 **Cost-of-Living Adjustment**

Regular and substitute rural carriers covered by the collective bargaining agreement receive the cost-of-living adjustments provided by the USPS–NRLCA National Agreement.

422.414 **Setting Wages**

The appointing officer has primary responsibility for setting wages of rural carriers according to the guidelines in 422.4.

422.415 **Employee Classifications**

The employee classifications in 432 that apply to rural carriers are:

a. Career rural carrier:
   (1) Regular rural carrier.
   (2) Part-time flexible rural carrier.

b. Noncareer rural carrier supplemental workforce:
   (1) Substitute rural carrier.
   (2) Auxiliary rural carrier.
   (3) Rural carrier associate.
   (4) Rural carrier relief.

422.42 Change Action Pay Rules

422.421 **Career Appointment**

Appointments are made as follows:

a. *Regular Rural Carrier.* The following provisions apply:
   (1) *New Hire.* All new regular rural carrier appointees begin at Step A, except that:
      (a) A rural carrier serving *one triweekly route* is paid on the basis of a route one-half the length of the triweekly route.
      (b) A rural carrier serving *two triweekly routes* is paid on the basis of a route one-half the combined length of the two triweekly routes.
   (2) *Conversion From Substitute.* Substitute rural carriers who convert to regular rural carrier status are converted at Step 8, or their existing step, whichever is lower, except that substitutes serving in excess of 90 days on a vacant route at the time of conversion convert at their existing step.
   (3) *Part-time Flexible Rural Carrier.* Part-time flexible rural carriers are paid based upon an evaluated route schedule rate of pay divided by 2000 to yield an hourly rate.

b. *Auxiliary Rural Carrier.* The following provisions apply:
   (1) An auxiliary rural carrier is paid at the attained step of the 40-hour evaluated rate.
   (2) A rural carrier associate and a rural carrier relief are paid at the hourly rate of pay they regularly receive.

c. *Rural Carrier Associate and Rural Carrier Relief*. RCA and RCR employees are paid an hourly rate as shown in the collective bargaining agreement for the period covered.

422.422 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

For all changes other than those covered by 546, a career rural carrier's salary is converted to that of the attained step in the 40-hour evaluated salary schedule. Rules following this conversion are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) Promotion Within This Schedule.

(a) [Reserved]

(2) *Appointment To This Schedule From Other Rate Schedules*. For this appointment, place new regular carriers depending upon the length of time on the Postal Service rolls, as follows:

(a) If hired on August 7, 1999, or after, assign to Step A.

(b) If hired before August 7, 1991, assign to Step C.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), OSD (RSC K), MH (RSC M), IT/ASC (RSC N), TDS (RSC Y) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS or MESC Schedule 2 (RSC PB & CB), assign the proper step by referring to Exhibit 422.123a. A new step waiting period begins on the effective date of the promotion.

Note: See also Exhibit 421.82.

b. *Supplemental Rules.* See 422.123b.

422.423 **Transfer to Rural Carrier**

A Postal Service employee on the rolls since before August 7, 1991, who is transferred from a position not under the RC schedule to a regular rural carrier position begins at Step C.

422.424 **Waiting Period for Step Increases**

All new regular rural carriers, including substitutes converting to regular carrier, regardless of the amount of time already served toward advancement

to the next step in the former position, begins a new waiting period for advancement to the next step upon appointment to a regular rural carrier position.

422.425 **Adjusting Pay for Route Change**

Adjustments are made as follows:

a. *Change in Route Classification.* Compensation of a rural carrier whose route evaluation is adjusted is placed in the same alpha or numeric step for the adjusted route that corresponds to the alpha or numeric step held prior to the evaluation adjustment.

b. *Reassignment to Another Route.* Compensation of a rural carrier who is reassigned to another rural route is placed in the same alpha or numeric step of the new route that corresponds to the alpha or numeric step of the old route.

422.43 Step Increases

422.431 **Eligibility and Procedure**

Regular rural carriers and substitute rural carriers with an indefinite appointment and part-time flexible rural carriers are granted step increases in accordance with the provisions of 422.13.

422.432 **Adjustment in Route Classification**

An increase in basic salary because of an increase in route classification is not an equivalent increase. Therefore, a step increase is not withheld because of the increase in route classification.

422.44 Higher Level Pay

The following provisions apply:

a. A regular rural carrier is paid based on the evaluation of the route to which the carrier is assigned for the first 30 days of the temporary higher level assignment. At the beginning of the next pay period following completion of the first 30 days, the carrier's salary is converted to that of a 40-hour evaluated route, attained step. The salary is then adjusted in accordance with the salary rules for changes under the salary schedule to which assigned.

b. A rural carrier who normally serves a route 6 days a week or 6 days every other week, temporarily assigned to a position under a different salary schedule for five 8-hour days in a service week, is paid for the full work week without carrying the route on Saturday.

422.45 Dual (Multiple) Employment

422.451 **Explanation**

See 422.151.

422.452 **Salary Determination**

See 422.152.

422.453 **Documentation**

See 422.153.

422.454 **Step Increases**

See 422.154.

422.455 **Leave**

See 422.155.

422.456 **Reassignment**

See 422.156.

422.457 **Promotion**

See 422.157.

422.5 Postal Nurses Schedule

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.51 Salary System

422.511 **Salary Schedule**

The Postal Nurses Schedule (PNS) consists of Grade 1.

422.512 **Basis of Rates**

Rates are established as follows:

a. *Annual Rate.* The basic annual salaries for full-time occupational health nurses, augmented by general increases provided by the bargaining unit agreement, are established on a full-time basis of 2,080 hours per year.

b. *Hourly Rate.* Basic hourly rates for occupational health nurses on a part-time flexible schedule are determined by dividing the annual basic rate by 2,000 hours.

422.513 **Cost-of-Living Adjustment**

[Reserved]

422.514 **Setting Wages**

The appointing official has primary responsibility for setting wages of employees according to the guidelines in 422.52. Wages are subject to the approval of the appointing official's superior.

422.515 **Employee Classifications**

See 422.15. The bargaining unit classifications in 432.11 that apply to bargaining unit occupational health nurses are *full-time regular* and *part-time flexible.* The bargaining unit classification of *part-time regular* does not apply.

422.52 Change Action Pay Rules

422.521 **Career Appointment**

Newly appointed occupational health nurses are to be paid the rate for the first step in the position's salary range, except as specified below:

a. For situations involving reinstatement, prior congressional service, transfer of a function from a federal agency, or veteran preference eligibility, see 422.121.

b. If local conditions for hiring an occupational health nurse require a higher starting salary than that of Step 1, the approving official may authorize a salary at Step 2 or 3 of the salary schedule. If this occurs, any current bargaining unit occupational health nurse at the same facility paid at a lower step than the newly hired occupational health nurse must be placed at the same step as the newly hired occupational

health nurse, with an effective date no later than that of the new hire. The current employee begins a new step waiting period when placed in the higher step.

422.522 **Additional Appointment**

See 422.122.

422.523 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion, the employee receives a promotional increase equal to two times the most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic salary and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A-E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From OSD (RSC K), CC (RSC Q), MH, (RSC M), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To OSD (RSC K), CC (RSC Q), MH (RSC M), IT/ASC (RSC N), TDS (RSC Y) and PPO (RSC Y), to the current

full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.7

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS (RSC PB) or MESC (RSC CB) Schedule 2, to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules*. See 422.123b.

422.524 **Reassignment Rules**

See 422.124.

422.525 **Reduction in Grade**

See 422.125.

422.53 Step Increases

422.531 **Eligibility and Procedure**

See 422.131. The lengths of the waiting periods are included in Exhibit 422.13. In addition to the conditions listed in 422.131, the employee must have performed in a satisfactory or outstanding manner during the waiting period, as described below.

a. Performance determinations:

(1) *Responsibility.* Installation heads and their subordinate supervisors have joint responsibility for understanding the kind of work performance expected of employees. Supervisors must (a) keep informed of the deficiencies and proficiencies of employees and (b) provide appropriate commendation, counseling, or assistance on a continual basis — rather than only at the time of a step increase rating.

(2) *Criteria.* Performance ratings are based on such job-related factors as reliability, work habits, quantity and quality of work performed, cooperation with other employees, and attendance. Criteria for the three categories of performance ratings follow:

(a) *Outstanding (O).* Performance and achievement in terms of productive effort, proficiency, and significant contributions to the Postal Service that are well above the established norm.

Note: An outstanding employee may be considered for a quality step increase or Special Achievement Award.

(b) *Satisfactory (S).* Performance at an acceptable level, exhibiting such qualities as reliability, cooperation, and competence in meeting the normal requirements of a position.

Note: This rating applies to the majority of employees, whose performance may range from minimum to very good to above average in several respects of their work.

(c) *Unsatisfactory (U).* Employees who repeatedly and/or continually fail to meet the essential requirements of their position, exhibiting such characteristics as lack of cooperation, poor attendance, and failure to produce acceptable work even after they have been counseled on deficiencies.

Note: When an advance written notice of charges has been given to an employee because of unsatisfactory service, any step increase otherwise normally due must be withheld pending a final decision on the merits of the charges.

b. Processing a step increase:

(1) *Notification of Increase.* At least 45 days prior to the effective date, the Eagan Accounting Service Center (ASC) provides installations with two copies of a report listing those employees who have completed the required waiting period for advancement to the next step. LWOP hours, when sufficient to require withholding of a step increase (see 422.133), are printed on the listing.

(2) *Supervisor's Appraisal.* When supervisors receive the step increase notice, they must:

(a) Evaluate the employee against performance criteria (see 422.531a2) and make a judgment about the employee's service during the waiting period.

(b) Check the appropriate performance code (O, S, or U), write the effective date, and sign each line.

(3) *Approved Increase.* Employees whose step increase is approved receive a copy of a PS Form 50 and a notification on

PS Form 1223-A, *Earnings Statement*, and PS Form 1223-B, *Earnings Statement — Net to Bank,* for the pay period in which the increase is effective. The effective date of the increase is the beginning of the first pay period following completion of the waiting period.

(4) *Withheld Increase.* Employees whose step increase is withheld receive a written advance notice from the installation head or his or her designee. Employees receive a copy of a PS Form 50 at a later date, confirming that the step increase was withheld.

Notes: Withholding of a step increase should not be used as punishment for overt acts that should be handled under the disciplinary procedures.

(a) In cases of *excessive LWOP*, the revised effective date depends on the amount of LWOP. (See 422.133 for deferral periods.)

(b) In cases of *unsatisfactory performance*, a seven-pay period redetermination period follows the date of withholding. During this period, the supervisor should encourage and assist the employee to overcome the deficiencies, provide needed training, consider reassignment to more suitable work, and/or other appropriate personnel action. The Eagan ASC includes the employee's name on a listing 45 days in advance of the revised effective date.

(i) If the employee's service is satisfactory at the end of the additional waiting period, the step increase is approved.

(ii) If the employee's service is not satisfactory at the end of the additional waiting period, the step increase may be withheld for another redetermination period or disciplinary measures under the collective bargaining agreement may be taken.

422.532 Creditable Service

See 422.132.

422.533 Leave Without Pay

See 422.133.

422.534 Simultaneous Personnel Actions

See 422.134.

422.54 Higher Level Assignments

422.541 Definitions

See 422.141.

422.542 Written Management Order

See 422.142.

422.543 Rate of Pay

See 422.143.

422.544 **Adjustments and Increases**

See 422.144.

422.545 **Benefits**

See 422.145.

422.55 Dual (Multiple) Employment

[Reserved]

422.56 Change From Rural Carrier Schedules

See 422.16.

422.6 Information Technology/Accounting Service Centers Schedule

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.61 Salary System

422.611 **Salary Schedule**

The Information Technology/Accounting Service Centers (IT/ASC) Schedule consists of Grades 6 through 23. The basic annual salaries are augmented by general increases provided by the collective bargaining agreement.

422.612 **Part-time Employees**

Part-time flexible and part-time regular schedule employees are paid according to 422.112b based on the schedule for IT/ASC bargaining unit employees.

422.613 **Cost-of-Living Adjustment**

In addition to their basic annual or hourly rate, all bargaining unit employees also receive such COLA as specified by their applicable collective bargaining agreement.

422.614 **Employee Classifications**

The bargaining unit classifications in 432.111 that apply to IT/ASC employees are *full-time regular, part-time flexible,* and *part-time regular*.

Note: Casual (see 432.12a) is a nonbargaining unit employee classification. Therefore, casuals at the IT/ASC are not in the bargaining unit.

422.62 Change Action Pay Rules

422.621 **Career Appointment**

A new employee to the Postal Service hired into the IT/ASC schedule with a career appointment is paid the minimum rate for the grade (see 422.121).

422.622 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion, the employee receives a promotional increase equal to two times the

most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic salary and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A-E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From PNS (RSC G), OSD (RSC K), MH, (RSC M), CC (RSC Q), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), OSD (RSC K), MH (RSC M), CC (RSC Q), TDS (RSC Y) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS (RSC PB) or MESC (RSC CB) Schedule 2, to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules.* See 422.123b.

c. *Effect of Saved Grade.* The new salary may not exceed the maximum of the new grade unless, on the day immediately preceding the effective date of the promotion, the employee has a saved rate including a red circle amount (see 422.522). In such case, the new salary may exceed the maximum of the new grade by an amount not greater than the dollar amount of the red circle, subject to termination of rate retention (see 421.514).

422.623 **Reassignment Rules**

See 421.43b for definition of reassignment. An employee's salary is not changed as a result of reassignment within the IT/ASC schedule. (For reassignment to nonbargaining unit salary schedules, see 414. For reassignment to another bargaining unit salary schedules, see 422.124c.)

422.624 **Demotion**

See 421.43c for definition and general regulation for demotion. See 422.15 for demotion to and within the IT/ASC schedule. For demotion to a nonbargaining unit salary schedule, see 415.

422.625 **Voluntary Reduction**

See 421.43d for definition. See 422.125 for voluntary reduction to and within the IT/ASC schedule. See 415 for voluntary reduction to a nonbargaining unit schedule.

422.626 **Management Action Reduction**

In this case of a nondisciplinary and involuntary reduction, the rate retention provisions below apply.

a. *Saved Rate.* Employees retain their salary and remain eligible for any in-grade salary increases for which they otherwise would have been eligible. They continue in this status until such time as they fail to bid or apply for assignment to a vacant, established position (a) in the former grade or (b) in a grade between that of the former grade and the new grade within the same facility — provided acceptance of the vacant position does not result in any loss in salary. The facility notifies employees of any vacant position for which they are or may be qualified. Failure to qualify for the position does not result in the loss of saved rate. (See also 421.52.)

b. *Saved Grade.* For saved grade rules due to technological or mechanization changes, see 421.53.

422.63 Step Increases

422.631 Eligibility Requirements

The rules for granting step increases in 422.13 apply to IT/ASC bargaining unit employees except that the waiting period between steps is as shown in Exhibit 422.13.

422.632 Creditable Service

See 422.132.

422.633 Leave Without Pay

See 422.133.

422.634 Simultaneous Personnel Actions

See 422.134.

422.64 Higher Level Assignments

See the IT/ASC collective bargaining agreement.

422.65 Dual (Multiple) Employment

422.66 [Reserved]

422.67 Change From Rural Carrier Schedules

See 422.16.

422.7 Operating Services Division Headquarters and Facilities Service Section, Merrifield, VA

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.71 Salary System

422.711 Salary Schedule

An Operating Services Division (OSD) Schedule, which exists for the grades and steps of employees in the Headquarters Facilities Service at Postal Service Headquarters and Facilities Service Section, Merrifield (APWU), in accordance with the OSD collective bargaining agreement, consists of Grades 1 through 9.

422.712 Basis of Rates

See 422.112.

422.713 Cost-of-Living Adjustment

See 422.113.

422.714 Determination of Salaries

The salary set by the appointing officer is subject to the approval of the vice president of Facilities.

422.715 Employee Classifications

See 422.115.

422.72 Change Action Pay Rules

422.721 Career Appointment

A new Postal Service employee hired into the OSD schedule is paid the rate for the first step of the grade except as specified below:

a. *Exceptional Qualifications.* If the appointing official (with approval of superior) determines that the person has exceptional qualifications, the rate of pay may be set at a higher step, not to exceed the fourth step of that grade — except as provided in item b below.

b. *Reemployment and Transfer.* The appointing officer may set the salary of a former or current federal civilian or Postal Service employee who is being given a career appointment either (1) at the first step of the grade of the position or (2) at any step of the grade that is less than one full step above the highest basic compensation the employee previously received — but not in excess of the maximum step of the grade for the assigned position.

422.722 Additional Appointment

See 422.122.

422.723 Promotion Rules

Note: See 421.43a and 421.44i for definition of *promotion*, and then be sure to consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion, the employee receives a promotional increase equal to two times the most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic salary and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A-E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent. Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From PNS (RSC G), CC (RSC Q), MH, (RSC M), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC

(RSC R) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), CC (RSC Q), MH (RSC M), IT/ASC (RSC N), TDS (RSC Y) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS (RSC PB) or MESC (RSC CB) Schedule 2, to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules*. See 422.123b.

422.724 **Reassignment Rules**

See 421.43b for definition and 422.124c for further instructions. An employee's salary is *not* changed as a result of reassignment.

422.725 **Demotion**

See 421.43c for definition. Rules for demotion *to and within* the OSD schedule appear in 422.125.

422.726 **Voluntary Reduction**

See 421.43d for definition. See 422.125 for voluntary reduction *to and within* the OSD Schedule. See 415 for voluntary reduction *from* the OSD to a nonbargaining schedule.

422.727 **Management Action Reduction**

See 421.43e for definition for reduction *from* the OSD schedule to a nonbargaining schedule. Rules in 422.125 for management action reductions *to and within* the PS schedule apply to OSD employees — except as qualified below:

a. If an OSD employee whose job is eliminated cannot be placed in a job of equal grade, the saved grade provision in 422.125b does *not* apply.

b. Instead, the employee (1) is assigned to any available lower level position for which he or she qualifies and (2) is entitled to protected rate for a period of 2 calendar years.

422.73 Step Increases

422.731 **Eligibility Requirements**

All of the step increase rules in 422.13 apply to OSD employees. See Exhibit 422.13 for step increase waiting periods.

422.732 **Creditable Service**

See 422.132.

422.733 **Leave Without Pay**

See 422.133.

422.734 **Simultaneous Personnel Actions**

See 422.134.

422.74 Higher Level Assignments

422.741 **Definitions**

See 422.141.

422.742 **Written Management Order**

The rules in 422.14 apply to OSD employees — except for the provision stated in 422.142.

422.743 **Rate of Pay**

See 422.143.

422.744 **Adjustments and Increases**

See 422.144.

422.745 **Benefits**

See 422.145.

422.75 Dual (Multiple) Employment

[Reserved]

422.76 Change From Rural Carrier Schedules

See 422.16.

422.8 Postal Police Officers Schedule

The provisions of 422.1 and 422.2 cited below are made applicable to this salary schedule by reference.

422.81 Salary System

422.811 Salary Schedule

The Postal Police Officers (PPO) Schedule (RSC Y) consists of Grade 6.

422.812 Basis of Rates

See 422.112.

422.813 Cost-of-Living Adjustment

[Reserved]

422.814 Setting Wages

See 422.114.

422.815 Employee Classifications

There are two categories of employees in the Postal Police Officers' bargaining unit:

a. Full-time.

b. Part-time.

422.82 Change Action Pay Rules

422.821 Career Appointment

See 422.121.

422.822 Additional Appointment

See 422.122.

422.823 Promotion Rules

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion, the employee receives a promotional increase equal to two times the most prevalent step in the former grade for a promotion of one or two grades (three times for a promotion of three or more grades). Add this increase to the employee's former basic salary and slot the employee to the closest step in the new grade. If the increased salary falls between two steps of the new grade, place the employee at the next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (RSC PB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E), A–E Postmasters (RSC F), and TDS (RSC T), to the current full-time salary, add 5 percent.

Advance this amount to the next higher salary step in the new grade if the calculated amount falls between two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(c) From PNS (RSC G), CC (RSC Q), MH, (RSC M), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R) and OSD (RSC K), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PNS (RSC G), CC (RSC Q), MH (RSC M), IT/ASC (RSC N), TDS (RSC Y) and OSD (RSC K), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To PS (RSC PB) or MESC (RSC CB) Schedule 2, to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades). Advance this amount to the next higher salary step in the new grade if the calculated amount falls between the two steps. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(d) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplemental Rules*. See 422.123b.

422.824 **Reassignment Rules**

See 422.124.

422.825 **Reduction in Grade**

See 422.125.

422.83 Step Increases

422.831 **Eligibility and Procedure**

See 422.131. The lengths of the waiting periods are included in Exhibit 422.13. In addition to the conditions listed in 422.131, the employee must have performed in a satisfactory or outstanding manner during the waiting period, as described below.

a. Performance determinations:

(1) *Responsibility.* Inspectors in charge and their subordinate supervisors have joint responsibility for understanding the kind of work performance expected of postal police officers. Supervisors must (a) keep informed of the deficiencies and proficiencies of postal police officers and (b) provide appropriate commendation, counseling, or assistance on a continual basis — rather than only at the time of a step increase rating.

(2) *Criteria.* Performance ratings are based on such job-related factors as reliability, work habits, quantity and quality of work performed, cooperation with other employees, and attendance. Criteria for the three categories of performance ratings follow:

(a) *Outstanding (O).* Performance and achievement in terms of productive effort, proficiency, and significant contributions to the Postal Service that are well above the established norm.

Note: An outstanding postal police officer may be considered for a quality step increase or Special Achievement Award.

(b) *Satisfactory (S).* Performance at an acceptable level, exhibiting such qualities as reliability, cooperation, and competence in meeting the normal requirements of a position.

Note: This rating applies to the majority of postal police officers, whose performance may range from minimum to very good to above average in several respects of their work.

(c) *Unsatisfactory (U).* Postal police officers who repeatedly and/or continually fail to meet the essential requirements of their position, exhibiting such characteristics as lack of cooperation, poor attendance, and failure to produce acceptable work even after they have been counseled on deficiencies.

Note: When an advance written notice of charges has been given to a postal police officer because of unsatisfactory service, any step increase otherwise

normally due must be withheld pending a final decision on the merits of the charges.

b. Processing a step increase:

(1) *Notification of Increase.* At least 45 days prior to the effective date, the Eagan Accounting Service Center (ASC) provides Inspection Service divisions with two copies of a report listing those postal police officers who have completed the required waiting period for advancement to the next step. LWOP hours, when sufficient to require withholding of a step increase (see 422.133), are printed on the listing.

(2) *Supervisor's Appraisal.* When supervisors receive the step increase notice, they must:

(a) Evaluate the postal police officer against performance criteria (see 422.831a2) and make a judgment about the postal police officer's service during the waiting period.

(b) Check the appropriate performance code (O, S, or U), write the effective date, and sign each line.

(3) *Approved Increase.* Postal police officers whose step increase is approved receive a copy of a PS Form 50 and a notification on PS Form 1223-A, *Earnings Statement*, and PS Form 1223-B, *Earnings Statement — Net to Bank,* for the pay period in which the increase is effective. The effective date of the increase is the beginning of the first pay period following completion of the waiting period.

(4) *Withheld Increase.* Postal police officers whose step increase is withheld receive a written advance notice from the installation head or his or her designee. Postal police officers receive a copy of a PS Form 50 at a later date, confirming that the step increase was withheld.

Notes: Withholding of a step increase should not be used as punishment for overt acts that should be handled under the disciplinary procedures.

(a) In cases of *excessive LWOP,* the revised effective date depends on the amount of LWOP. (See 422.133 for deferral periods.)

(b) In cases of *unsatisfactory performance,* a 7-pay period redetermination period follows the date of withholding. During this period, the supervisor should encourage and assist the postal police officer to overcome the deficiencies, provide needed training, consider reassignment to more suitable work, and/or other appropriate personnel action. The Eagan ASC includes the postal police officer's name on a listing 45 days in advance of the revised effective date.

(i) If the postal police officer's service is satisfactory at the end of the additional waiting period, the step increase is approved.

(ii) If the postal police officer's service is not satisfactory at the end of the additional waiting period, the step increase may be withheld for another redetermination period or disciplinary measures under the collective bargaining agreement may be taken.

422.832 **Creditable Service**

See 422.132.

422.833 **Leave Without Pay**

See 422.133.

422.834 **Simultaneous Personnel Actions**

See 422.134.

422.84 Higher Level Assignments

422.841 **Definitions**

See 422.14. The following provisions apply:

a. The rules in 422.14 also apply to postal police officers, except that where the text in 422.14 reads "installation heads," substitute "inspectors in charge" for postal police officers.

b. Where the text reads "installations," substitute "Inspection Service divisions" for postal police officers.

422.842 **Written Management Order**

See 422.142.

422.843 **Rate of Pay**

See 422.143.

422.844 **Adjustments and Increases**

See 422.144.

422.845 **Benefits**

See 422.145.

422.85 Dual (Multiple) Employment

[Reserved]

422.86 Change From Rural Carrier Schedules

See 422.16.

422.9 Tool and Die Shop Schedule

422.91 Salary System

422.911 **Salary Schedule**

The Tool and Die Shop (TDS) Schedule (RSC T) consists of Grades 4, 6, 7, 8, 9 and 11.

422.912 **Basis of Rates**

Rates are established as follows:

a. *Annual Rates for Full-time Employees*. The basic annual salaries for the grades of the schedule are established for full-time employees on the basis of a work schedule of 2080 hours per annum. For full-time

employees, there are two rates of pay, one for *incumbents*, and a second for *nonincumbents*.

b. Hourly Rates for Part-time Employees.

c. [Reserved]

422.913 **Cost-of-Living Adjustment**

[Reserved]

422.914 **Setting Wages**

See 422.114.

422.915 **Employee Classifications**

See 422.115.

422.92 Change Action Pay Rules

422.921 **Career Appointment**

See 422.121.

422.922 **Additional Appointment**

See 422.122.

422.923 **Promotion Rules**

Note: See 421.43a and 421.44i for definition of *promotion*, and consult Exhibit 418.1, Equivalent Grades, to determine whether or not a personnel action represents a promotion.

Rules are as follows:

a. *Basic Rules*. The basic rules are as follows:

(1) *Promotion Within This Schedule.* For this promotion, assign the Incumbent Rate of the new position to employees promoted from the Incumbent Rate of the former position. For employees at less than the Incumbent Rate, add to the current full-time salary a 2 percent increase for a one grade promotion and a 3 percent increase for a two or more grade promotion.

(2) *Promotion To This Schedule From Other Rate Schedules.* For this promotion:

(a) From PS (PB) or MESC (CB) Schedule 2, see 422.123a2.

(b) From EAS (RSC E) and A-E Postmasters (RSC F), to the current full-time salary, add 5 percent.

(c) From PNS (RSC G), CC (RSC Q), MH, (RSC M), IT/ASC (RSC N), PS (RSC P) or MESC (RSC C) Schedule 1, RC (RSC R), OSD (RSC K) and PPO (RSC Y), to the current full-time salary, add two times the most prevalent step increment of the current grade (add three times for a promotion of three or more grades).

(3) *Promotion From This Schedule To Other Rate Schedules.* For this promotion:

(a) To PS (PB) or MESC (CB) Schedule 2, PNS (RSC G), OSD (RSC K), MH (RSC M), IT/ASC (RSC N), CC (RSC Q) and PPO (RSC Y), to the current full-time salary, add 5 percent. If the salary after the 5 percent increase is between two steps in the new schedule, advance the employee to the

next higher step. A new step waiting period begins unless the employee is promoted to a bargaining unit grade previously held (i.e., repromotion), in which case see 422.123a4.

(b) To EAS (RSC E), to the current full-time salary, add 5 percent. If the result is below the minimum or above the maximum of the new grade, the new salary is adjusted to fit within this range.

Note: For promotion from this schedule to a nonbargaining schedule, see also 413.

(c) To RC (RSC R), see 422.422a2.

Note: See also Exhibit 421.82.

b. *Supplementary Rules.* See 422.123b.

422.924 **Reassignment Rules**

See 422.124.

422.925 **Reduction in Grade**

Refer to 422.125, except as qualified below:

a. If a TDS employee is displaced from a higher grade position due to technological or mechanization change, the saved grade provisions in 422.125c3 do not apply.

b. However, any new job or jobs created by technological or mechanization change will be offered to employees who are capable of being trained to perform the new or changed job duties. The Postal Service will provide such training on the job for a period up to 60 days. Certain specialized jobs may require additional and off-site training. During training, employees will maintain their normal rate of pay.

422.93 Step Increase

[Reserved]

422.94 Temporary Assignments

422.941 **Lower Level Assignments**

Employees temporarily assigned to lower level positions continue to be paid at the salary rate for their regular position. See also 421.42b.

422.942 **Higher Level Assignments**

Higher level work is an assignment of a qualified employee to a position in the bargaining unit that is ranked at a higher level (grade) than that regularly held by the employee. The rules below apply:

a. *Authorization*. The employee will be given a written management order stating the beginning and approximate termination of the higher level assignment and directing the employee to perform the duties of the higher level position. Such written order is authorization for the higher level pay. The failure of management to give a written order is not grounds for denial of higher level pay if the employee was otherwise directed to perform the duties.

b. *Compensation*. The employee will be paid at the higher level for the time actually spent on the job. The employee's higher level rate is determined as if he or she were promoted to the position.

422.95 Dual (Multiple) Employment

[Reserved]

422.96 Change From Rural Carrier Schedule

See 422.16.

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 bargaining unit employees where their labor agreement does not provide specific conditions and procedures and to nonbargaining unit employees except Inspection Service employees covered by law enforcement provisions and Office of Inspector General employees.

432 General Definitions and Provisions

432.1 Employee Classifications

432.11 Regular Work Force

432.111 Bargaining Unit Employees

Bargaining unit employees are categorized as follows:

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* — employees categorized as one of the following:

(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* — employees categorized as one of the following (although only regular rural carriers and rural carrier associates may be added to the rolls):

(1) *Regular rural carriers* — career annual rate employees assigned to established rural routes on the basis of triweekly, 5, 5 1/2, or 6 days in a service week.

(2) *Rural carrier associates* (RCAs) (hired on or after 04/11/87); *rural carrier reliefs* (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 are assigned as leave replacements on

one to three established rural routes during the absence of the regular rural carriers. RCAs or substitute rural carriers also may be temporarily assigned (a) to vacant rural routes pending the selection of regular rural carriers, (b) to routes for which the regular carrier is on extended leave, (c) to auxiliary routes as auxiliary rural carriers, or (d) as auxiliary assistants.

(3) *Auxiliary rural carriers* (hired prior to 1981) — employees who serve auxiliary rural routes (those not designated as regular rural routes). Normally, such positions are filled by the temporary assignment of substitute rural carriers or rural carrier associates, or by rural carrier relief employees. However, if these are not available, qualified noncareer hourly rate employees may be appointed for a limited term.

432.112 Nonbargaining Unit Employees

Nonbargaining unit employees are categorized as follows:

a. *Full-time salaried* — one of the following categories of salaried employees employed according to procedures established by the Postal Service:

(1) *Exempt salaried* — career employees who are exempt from the FLSA provisions, are not limited to working a specified number of hours in a service week, and are expected to work or have excused leave for at least 40 hours per week fulfilling the responsibilities of their positions.

(2) *Special Exempt* — career employees who are exempt from the Fair Labor Standards Act (FLSA) provisions, whose permanent assignments are to Executive and Administrative Schedule (EAS)-15 through -18 positions, and who directly supervise two or more equivalent bargaining unit employees in production operations.

(3) *Nonexempt salaried* — career employees who are not exempt from (i.e., are covered by) FLSA provisions and are assigned to work schedules consisting of five 8-hour days in a service week.

b. *Part-time salaried* — career hourly rate employees assigned to regular work schedules 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 used as a supplemental work force, as described in the applicable national agreements or in other Postal Service collective bargaining agreements, 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 that are assigned to nonbargaining unit positions.

c. *Leave replacements* — noncareer hourly rate employees with unlimited term appointments who are employed as relief or leave replacements during the absence of postmasters.

d. *Temporary relief carriers* — noncareer employees with limited term appointments who provide service as rural carrier leave replacements on regular or auxiliary routes or provide auxiliary assistance on regular routes.

432.13 Transitional Work Force

Employees in the transitional work force are noncareer bargaining unit employees categorized as transitional employees (TEs) and utilized in accordance with the terms of their respective collective bargaining agreements. They are hourly rate employees hired for terms designated in the appropriate national bargaining agreement.

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 TCOLA, overtime, EAS additional pay, out-of-schedule premium, Sunday premium, holiday-worked pay, night differential. Basic daily and hourly rates are determined by dividing the basic annual rate (BAR) as shown in the table below (see also 432.23).

a. Basic annual rate (BAR).

b. Basic daily rate:

Type Schedule	Calculation
1. FLSA-exempt Postmasters	BAR/260
2. Regular rural carriers	
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
3. 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 and transitional employee	
a. For calculation of straight time pay, night differential, and Christmas-worked only	BAR/2000
b. For calculation of overtime, EAS additional pay, and all other premiums	BAR/2080

432.22 Regular Rate

The regular rate is defined by the Fair Labor Standards Act (see 444.21).

432.23 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 workweek for full-time bargaining unit employees is defined in the applicable labor agreements. Postmasters and exempt employees are assigned as needed. Otherwise, the basic full-time workweek consists of 5 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 postmaster general (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 workhours, overtime, and mealtime, may not be extended over a period longer than 12 consecutive hours. Postmasters 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 1/2 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 basic 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 his or her schedule, as follows:

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 begins, 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 begin 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 begin 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 basing pay on hours worked in a service day, managers must assign the workhours of employees in such a manner that (a) employees do not perform continuous work that is reported in 2 different service days and (b) any scheduling changes cannot be construed as an intent to evade the payment of overtime under the provisions of the FLSA (see 444.231).

432.46 Five-Minute Leeway Rule

432.461 Explanation

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 hour (5 minutes). However, the sum of the deviations for the scheduled tour must not exceed 0.08 hour (5 minutes).

432.462 Applicability

This 5-minute leeway rule applies only to full-time and part-time regular schedule employees. Part-time flexible, casual, transitional, and temporary employees are allowed the 5-minute privilege for clocking purposes, subject to ELM 432.464b, but are paid on the basis of their actual clock rings.

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 432.711). 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 **Adjustment**

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 8.08 hours, the time should be adjusted to 8.00 hours. If a part-time regular schedule employee's clock time is between 0.08 hours less than or greater than his or her established schedule, then the time should be adjusted to the employee's scheduled tour.

432.464 **Special Cases**

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 for bargaining unit employees 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 that the employee clocked in 0.08 hour or less before 6:00 a.m. or clocked out 0.08 hour or less after 6:00 p.m., then the employee is not eligible to be paid night differential.

b. Eligible bargaining unit 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 that the employee clocked in 0.08 hour or less before the scheduled tour started or 0.08 hour or less after the scheduled tour ended, then the employee is not eligible for any Sunday premium.

432.465 **Exception**

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 FLSA-Exempt Postmasters

Time for FLSA-exempt postmasters is credited in units of whole days, except for absences covered by the Family and Medical Leave Act (FMLA) or 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. Employees who perform only part of the scheduled work in a pay period and do not have leave credits to cover the balance of the scheduled work are 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 444.212g).

432.54 Rural Carriers

See 445.

432.6 Guaranteed Time

432.61 Explanation

Guaranteed time is paid time that is not worked under the guaranteed 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 guaranteed 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 guaranteed is recorded as *guaranteed time*. It is not possible for an employee to earn *guaranteed 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 other than TEs who are eligible to receive pay for *guaranteed time*. TEs receive guaranteed time according to their union's collective bargaining agreement. If an employee is eligible for more than one time guaranteed, the guaranteed for the highest number of hours applies. For example, if an employee is eligible for either 2 or 4 hours of guaranteed pay, the 4-hour guaranteed applies. Employees are not eligible for guaranteed time while temporarily assigned to nonbargaining positions.

Exhibit 432.62
Guaranteed Time Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-time Regular	Part-time Regular	Part-time Flexible	Casual, * Temporary, and PM Relief
B — Rural Auxiliary	–	–	Yes[4]	No
C — MESC	Yes[1,3]	Yes[1,5]	Yes[4,5]	–
E — EAS	No	No	–	–
F — Postmasters (A–E)	–	No	–	No
G — Nurses	Yes[1,3]	–	No	–
K — HQ Op. Services	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]	–
Q — City Carriers	Yes[1,3]	Yes[1,5]	Yes[4,5]	–
R — Rural Carriers	Yes[6]	–	Yes[6]	–
S — PCES	No	–	–	–
T — Tool and Die	Yes[1,3]	–	Yes[2,4]	–
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.*

432.63 Pay Computation

As a general principle, when employees are told to *clock out* by management prior to the end of the guaranteed period, the employees are compensated for the hours of the guaranteed period at the rate of pay they would have received had they actually worked the hours. There are, however, conditions under which employees are not compensated for the remaining hours of the guaranteed period. Generally, this occurs 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 *guaranteed time* status. The employee is credited with the time reflected by his or her clock rings.

432.7 Time Worked

See 444.22.

432.71 Control

Supervisors should ensure 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.

432.711 Disallowed Time

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 that was not worked. In such a case the supervisor should prepare a written entry on PS Form 1017-A, *Time Disallowance Record,* as to the factual basis for his or her knowledge that the employee was not working during the period of time disallowed. Examples of time that may be properly disallowed include, but are not limited to:

a. *Wash-up time* — time spent by employees changing clothes and/or washing up after their tour ends that 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.

432.712 Allowed Time

Supervisors must credit employees with all time designated as worktime under the Fair Labor Standards Act. Examples of time that 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 that 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.

432.72 Medical Release Time

When an employee is released from work and directed by management to an on- or off-site health services 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 occurs and that would have been worked but for the medical attention, including all time that the employee otherwise would have been directed to work that day beyond his or her regularly scheduled tour, is included and credited as work time.

432.8 Compensation Due Deceased Employee

432.81 Definition

Unpaid compensation is applicable 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 that were not delivered by the Postal Service to the employee during the employee's lifetime.

b. Amounts of uncashed checks for pay and allowances returned to the Postal Service because of the employee's death.

c. Payment for the balance of a tour and scheduled overtime for the day on which the employee has reported; or if death occurs on a service day prior to reporting to work, for the entire tour when the day is part of the employee's normal work schedule (excluding full tours of scheduled overtime).

d. Payment for accumulated annual leave and for unused annual (current) leave actually earned during the year of death. Payment for the 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.

e. Payment for sick leave in accordance with 513.83.

f. Bond balance refund of payroll deductions for U.S. Savings Bonds.

g. Amounts due for payment of cash awards for employee's suggestions.

h. Allowances on change of official station.

i. Amounts due for the performance of official travel.

432.82 Recipient of Unpaid 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 on Standard Form 1152, *Designation of Beneficiary — Unpaid Compensation of Deceased Civilian Employee,* or otherwise by the employee in writing received in the Postal Service 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**

Procedures when beneficiaries are missing are as follows:

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.

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 accounting service center has received notice that such a claim will be filed, payment may be made to the claimant who in the judgment of the Postal Service 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 in a service week excluding overtime, EAS additional pay, and other premium pay.

433.2 Full-time Employees

As straight time pay for a full pay period, a full-time employee is paid an amount equal to his or her basic 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 basic 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. Annuitant services may be obtained under contract: see *Purchasing Manual* 1.6.14, 4.5.3, and 4.5.4.

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 basic 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 both of the following requirements are met:

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.

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 that is in excess of 8 paid hours in a day or 40 paid hours in a week.

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

Definitions relevant to overtime are as follows:

a. *Exempt employees* — employees who are serving in positions that are exempt from and are not covered by the overtime provisions of 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 that are classified exempt as indicated in the Organization Management (OM) system position directory.

b. *Nonexempt employees* — employees who serve in positions that are covered by the overtime provisions of FLSA (see 444.1), namely all those positions that are not classified as exempt in 434.12a. This includes employees serving in nonexempt positions whose rate retention is based on an exempt position.

c. *Paid hours* — hours actually worked plus paid time off, as defined below:

(1) *Hours actually worked* — *a* time that 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).

(2) *Paid time off* — paid hours of annual leave, sick leave, holiday leave, court leave, military leave, guaranteed time (not worked) and all other paid hours including personal absences where no work is performed for the Postal Service.

Note: 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 basic 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 that 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 basic hourly straight time rate for hours described in applicable labor agreements.

434.134 FLSA-Exempt EAS Additional Pay

FLSA-exempt EAS additional pay is compensation paid to eligible FLSA-exempt employees calculated by dividing the annual salary by 2080 and applying this rate to each eligible hour worked.

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.

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**
B — Rural Auxiliary	–	–	No	No
C — MESC	Yes	Yes	Yes	–
E — EAS	Yes[2,3]	Yes[2,3]	–	No
F — Postmasters (A–E)	–	Yes[3]	–	No
G — Nurses	Yes	–	Yes	No
K — HQ Op. Services	Yes	–	–	–
L — Postmaster Replacement	–	–	–	No
M — Mail Handlers	Yes	Yes	Yes	–
N — Data Center	Yes[1]	–	Yes[1]	–
P — PS	Yes	Yes	Yes	–
Q — City Carriers	Yes	Yes	Yes	–
R — Rural Carriers	Yes[4]	–	Yes[4]	–
S — PCES	No	–	–	–
T — Tool and Die	Yes	–	Yes	–
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 are eligible when required to work on their scheduled days off and have more than 40* paid *hours for the week. Straight-time pay is received for paid leave and hours actually worked until they are eligible for overtime. During the designated Christmas period, FLSA-exempt employees in EAS-23 and below are eligible for additional pay provided they 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
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	Yes	–	–	–
L — Postmaster Replacement	–	–	–	Yes
M — Mail Handlers	Yes	Yes	Yes	–
N — Data Center	Yes	–	Yes	–
P — PS	Yes	Yes	Yes	–
Q — City Carriers	Yes	Yes	Yes	–
R — Rural Carriers	Yes[2]	–	Yes[2]	–
S — PCES	No	–	–	–
T — Tool and Die	Yes	–	Yes	–
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 Overtime Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-time Regular	Part-time Regular	Part-time Flexible	Casual,* Temporary, and PM Relief
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	No	–	–	–
M — Mail Handlers	No	No	No	–
N — Data Center	Yes	–	Yes	–
P — PS	Yes	Yes	Yes	–
Q — City Carriers	Yes	Yes	Yes	–
R — Rural Carriers	No	–	No	–
S — PCES	No	–	–	–
T — Tool and Die	No	–	No	–
Y — Postal Police	No	–	No	–

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

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 that are not paid as penalty overtime; then a calculation is made to ensure that 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 **Assignment of FLSA-Exempt and Nonexempt Work**

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 exempt and 50 percent or more of the actual workhours are spent in nonexempt work, the employee is paid for FLSA overtime that is worked in excess of 40 hours actually worked in the FLSA workweek. The employee is eligible for other premiums as applicable to exempt positions.

b. If the employee's permanent position is nonexempt, regardless of the time temporarily spent performing exempt work, the employee remains eligible for overtime and premiums as applicable to nonexempt positions.

c. If the employee's permanent position is exempt and 50 to 100 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. However, EAS additional pay and other premiums applicable to the permanent position are received.

434.144 **Eligible for FLSA-Exempt EAS Additional Pay**

FLSA special exempt employees in EAS-18 positions and below are eligible for EAS additional pay if authorized to work over 8.5 hours on a scheduled day or any hours on a nonscheduled day, even while on a temporary assignment such as to an OIC position. When authorized work exceeds 8.5 hours on a scheduled day, EAS additional pay is received for the first half hour as well as for the authorized work over 8.5 hours. Regular FLSA-exempt employees in EAS-23 positions and below positions except postmasters and officers-in-charge are eligible during the designated Christmas period provided they are authorized to work over 8.5 hours on a scheduled day or any hours on a nonscheduled day and the additional hours are spent directly supervising bargaining unit employees in mail processing or delivery functions.

434.2 Night Differential

434.21 Policy

Night differential is a premium that 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 434.8).

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 Eligibility for Night Differential

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

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.

f. On administrative leave (bargaining unit employees only).

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
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	Yes	–	–	–
L — Postmaster Replacement	–	–	–	No
M — Mail Handlers	Yes	Yes	Yes	–
N — Data Center	Yes	–	Yes	–
P — PS	Yes	Yes	Yes	–
Q — City Carriers	Yes	Yes	Yes	–
R — Rural Carriers	No	–	No	–
S — PCES	No	–	–	–
T — Tool and Die	Yes	–	Yes	–
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 employees in management development programs. 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, FLSA-exempt employees who are eligible for additional pay are also eligible for night differential during paid overtime hours between 6:00 p.m. and 6:00 a.m. Night differential is not available on administrative leave.*

434.222 Exempt Employees

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 or when the time worked entitles the employee to EAS additional pay. During the designated Christmas period, however, exempt employees who are eligible for EAS additional pay are also eligible for night differential during paid EAS additional pay hours between 6:00 p.m. and 6:00 a.m.

434.23 Pay Computation

Eligible employees receive a premium, in addition to their salary, for work performed between 6:00 p.m. and 6:00 a.m. Bargaining unit employees receive a fixed dollar amount specified in the applicable bargaining agreement. Nonbargaining employees receive an amount equal to 8 percent of their straight-time hourly rate.

434.3 Sunday Premium

434.31 Policy

Sunday premium is paid to eligible bargaining unit employees for all work and paid training or travel time performed during a scheduled tour that includes any part of a Sunday. EAS-23 and below nonbargaining employees receive Sunday premium only for time actually worked on Sunday, provided that the time is part of the employee's regular schedule, or the time is eligible for FLSA-exempt additional pay (see Exhibit 434.3). Note that:

a. An employee entitled to Sunday premium may also be entitled to other premiums for the same tour (see 434.8).

b. Bargaining unit employees 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 432.462 and 432.464b), to a temporary schedule change at the employee's request, or to a temporary schedule initiated by management if the employee receives out-of-schedule premium or nonbargaining rescheduling for the Sunday time.

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 he or she is not eligible for Sunday premium unless the time worked is eligible for FLSA-exempt additional pay.

Exhibit 434.3
Sunday Premium Pay Eligibility Table

Rate Schedule (RSC)	Employee Classification			
	Full-time Regular	Part-time Regular	Part-time Flexible	Casual,[1] Temporary, and PM Relief
B — Rural Auxiliary (RAUX)	–	–	No	No
C — Mail Equipment Shops/Material Distribution Center (MESC-1) CB — Mail Equipment Shops/Material Distribution Center (MESC-2)	Yes	Yes	Yes	–
E — Executive and Administrative (EAS)	Yes[2]	Yes[2]	–	No
F — Postmasters (A–E)	–	No	–	No
G — Postal Nurses (PNS)	Yes	–	Yes	No
K — HQ Operating Services (OSD)	Yes	–	–	–
L — Postmaster Replacement (PMR)	–	–	–	No
M — Mail Handlers (MH)	Yes	Yes	Yes	–
N — Information Technology/Accounting Service Centers (IT/ASC)	Yes	–	Yes	–
P — Postal Service (PS-1) PB — Postal Service (PS-2)	Yes	Yes	Yes	–
Q — City Carriers (CC)	Yes	Yes	Yes	–
R — Rural Carriers (RC)	No	–	No	–
S — Postal Career Executive Service (PCES)	No	–	–	–
T — Tool and Die Shop (TDS)	No	–	No	–
Y — Postal Police Officers (PPO)	Yes	–	Yes	–

1. *Casual employees are covered in RSC-E (salary table E6) regardless of the bargaining unit they supplement.*
2. *Grades 23 and below only, excluding postmasters, officers in charge, postal inspectors, and employees in management developmental programs.*

434.33 Leave

If an employee is on leave for any part of the tour, he or she is not entitled to Sunday premium for the leave hours.

The exception is that Sunday premium will be continued while an eligible employee is in continuation of pay (COP) status, or is on military or court leave. An eligible employee also continues to receive the Sunday premium when the employee is rescheduled due to compensable disability in lieu of placement into COP status.

434.34 Pay Computation

Eligible employees receive Sunday premium, in addition to their basic salary, equal to 25 percent of their hourly straight time rate for each hour of work up to 8.00 hours, or in the case of nonbargaining employees, for each hour of work eligible for FLSA-exempt additional pay.

Note: Hours worked in excess of 8.00 paid hours on a Sunday by bargaining unit employees are paid as overtime pay, as provided in ELM 434.13.

434.4 Holiday Leave Pay

434.41 Policy

434.411 Holidays Observed

Provisions for holiday observance are as follows:

a. The following 10 days are observed as holidays:

(1) New Year's Day.

(2) Martin Luther King Jr.'s Birthday.

(3) Washington's Birthday (Presidents' Day).

(4) Memorial Day.

(5) Independence Day.

(6) Labor Day.

(7) Columbus Day.

(8) Veterans' Day.

(9) Thanksgiving Day.

(10) Christmas Day.

b. Variations in schedule for holiday observance are as follows:

(1) If a holiday falls on an eligible employee's regular scheduled workday, including Saturday or Sunday, the employee observes the holiday on that day.

(2) If a holiday falls on an eligible employee's scheduled nonworkday, the first scheduled day preceding the holiday is designated as the employee's holiday except as provided in 434.411b3 and 434.421.

(3) If a holiday falls on a Sunday that is a nonscheduled workday for an eligible 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-PPO Agreement.

(4) For all full-time postmasters, if a holiday falls on a Saturday that is a nonscheduled workday, the preceding Friday is designated as the postmaster's holiday. Where necessary, additional workhour allowances are authorized for those Post Offices without a senior supervisor to provide relief coverage during the postmaster's absence on holiday leave.

434.412 Application

On these holidays, eligible employees receive holiday leave pay for the number of hours equal to their regular daily work schedule, not to exceed 8 hours (see 434.421). This holiday pay is instead of other paid leave to which employees might otherwise be entitled on their holiday.

Eligible employees who work their holiday, at their option, may elect to have their annual leave balance credited with up to 8 hours of annual leave in lieu of holiday leave pay (see 434.422). When this option is chosen, the deferred holiday leave pay is subject to all applicable rules for requesting and

scheduling annual leave and is combined with annual leave and counted as annual leave for purposes of annual leave carryover (see 512.32).

Note: Holiday leave pay should not be confused with holiday-worked pay, holiday scheduling premium, or Christmas-worked pay (see 434.5).

434.42 Eligibility

434.421 Eligibility for Holiday Leave Pay

Eligibility is shown by category on the following chart:

Employee Category		Eligible
Full-time		Yes
Part-time regular, including A–E postmasters, regularly scheduled to work	Minimum of 5 days (per service week)	Yes
	Less than 5 days (per service week)	No[1]
Part-time flexible		No[2]
Casual		No
Temporary		No
Transitional		No

1. *Unless the holiday falls on their scheduled workday.*
2. *Holiday pay is included in the hourly rate.*

To receive holiday leave pay, these employees must be in a pay status either the last scheduled hour before or the first scheduled hour after the holiday or designated holiday.

However, for an employee on extended LWOP, paid leave for the last scheduled hour before or the first scheduled hour after the holiday or designated holiday is not approved for the purpose of qualifying the employee for holiday pay.

434.422 Eligibility for Annual Leave in Lieu of Holiday Leave Pay

Categories of employees eligible for annual leave in lieu of holiday leave pay are shown on the following chart:

Salary Schedule	Salary Schedule Acronym	Rate Schedule Code (RSC)
Information Technology/Accounting Service Centers	IT/ASC	N
Postal Service Schedules 1 and 2 (salary tables P and P9)	PS-1 PS-2	P PB
Mail Equipment Shops/Material Distribution Center (salary tables C and C9)	MESC-1 MESC-2	C CB
Operating Services Division	OSD	K
Mail Handlers	MH	M
Executive and Administrative Schedule*	EAS	E

* *Applies to FLSA-nonexempt employees. Also applies to EAS-23 and below FLSA-exempt employees who receive additional pay (i.e., special exempt) and also choose to substitute an entire 8 hours of holiday leave pay for annual leave. Excludes EAS postmasters, officers in charge, postal inspectors, and employees in management development programs.*

434.43 Pay Computation for Holiday Leave Pay

Provisions concerning pay computation are as follows:

a. Eligible employees are paid for the holiday at their basic hourly rate for those hours equal to their regular daily working schedule, not to exceed 8 hours. Eligible employees may elect to receive annual leave in lieu of holiday leave pay (see 434.412).

b. Holiday leave pay is in lieu of other paid leave to which an employee might otherwise be entitled on the designated holiday.

c. Holiday leave pay is payable in addition to compensation for hours actually worked on a designated holiday (see 434.5).

d. Eligible full-time and part-time regular employees require no specific authorization to be absent from work on a holiday or a designated holiday, unless scheduled to work.

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

f. Holiday leave paid to an employee who is on a COP status should be recorded as holiday leave and is counted as one of the 45 calendar days of COP for OWCP purposes.

g. 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.

434.5 Holiday-Worked Pay

434.51 Policy

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.)

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

Exhibit 434.52 indicates that employees are eligible to receive holiday-worked pay and Christmas-worked pay.

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).

Exhibit 434.52
Holiday-Worked Pay Eligibility Table

Rate Schedule	Employee Classification			
	Full-time Regular	Part-time Regular	Part-time Flexible	Casual,* Temporary, and PM Relief
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]	–
Q — City Carriers	Yes[4]	Yes	No[3]	–
R — Rural Carriers	Yes	–	No[3]	–
S — PCES	No	–	–	–
T — Tool and Die	Yes[4]	–	No[3]	–
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, except some exempt supervisors, may be eligible for "additional pay" for working on a holiday (see 434.144).*
2. *Postmasters, officers in charge, and FLSA-exempt employees are not eligible for Christmas-Worked Pay (see 434.53).*
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 434.52).*
4. *Under certain conditions, eligible employees may qualify for Holiday Scheduling Premium (See 434.53).*

434.53 Pay Computation

Provisions concerning pay computation are as follows:

a. 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 basic hourly straight time rate for each hour worked up to 8. Eligible FLSA special exempt employees are paid EAS additional pay for each authorized hour worked on their holiday or designated holiday.

b. 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, Christmas-worked pay at 50 percent of their basic hourly straight-time rate. Work performed beyond 8 hours is treated as overtime for bargaining unit employees. The Christmas-worked premium is not paid for overtime hours. Also Christmas-worked pay is not authorized during hours of overnight travel on a nonscheduled day (438.133).

c. A holiday scheduling premium equal to 50 percent of the amount paid in 434.53a 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 national agreements, as follows:

(1) 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 that day, receives *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.

(2) In the event that, subsequent to the Tuesday posting period, an emergency situation attributable to Act(s) of God arises that 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) do not receive *holiday scheduling premium*.

(3) 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 the schedule, and the replacement employee is not eligible for *holiday scheduling premium*.

(4) Employees are not eligible for *holiday scheduling premium* while temporarily assigned to nonbargaining positions.

d. 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 basic 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 434.53b or 434.53c.

434.6 Out-of-Schedule Premium

434.61 Policy

434.611 General

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 Timely Notice

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 his or her regular schedule. Therefore, any hours worked in addition to the employee's regular schedule are not worked "instead of" his or her regular schedule. The 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 **Application**

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.

Any hours worked that 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).

434.614 **Examples**

See Exhibit 434.614.

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 his or her 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 his or her regular schedule (2:30 p.m. to 4:30 p.m.), then he or she is to be paid for hours worked in accordance with Exhibit 434.614.

Example: An employee's regular schedule is Monday through Friday and he or she 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.

Exhibit 434.614
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

434.62 Eligibility

434.621 Eligibility for Out-of-Schedule Premium

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
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	–
Q — City Carriers	Yes[3]	No	No	–
R — Rural Carriers	No	–	No	–
S — PCES	No	–	–	–
T — Tool and Die	No	–	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 Exceptions

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 applies and is 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 that 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. When the collective bargaining agreement that covers the employee states that employees detailed to nonbargaining unit positions are not entitled to out-of-schedule premium.

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

Provisions concerning pay computation are as follows:

a. Out-of-schedule premium is paid to eligible personnel in addition to the employee's hourly rate and at 50 percent of the hourly rate for qualifying hours worked up to 8 hours in a service day or 40 hours in a service week.

b. For those eligible employees who receive TCOLA (439.1), this premium is paid at 50 percent of the employee's 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 434.63a.

c. All leave paid to an employee who is in an out-of-schedule status is 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 4 calendar days notice of the schedule change is given. It is not paid beyond the 4th calendar day after the notice of schedule change is given. Neither is it paid when the assignment is made to accommodate an employee's request.

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

Provisions concerning pay computation are as follows:

a. Nonbargaining rescheduling premium is paid to eligible personnel in addition to the employee's hourly rate and at 50 percent of the hourly rate for all actual workhours up to 8 hours in a service day or 32 hours in a service week.

b. For those employees who receive TCOLA (see 439.1), this premium is paid at 50 percent of the employee's 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 434.73a.

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	Guaranteed Time	Holiday-Worked Pay	Christmas-Worked Pay	Holiday Schedule Premium	Nonbargaining Rescheduling Premium	Continuation of Pay	DC Beeper Time	DC Telephone Time
Night Differential	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Sunday Premium	Yes	N/A	No[2]	No	No	Yes	Yes	Yes	No	No	Yes	No	No
Overtime[1]	Yes	No[2]	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
Guaranteed Time	No	No	No	Yes	Yes	N/A	No	No	No	No	No	No	No
Guaranteed 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
DC Beeper Time	No	No	No	No	No	No	No	No	No	No	No	N/A	N/A
DC 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 or EAS additional pay.*
2. *EAS-23 and below nonbargaining employees receive Sunday premium for hours actually worked on Sunday provided the time is part of their regular schedule or the time is eligible for additional pay or overtime pay.*

435 Severance Pay

435.1 Eligibility

Any career Postal Service employee who is involuntarily separated and who has been employed continuously by the Postal Service 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 Postal Service 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 can 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 that interrupts 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, 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 he or she 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 PS Form 50 Information

The Remarks section on separation PS 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 and other involuntary deductions. The severance pay continues until (a) the severance pay fund is exhausted or (b) the employee is reemployed by the Postal Service 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 Postal Service or another federal agency, the employee is recredited with the portion of creditable service covered by the balance of the 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 that the employee served under the limited appointment is not creditable for purposes of computing the severance pay it interrupts.

436 Back Pay

Reference Note:
For additional material concerning the subject matter found in 436, refer to:

- Management Instruction EL-430-90-8 or its replacement.

436.1 Corrective Entitlement

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

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

Limitations to corrective entitlement are as follows:

a. Any amount that 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 he or she would be entitled.

b. Back pay is allowed, unless otherwise specified in the appropriate award or decision, provided the employee has made reasonable efforts to obtain other employment, as follows (see also 436.42g).

   (1) Job applicants not hired by the Postal Service must immediately make reasonable efforts to obtain other employment.

   (2) Separated employees, or employees on indefinite suspension, are allowed 45 days before they must make reasonable efforts to obtain other employment.

   Exception: Postal Service employees eligible for veterans' preference are not required to make reasonable efforts to obtain other employment while pursuing an administrative appeal with the Merit Systems Protection Board (MSPB).

c. 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.

d. Leave that is recredited as a result of the corrective action may not exceed the maximum amount of leave to which the employee was eligible (see 512.321).

   Exception: Uncapped annual leave is recredited as a result of the reversal or modification of a removal by the Equal Employment Opportunity Commission (EEOC) or, for employees eligible for veterans' preference, by the Merit System Protection Board (MSPB).

e. The employee is not entitled to (1) increases in pay resulting from deferment of step increases due to unsatisfactory service or (2) salary increases resulting from ranking action.

f. 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 the date the 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 ensure appropriate earnings to the employee for the period affected.

436.4 Documents in Support of Claim

436.41 Statements by Local Official

The following must be provided on PS Form 8039, *Back Pay Decision/ Settlement Worksheet*:

a. 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 as follows:

(1) 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.

(2) If the claim is for a part-time flexible employee, a tabulation must be provided that 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 1 full pay period, only a 6-pay-period tabulation is required.

b. The local official must provide a statement indicating whether the employee is entitled to the following during the back pay period:

(1) Premium pay (see 434).

(2) Change in pay rate or salary schedule.

(3) Step increase and date effective.

(4) Change in leave category and date effective.

(5) Other changes in pay of a general application.

c. The local official must provide a statement indicating that had the employee not been suspended or removed he or she would have worked the hours as reported.

d. 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 must be deducted, provided the earnings were from work that replaced the lost postal employment (see 436.2a).

436.42 Statements by Employee

The following must be provided on PS Form 8038, *Employee Statement to Recover Back Pay:*

a. The employee must sign PS Form 8038 agreeing or disagreeing to the hours shown in 436.41b. If the employee does not agree, the basis for the disagreement should be explained.

b. Where the original action resulted in separation or suspension, the employee must furnish the following:

(1) The employee must provide 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.

(2) 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.

(3) 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.

c. The employee must provide a statement on whether or not the employee received any unemployment compensation, and if so, state the amount received and the state that made the payments.

d. The employee must provide a statement that the employee was ready and able to perform his or her 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 his or her credit, for the period of incapacity or unavailability during the back pay period.

e. Where the original action resulted in separation or indefinite suspension and no outside employment was obtained for all or any part of the back pay period, the employee must furnish the following:

(1) If the back pay period is 45 days or less, the employee is not required to certify or to provide documentation in support of efforts to secure other employment during this period.

(2) If the back pay period is more than 45 days and does not exceed 6 months, the employee must provide a statement certifying the reasons why outside employment was not obtained for all parts of the back pay period that exceed the first 45 days.

(3) If the back pay period is more than 6 months, the employee must provide documentation in support of efforts to secure other employment for all parts of the back pay period that exceed the first 45 days.

f. 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.

g. 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 436.42.

436.5 Life Insurance Coverage

If an individual is restored to duty in a pay status, or hired through a settlement or decision, life insurance coverage is dealt with according to Federal Employees' Group Life Insurance (FEGLI) Program regulations, depending on the circumstances encountered during the back pay period, as follows:

a. *Employee is on the rolls but in nonpay status.* While the employee is in nonpay status, basic and optional coverage continue without cost for up to 12 months. After 12 months, coverage ceases, subject to a 31-day extension. (This 12-month period in nonpay status may be broken by periods of less than 4 consecutive months in pay status. If the employee returns to pay status for a period of 4 consecutive months or more, a new 12-month period of continued coverage begins.) When the employee returns to duty in a pay status, if coverage has ceased, on the first day of his or her return, basic and optional insurance are restored automatically, according to the last election on file (see 534.1, LWOP). Until coverage ceases, optional insurance may be elected, or increased, if the employee submits SF 2817, *Life Insurance Election (FEGLI),* within 60 days of experiencing a qualifying life event (e.g., marriage, divorce, death of spouse, birth or adoption of child).

b. *Employee is separated from the Postal Service for less than 180 days.* On the last day in pay status, basic and optional coverage cease, subject to a 31-day extension (see 535.6, Termination). The employee may also convert FEGLI coverage to an individual policy. When the employee is reinstated, the employee automatically receives the FEGLI coverage according to his or her last election on file. The FEGLI regulations allow changes to this election under any one of the following three circumstances:

(1) *FEGLI Open Season.* A new election form may be submitted during a FEGLI Open Season.

(2) *Satisfactory medical information.* An employee who waived life insurance before the separation may acquire Basic Life Insurance and Option A — Standard and/or Option B — Additional (up to a total of five multiples) insurance by providing satisfactory medical information to the Office of Federal Employees' Group Life Insurance (OFEGLI) by using SF 2822, *Request for Insurance (FEGLI).* If the request is approved, the employee is automatically signed up for Basic Life Insurance. He or she is given 31 days to elect Option A and/or Option B by submitting SF 2817. An employee who already has Basic Life Insurance may elect Option A and/or Option B or increase Option B multiples by providing satisfactory medical information through the same procedure. The employee must meet pay and duty status requirements to have the coverage become effective.

(3) *Qualifying life event.* An employee who has Basic Life Insurance coverage may elect Option B or Option C or increase multiples of Option B or C (up to a total of five multiples) if there is a qualifying

life event during the separation or during the 60-day period immediately before the separation. The employee is given 31 days from the date of reinstatement, or 60 days from the date of the event, whichever gives the employee more time, to elect optional insurance by submitting SF 2817. An employee who experiences a qualifying life event after returning to service has 60 days from the qualifying life event to increase FEGLI coverage. The amount of coverage that can be elected can vary depending on the life event and eligible family members. (See the chart under Life Event in FE 76-20, *FEGLI Program Booklet for Postal Service Employees.)*

c. *Employee is separated from the Postal Service for 180 days or more.* On the last day in pay status, basic and optional coverage cease, subject to a 31-day extension (see 535.6, Termination). When the employee is reinstated, any waiver of insurance previously on file is cancelled. Basic Life Insurance becomes effective on the first day the employee returns to duty in a pay status. The employee may file a new waiver of coverage or elect optional insurance within 31 days of returning to duty by submitting SF 2817. If the employee files no election, he or she is given the optional insurance on file immediately before the break in service.

d. *Individual hired as a new employee of the Postal Service.* As a new employee, the individual is eligible for basic and optional insurance according to 531.2, Eligible Employees, subject to 531.3, Exclusions. Basic Life Insurance coverage begins for an eligible employee on the first day of duty in a pay status, and he or she has 31 days to elect optional insurance by submitting SF 2817.

e. *Individual dies during the back pay period.* According to 5 U.S.C. 8706(d), if the insurance of an employee stops because of separation from the service or suspension without pay, and the separation or suspension is thereafter officially found to have been erroneous, the employee is deemed to have been insured during the period of erroneous separation or suspension. Deductions otherwise required by 5 U.S.C. 8707 are not withheld from any back pay awarded for the period of separation or suspension unless death or accidental dismemberment of the employee occurs during such period. Deductions must be made from the back pay awarded in these two situations because an insurance claim is paid.

436.6 Erroneous Separation for Retirement

436.61 Explanation

An individual who separates under optional (voluntary) retirement before meeting both age and service requirements is considered erroneously separated. In such cases, the Office of Personnel Management (OPM) usually disallows the retirement application and requests the Postal Service to retroactively restore the employee to the active rolls as of the date of the erroneous separation. If the date on which the applicant would attain the age and/or service requirements has already passed and the time span for

attaining eligibility is rather short, e.g., 30 days or less, OPM may administratively place the employee in a LWOP status from the date of the erroneous separation to the date on which the minimum service or age requirement is attained.

436.62 Corrective Action

OPM's letter requesting the Postal Service 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 any action is taken on OPM's letter, the employee's service record must be verified. If the reason for the erroneous separation is based on age, records must be verified to ascertain the employee's correct birth date. After the retirement separation is established as erroneous, the employee must be contacted promptly and action taken to restore him or her to the rolls.

In these erroneous optional retirement cases, the back pay is calculated so that employees are compensated as if they had worked during the period of erroneous separation.

436.7 Interest on Back Pay

436.71 Purpose

This section establishes procedures for paying interest that the Postal Service is obligated to pay pursuant to the law, court order, arbitration or federal agency decision, national labor agreement, or Postal Service settlement agreement. This section does not create any Postal Service obligation to pay interest on back pay claims.

436.72 Availability of Interest

Interest is paid on back pay only under the following circumstances:

a. *Decisions* — awards resulting from legally binding determinations by courts of law, administrative agencies, or the grievance and arbitration process. They are handled as follows:

(1) *Merit Systems Protection Board (MSPB).* Interest is paid automatically by the Accounting Service Center (ASC).

(2) *Equal Employment Opportunity Commission (EEOC).* Interest is paid automatically by the ASC.

(3) *National Labor Relations Board (NLRB).* Interest is paid automatically by the ASC.

(4) *Court Decisions.* Interest is not paid unless specifically awarded in the decision.

(5) *Arbitration Decisions.* Interest is paid automatically for arbitration decisions that award back pay for a disciplinary suspension or removal for employees represented by the National Postal Mail Handlers' Union (NPMHU) for cases heard after February 20, 1991, and for employees represented by the National Association of Letter Carriers (NALC) and the American Postal Workers' Union (APWU) for cases heard after June 12, 1991.

Note: For arbitration decisions that are unrelated to a disciplinary suspension or removal, interest is not paid unless it is specifically required by the award.

b. *Settlements* — awards resulting from agreements between a representative of the Postal Service and an authorized employee representative that are reached through negotiation. Interest is not paid unless it is specifically required by the settlement agreement.

436.73 Determination of Rate of Interest

When interest is paid on back pay, the interest rate is determined as follows:

a. *Decisions* (see Exhibit 436.73a):

(1) *Merit Systems Protection Board (MSPB).* The rate of interest is based on the veterans' preference eligibility of the employee.

(a) For veterans' preference eligible employees, the rate of interest is calculated using the Internal Revenue Code Overpayment Rate (see 26 U.S.C. 6621(a)(1)). Computation methods for applying the rate of interest are as found in 5 CFR 550.806.

(b) For non-veterans' preference eligible employees, the rate of interest is calculated using the Federal Judgment Rate (see 28 U.S.C. 1961).

(2) *Equal Employment Opportunity Commission (EEOC).* Interest is paid at the Internal Revenue Code Overpayment Rate (see 26 U.S.C. 6621(a)(1)). Computation methods for applying the rate of interest are as found in 5 CFR 550.806.

(3) *National Labor Relations Board (NLRB).* Interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

(4) *Court Decisions.* Interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

(5) *Arbitration Decisions.* For arbitration decisions that award back pay for disciplinary suspension or removal, interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

Note: For arbitration decisions unrelated to disciplinary suspension or removal, interest is not paid unless specifically required by the award.

b. *Settlements* (see Exhibit 436.73b):

(1) *Merit Systems Protection Board (MSPB).* The rate of interest for MSPB causes is based on the veterans' preference eligibility of the employee.

(a) For veterans' preference eligible employees, the rate of interest is calculated using the Internal Revenue Code Overpayment Rate (see 26 U.S.C. 6621(a)(1)). Computation methods for applying the rate of interest are found in 5 CFR 550.806.

(b) For non-veteran's preference eligible employees, the rate of interest is calculated using the Federal Judgment Rate (see 28 U.S.C. 1961).

(2) *Equal Employment Opportunity Commission (EEOC).* Interest is paid at the Internal Revenue Code Overpayment Rate (see 26 U.S.C. 6621(a)(1)). Computation methods for applying the rate of interest are found in 5 CFR 550.806.

(3) *National Labor Relations Board (NLRB).* Interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

(4) *Court Settlements.* Interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

(5) *Grievance Settlements.* Interest is paid at the Federal Judgment Rate (see 28 U.S.C. 1961).

Exhibit 436.73a
Interest on Back Pay Decisions

Type of Decision	Merit Systems Protection Board (MSPB) Decisions		Equal Employment Opportunity Commission (EEOC) Decisions	National Labor Relations Board (NLRB) Decisions	Court Decisions	Arbitration Decisions
Application	Veterans' Preference Eligible Recipients	Non-Veterans' Preference Eligible Recipients	All Recipients	All Recipients	All Recipients	All Recipients
Whether Interest Is Paid	Yes, paid automatically by ASC	Yes, paid automatically by ASC	Yes, paid automatically by ASC	Yes, paid automatically by ASC	No, unless specifically stated in the decision	Refer to Note[1]
Rate of Interest	IRS Overpayment Rate[2]	Federal Judgment Rate[3]	IRS Overpayment Rate[2]	Federal Judgment Rate[3]	Federal Judgment Rate[3]	Federal Judgment Rate[3]

1. *Interest is paid automatically for arbitration decisions related to disciplinary suspension or removal for employees represented by the National Postal Mail Handlers Union (NPMHU) for cases heard after February 20, 1991, and for employees represented by the National Association of Letter Carriers (NALC) and the American Postal Workers Union (APWU) for cases heard after June 12, 1991. If an arbitration award is unrelated to disciplinary suspension or removal, interest is not paid unless specifically required by the award.*
2. *See 26 U.S.C. 6621(a)(1) and 5 CFR 550.806.*
3. *28 U.S.C. 1961. The rate used is the rate in effect 7 days prior to the date of the award.*

Exhibit 436.73b
Interest on Back Pay Settlements

Type of Settlement	Merit Systems Protection Board (MSPB) Settlements		Equal Employment Opportunity Commission (EEOC) Settlements	National Labor Relations Board (NLRB) Settlements	Court Settlements	Grievance Settlements
Application	Veterans' Preference Eligible Recipients	Non-Veterans' Preference Eligible Recipients	All Recipients	All Recipients	All Recipients	All Recipients
Whether Interest Is Paid	No, unless specifically stated in the settlement	No, unless specifically stated in the settlement	No, unless specifically stated in the settlement	No, unless specifically stated in the settlement	No, unless specifically stated in the settlement	No, unless specifically stated in the settlement
Rate of Interest	IRS Overpayment Rate[1]	Federal Judgment Rate[2]	IRS Overpayment Rate[1]	Federal Judgment Rate[2]	Federal Judgment Rate[2]	Federal Judgment Rate[2]

1. *See 26 U.S.C. 6621(a)(1) and 5 CFR 550.806.*
2. *28 U.S.C. 1961. The rate used is the rate in effect 7 days prior to the date of the award.*

436.74 Responsibility

The Eagan ASC 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 Postal Service against a current or former employee for the recovery of pay that 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

Definitions relevant to waiver of claims for erroneous payment of pay include the following:

a. *Pay* — 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 or payment for travel, transportation, or relocation expenses.

b. *Employee* — throughout 437, a *former* employee as well as a *current* employee.

c. *Applicant* — 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.

d. *Installation head* — the postmaster, manager, or director of a field facility or the head (or designee) of a Headquarters field unit 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 PS Form 3074

The applicant requests a waiver of a claim or a refund of money paid as a result of a claim by submitting PS Form 3074, *Request for Waiver of Claim for Erroneous Payment of Pay*, in *triplicate* to the installation head. The completed PS 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 Postal Service, if available, or a statement setting forth the date the erroneous payment was discovered.

c. A statement of the circumstances that the applicant feels would justify a waiver of the claim by the Postal Service.

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 PS Form 3074. The report should include the following data and/or attachments:

a. All relevant facts or circumstances that are not described or are incorrectly described by the applicant on the PS Form 3074.

b. An explanation of the cause of the overpayment.

c. If available, a listing, for each pay period in which an overpayment was made, of (1) 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 Postal Service together with the PS Form 3074. If neither of these items is available, a statement establishing the discovery date of the Postal Service claim should be included.

g. Copies of pertinent PS Forms 50, *Notifications of Personnel Action*; and any correspondence having a bearing on the claims, obtained from the employee's official personnel folder and included with the PS Form 3074.

h. Any other information that would assist in making a determination of whether collection action to collect the claim would be against equity or good conscience and would not be in the best interest of the Postal Service.

437.5 Review by Human Resources

The installation head forwards the PS Form 3074 to the servicing Human Resources official, who:

a. Reviews the file for accuracy and completeness.

b. Completes part III of PS Form 3074.

c. Adds any pertinent comments to the file.

d. Forwards the entire file to the Payroll Processing Branch of the Eagan Accounting Service Center.

437.6 Action by Eagan Accounting Service Center

The Eagan ASC waives 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 Postal Service. Excluded from consideration for waiver of collection are overpayments resulting from errors in time keeping, 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 Postal Service.

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 Eagan ASC 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 Eagan ASC then forwards the appeal, with the entire case file, to the applicable area Finance manager for area employees or to the manager of National Accounting at Headquarters for Headquarters and area office employees for a final decision. The area Finance manager or manager of National Accounting advises the employee concerned and the Eagan ASC of his or her final decision. If necessary, the Eagan ASC adjusts its records.

438 Pay During Travel or Training

438.1 Pay During Travel

438.11 Definitions

Definitions relevant to pay during travel or training include the following:

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

b. *Local commuting area* — 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 Regular Commuting

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 to a Different Worksite

Commuting time to and from work is not compensable when an employee is called back to work after the completion of the regular workday. 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 Commuting With a Break in Duty Status

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 (a) the kind of travel involved, (b) when the travel takes place, and (c) the eligibility of the employee (see Exhibit 438.13). The three situations that may involve compensable travel time are described below.

438.132 Travel From Job Site to Job Site

The following applies to travel from job site to job site:

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 FLSA-nonexempt employees who are entitled to receive overtime pay.

Exhibit 438.13
Eligibility for Travel Time Compensation

	Scheduled Day		Nonscheduled Day	
Type of Travel	**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

438.133 **One-Day Assignment Outside the Local Commuting Area**

The following applies to 1-day assignments outside the local commuting area:

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 traveling 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 workday. At all other times, this type of travel time is compensable only for bargaining unit and nonexempt nonbargaining unit employees.

438.134 **Travel Away From Home Overnight**

The following applies to travel away from home overnight:

a. *Rule.* Travel time spent by an eligible employee traveling 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,* regardless of his or her schedule while away from the home installation, *or for a nonbargaining employee's schedule in effect while traveling*, whether on a scheduled or a nonscheduled day, 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 hour is compensable. If the same employee travels from 5:00 p.m. to 7:00 p.m. on any day of the week, no travel hour is 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, 438.133, or 438.134 is offered public transportation but uses a personally owned conveyance for personal convenience, only the lesser of the time spent actually driving or those creditable hours that would have been spent in travel by public transportation are 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 by an eligible employee in actual work that is required or suffered or permitted to be performed while traveling is compensable.

438.15 Compensation Provisions

Provisions concerning compensation are as follows:

a. 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).

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

c. 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.

d. 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 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

Title 29, *Code of Federal Regulations* (CFR), provides as follows:

a. 29 CFR 785.27 states:

"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."

If any one of the four criteria is not met, the time must be counted as working time. (See exception in 438.21c).

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.

b. 29 CFR 785.28 states:

"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."

c. 29 CFR 785.30 states:

"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 General

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 711 and 712); and (c) the eligibility of the employee.

438.222 **Training During Established Hours of Service**

All employees are eligible for compensation for any training time which occurs during their established hours of service on a scheduled workday. For purposes of the preceding sentence, any leave time is not considered established hours of service on a scheduled workday. 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 438.132, provided that that employee has a sufficient annual leave balance. The study, training, testing, and qualifying time must be recorded on PS 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 **Training Outside Established Hours of Service**

Nonexempt employees are eligible for compensation for job training time suffered or permitted outside their established hours of service on a scheduled workday, as well as any time suffered or permitted on a nonscheduled workday. (See 711 for categories of training.)

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

438.23 Special Training Provisions

Provisions concerning compensation for special training time are as follows:

a. 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.

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

438.24 Compensation Provisions

Provisions for scheduling compensable training time are as follows:

a. 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.

b. 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 premium (see 434.6), or the nonbargaining rescheduling premium (see 434.7), is not authorized.

c. 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

439.1 Eligibility and Pay Factors

439.11 Eligibility

The territorial cost-of-living allowance (TCOLA) is an amount that is payable to postal employees who are working outside of the continental United States according to 39 U.S.C. 1005(b).

439.12 Pay Factors

Applicable pay factors are as follows:

a. The amount of TCOLA is a percentage of salary. The percentage figure is determined and published periodically by the Office of Personnel Management. Employee Resource Management then issues appropriate instructions to the affected areas. It is payable as follows:

(1) For rural carriers on a 6-day week, TCOLA is payable up to 48 hours per week.

(2) For all other eligible employees, TCOLA is payable up to 40 hours per week.

b. TCOLA is not paid for any time for which an employee does not receive basic pay.

c. Payment of TCOLA does not constitute an equivalent increase for step increase purposes.

d. TCOLA is not included in the basic pay for purposes of computing postal overtime, EAS additional pay, 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 434.53d, out-of-schedule premium at 434.63b, and nonbargaining rescheduling premium at 434.73b).

e. TCOLA is included in the calculation of the regular rate for overtime under the FLSA and for the purpose of computing leave pay, including annual leave exchange.

f. TCOLA is not included in the employee's gross income for federal income tax purposes. However, all overtime and EAS additional pay (including any TCOLA added to basic pay for FLSA overtime) is included in gross income for federal income tax purposes.

439.2 Allowance Categories

Instructions are issued annually to each head of an installation outside the contiguous 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.

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.

440 Fair Labor Standards Act Administration

441 Overview

441.1 Federal Statute

The Fair Labor Standards Act (FLSA), as amended, is a federal statute of general application which establishes requirements for: (a) child labor, (b) minimum wage, (c) equal pay, and (d) overtime pay.

441.2 Enforcement

The FLSA authorizes the Department of Labor (DOL) to: (a) investigate for compliance with provisions of the Act and (b) to supervise the payment of unpaid wages or unpaid overtime compensation owing to any employee in the event of violations. The Law also provides for enforcement in the courts.

442 Postal Service Coverage

442.1 Effective Date

Postal Service employees became subject to the provisions of the FLSA as administered by the DOL, effective May 1, 1974.

442.2 Exclusions

Equal pay and overtime pay are the only two topics required to be addressed in the ELM, since current Postal Service policy and pay schedules, which exceed the minimum wage requirements of the FLSA, preclude the need for discussion of child labor and minimum wages.

442.3 FLSA Poster

All postal facilities, including classified stations and branches, are required to conspicuously display FLSA Poster 42, *To Employees of the U.S. Postal Service*. Bulletin boards near time clock areas should be used for this purpose. This poster may be obtained by submitting a special requisition PS Form 7380, *MDC Supply Requisition*, to the appropriate area supply center.

443 Equal Pay Provisions

443.1 Sex Discrimination Policy

The FLSA, Section 6(d)(1), prohibits employer discrimination of employees on the basis of sex. Employees of both sexes are to receive equal wages for equal work on jobs which require equal skill, effort, and responsibility and are performed under similar working conditions.

443.2 Justified Wage Differentials

Wage differentials may exist based on (a) a seniority system, (b) a merit system, (c) a system which measures earnings by quantity of production, or (d) any other factor other than sex.

443.3 Labor Organization Intervention

No labor organization may cause or attempt to cause the employer to discriminate against an employee in violation of 443.1 and 443.2.

443.4 Postal Service Coverage

The equal pay (sex discrimination) provisions of the FLSA apply to all Postal Service employees even though they may be exempt from the overtime pay provisions of the Act.

444 Overtime Pay

444.1 Policy

The FLSA provides that the Postal Service must pay an employee covered by the overtime provisions of the Act (an FLSA nonexempt employee) at one and one-half times the employee's *regular rate* for all hours of *actual work* in excess of 40 hours in any FLSA *work week*. See 445 for special provision covering rural letter carriers.

444.2 Explanation of Terms

444.21 Regular Rate

444.211 Definition

An employee's *regular rate of pay* is defined as *all remuneration for employment* received during an FLSA workweek divided by the hours that the employee actually worked.

444.212 Inclusions

All remuneration for employment includes:

a. Total base straight time pay, including COLA, for work performed.

b. Total straight time pay differential for higher level work performed.

c. Total TCOLA paid for hours actually worked.

d. Total night differential paid.

e. Total premium paid for work performed on a Sunday.

f. Total base straight time pay, including COLA, for work performed on a holiday.

g. Total base straight time pay, including COLA, of a city letter carrier covering those hours not worked between the seventh and eighth hour of a regular scheduled day (7:01 rule). See 432.53.

h. Total pay received for steward's duty time, in accordance with the applicable collective-bargaining agreement.

i. Total meeting and training time pay.

j. Total pay for travel time.

k. Total straight time pay during scheduled tour and/or scheduled overtime spent waiting for or receiving medical attention (see 432.72).

l. Total pay for time that computer programmer and systems analyst employees are required to carry an electronic pager.

444.213 **Exclusions**

All remuneration for employment excludes:

a. Pay for time not worked, such as annual leave, sick leave, holiday leave pay, guaranteed time not worked, etc.

b. The 50 percent overtime pay premium for work in excess of 8 hours in a day or 40 hours in a week.

c. The 100 percent premium paid for penalty overtime.

d. The 50 percent premium paid for work outside of an employee's schedule or for emergency rescheduling.

e. The 50 percent premium paid for work performed on Christmas day.

f. TCOLA paid for leave hours and other time not worked.

g. That portion of the higher level pay differential paid on leave hours and other time not worked.

h. The 50 percent holiday scheduling premium paid under the provisions of the Holiday Settlement Agreement.

i. That portion of the basic straight time pay of a part-time flexible employee paid in lieu of holiday leave pay.

444.214 **Exclusions Not Creditable**

The exclusions listed above in subsection 444.213a, f, g, and i are not creditable toward FLSA overtime compensation that is due.

444.215 **Dual Employment Rate**

When an employee in a single service week works in *two* or more positions having different rates of pay, the regular rate for the week includes the weighted average of the base straight rates (including COLA) for all such positions, that is, the total base straight time pay, including all other remuneration for employment, for work performed divided by the hours worked.

444.22 Actual Work

444.221 **Definition**

Actual work is defined as all time which management suffers or permits an employee to work.

444.222 **Exclusions**

Actual work does not include any paid time off, but does include steward's duty time, time off authorized for a city letter carrier under the 7:01 rule (see 432.53), and travel, meeting, and training time (see 438).

444.223 **Unauthorized Time**

The reason for an employee continuing to work, with specific approval or disapproval, is immaterial. It is the duty of supervisors to exercise control over the working hours of their subordinates by making sure that employees complete their duties and clock out promptly at the completion of their tour if additional work is not desired or authorized. See 432.7 for disallowed time.

444.23 FLSA Work Week (see 432.42 for Service Week)

444.231 **Explanation**

The FLSA work week for all employees is a fixed and regular recurring period of 168 hours — seven consecutive 24-hour periods. Once the beginning time of an employee's work week is established, it remains fixed regardless of the schedule of hours worked. The beginning of the FLSA work week may be changed only if the change is intended to be permanent and is not designed to evade the payment of overtime.

444.232 **Permanent Change**

When there is a permanent change in an employee's work week which causes some of the working time to fall within hours that are included in both the *old* and *new* work week, the employee's pay is calculated as follows:

a. Assume first that the overlapping hours are to be counted as hours worked only in the *old* work week and not in the *new;* compute straight time and overtime compensation due for each of the 2 work weeks on this basis and total the two sums.

b. Assume now that the overlapping hours are to be counted as hours worked only the *new* work week and not in the *old;* complete the total computation accordingly.

c. Pay the employee an amount not less than the greater of the amounts computed by methods a and b above.

444.233 **Full-time Employees**

The FLSA work week for full-time employees is 168 consecutive hours established as follows:

a. For an employee whose regular schedule includes Saturday as a service day, the FLSA work week begins 8 hours prior to the beginning of the employee's regular schedule for that service day.

Example: Full-time Employee A has a regular schedule starting time of 11:00 p.m. Friday night. By definition, the employee's Postal Service day is Saturday. Based on the FLSA work week definition, the employee's FLSA work week begins at 3:00 p.m. Friday.

Example: Full-time Employee B has a regular starting time of 1:00 a.m. Saturday. By definition, the employee's Postal Service day is Saturday. Based on the FLSA work week definition contained in 444.231, the employee's FLSA work week in this situation begins at 5:00 p.m. Friday.

b. For an employee whose regular schedule does not include Saturday as a service day, the FLSA work week is established by considering Saturday as if it were a service day; and the starting time is the same as the regularly-scheduled starting time on the first scheduled service day in the service week. Thus, the employee's FLSA work week begins 8 hours prior to this Saturday service day starting time.

Example: Full-time Employee C has Saturdays and Sundays off and her or his first scheduled work day is Monday at 6:00 a.m. For purposes of establishing the FLSA work week, 6:00 a.m. is considered as a Saturday service day starting time. Based on the FLSA work week definition above, the employee's FLSA work week begins at 10:00 p.m. Friday.

444.234 **Part-time Employees**

The FLSA work week for part-time employees is 168 consecutive hours established as follows:

The employee's normal starting time as established by the installation head (for a part-time regular, this is his or her regularly scheduled starting time) is used as the basis for establishing the FLSA work week by considering such starting time as if it were a Saturday service day starting time. The beginning of the FLSA work week is 8 hours prior to this Saturday service day starting time, *but in no case does it begin prior to 8:00 p.m. Friday*.

Example: Part-time flexible employee E normally reports to her or his pay location at 11:00 p.m. For purposes of establishing the FLSA work week, the 11:00 p.m. starting time is considered a Saturday service day starting time, i.e., 11:00 p.m. Friday night. When the above FLSA work week definition is applied, the employee's FLSA work week begins at 8:00 p.m. Friday.

Example: Part-time flexible employee F normally reports to her or his pay location at 3:00 p.m. For purposes of establishing the FLSA work week, the 3:00 p.m. starting time is considered a Saturday service day starting time. Applying the above FLSA work week definition, the employee's FLSA work week begins at 7:00 a.m. Saturday.

Example: Part-time regular employee G is regularly scheduled to report to his or her pay location at 6:00 p.m. For purposes of establishing the FLSA work week, the 6:00 p.m. starting time is considered a Saturday service day starting time. Applying the above FLSA work week definition, the employee's FLSA work week begins at 10:00 a.m. Saturday.

444.3 Exemptions

444.31 Policy

444.311 **General**

The FLSA exempts from its overtime provisions any employee employed in a bona fide *executive, administrative, or professional* capacity who is paid on a salary basis. Definitions of these exempt positions are given in 444.32.

444.312 **Postal Service Administration**

FLSA exemption determinations are made by Organizational Design and Management, Headquarters.

444.313 **Dual Assignments**

Any employee who performs executive, administrative, or professional work, or any combination that meets the requirements of each exemption category, is considered exempt provided not more than: (a) 20 percent of the employee's total workhours in a service week are devoted to nonexempt work or (b) 50 percent of the employee's total workhours in a service week are devoted to nonexempt work and the employee is compensated at a rate of at least $250 a week or $13,000 per year.

444.32 Exempt Positions

444.321 **Executive Employee**

Employees employed in a bona fide executive capacity meet the following requirements:

a. Categories:

(1) An employee who is paid on a salary basis at a rate of not less than $250 per week ($13,000 per year) and satisfies duty requirements 444.321b1–2.

(2) An employee who is paid on a salary basis at a rate of not less than $155 per week ($8,060 per year) and meets duty requirements 444.321b1–5.

b. Duty Requirements:

(1) Primary duty consists of the management of the Postal Service or one of its facilities, departments, or subdivisions.

(2) Customarily supervises the work of two or more full-time equivalent employees (FTEs). FTEs consist of any, or all, career employees who are customarily and regularly assigned to an installation, or a recognized subdivision of the installation. The total FTEs assigned to a unit are defined as (1) the number of full-time employees plus (2) 1/40 of the total average weekly straight time hours of all part-time regular and flexible employees, rounded to the lower whole number. Casuals, temporaries, replacements, and any other members of the supplemental workforce are not included in the determination of FTE.

(3) Customarily and regularly exercises discretionary powers.

(4) Has the authority to hire or fire employees, or recommend hiring or firing employees, and promote, advance, and cause other status changes, or recommend promoting, advancing and causing other status changes to an extent that the recommendations will be given particular weight.

(5) Who does not devote more than 20 percent of hours worked in the work week to activities which are not directly and closely related to the performance of work described in the first requirements of this section.

444.322 **Administrative Employee**

Employees employed in a bona fide *administrative* capacity meet the following requirements:

a. Categories:

(1) An employee who is paid on a salary basis at a rate of not less than $250 per week ($13,000 per year) and satisfies duty requirements 444.322b1–2.

(2) An employee who is paid on a salary basis at a rate of not less than $155 per week ($8,060 per annum) and meets duty requirements 444.322b1–4.

b. Duty Requirements:

(1) Primary duty consists of the performance of office or nonmanual work directly related to management policies or general business operations of the Postal Service or Postal Service customers.

(2) Customarily and regularly exercises discretion and independent judgment.

(3) Regularly and directly assists an employee employed in a bona fide executive or administrative capacity (444.321 and 444.322), or performs, under only general supervision, work along specialized or technical lines requiring special training experience or knowledge; or executes, under only general supervision, special assignments and tasks.

(4) Does not devote more than 20 percent of hours worked in the work week to activities which are not directly and closely related to the performance of the work described in 444.322b1–3.

444.323 **Professional Employee**

Employees employed in a bona fide *professional* capacity meet the following requirements:

a. Categories:

(1) An employee is paid on a salary basis at a rate of not less than $250 per week ($13,000 per year) and meets duty requirements 444.323b1–2.

(2) An employee who is paid on a salary basis at a rate of not less than $170 per week ($8,840 per year) and meets duty requirements 444.323b1–4.

b. Duty Requirements:

(1) Primary duty consists of either (a) work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course or specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes; or (b) work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee.

(2) Work requires the consistent exercise of discretion and judgment in its performance.

(3) Work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical, or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.

(4) Not more than 20 percent of the hours worked in a work week are devoted to activities which are not an essential part of and necessarily incident to the work described in 444.323b1–3.

444.324 Pay on a Salary Basis

Pay on a salary basis is defined as receiving a fixed salary regardless of the hours worked, or the quality or quantity of work performed. Deductions for annual or sick leave and leave without pay may be made in increments of full days only, except for leave taken in accordance with 515.61 and 515.62 (leave taken on an intermittent basis or by establishing a reduced work schedule because of a new son or daughter, because medically necessary to care for others, or because the employee is incapacitated). If an employee is not paid on a salary basis, even though all the other criteria for exemption are met, the employee must be classified nonexempt.

445 Rural Letter Carrier Compensation

445.1 Regular Rural Carriers

445.11 Guaranteed Annual Wage

The National Rural Letter Carrier Agreement conforms to Section 7(b)(2) of the FLSA. Certain regular rural carriers assigned to a route of 35 hours or more (31 paid miles or more) receive a guaranteed annual wage based on the number of hours, or miles, assigned to their route.

445.12 Base Rate of Pay

The base rate of pay for these rural carriers equals the base annual rate of a 40 hour evaluated route plus overtime at one and one-half times the base hourly rate for all assigned hours (equivalent miles) in excess of 2080 hours (2184 miles) a year. Hours worked in excess of 12 hours a day, or 56 hours in an FLSA work week, are payable at 150 percent of the carrier's regular rate.

445.2 Other Rural Carriers

Those rural carriers who are not covered under the guarantee provisions of Section 7(b)(2) of the FLSA are compensated at the rate for a 40 mile route in accordance with the compensation provisions in 433 and 434.

446 Compliance Investigations

446.1 DOL On-site Visit

If a properly identified DOL Wage and Hour Inspector visits a postal facility, the following should be noted:

a. The Act requires that records regarding pay, hours worked, and related data be open at any time for review by DOL Wage and Hour Inspectors.

b. The installation head is expected to be cooperative and should answer all specific and reasonable questions related to pay practices in that facility and provide the pertinent data requested.

c. Requests for general information or data which is not available at the installation should be referred to a representative in the Field Division Human Resources organization.

446.2 DOL Findings

DOL Inspectors should be requested to provide a written report of any informal allegation of FLSA violations and any investigative findings to the Field Division Director, Human Resources, in addition to the installation head.

446.3 Postal Service Actions

446.31 Upon receipt of the report, the installation head should forward comments and recommendations related to the allegations and findings to the Field Division Director, Human Resources, with a copy to the Director, Employee and Labor Relations at the MSC, or next level above the installation.

446.32 The Field Director, Human Resources, should send copies of any investigative reports and all related correspondence to the Headquarters Compensation Services Division, Office of Organizational Requirements.

446.33 In accordance with the Donovan vs. Postal Service settlement agreement, the Postal Service will be afforded the opportunity to rectify an FLSA violation prior to the filing of any complaint or other formal enforcement action by DOL.

446.34 The installation head may not agree to any proposed remedial measure prior to consulting with the Field Division Compensation Staff or Headquarters Personnel Official, as appropriate.

450 Collection of Postal Debts From Nonbargaining Unit Employees

451 General

451.1 Scope

These regulations apply to the collection of any debt owed the Postal Service by a current postal employee who is not included in any collective bargaining unit. The regulations in 452.3 may apply also to the collection of any debt owed the Postal Service by a current postal employee who is included in any collective bargaining unit if the circumstances specified in 462.32 apply. Otherwise, procedures governing the collection of postal debts from bargaining unit employees are found in 460. Generally, the Postal Service may withhold a maximum of 15 percent of an employee's disposable pay each pay period after providing the employee with certain due process rights (see 452) except as provided in 462.4 in the case of a bargaining unit employee. If, however, a federal court has granted judgment upholding the

debt, up to 25 percent of the employee's current pay may be withheld each pay period (see 453).

451.2 Representation

Employees have the right to, and free choice of, representation. An employee's designated representative, if also a postal employee and if otherwise in a duty status, is granted a reasonable amount of official time to perform any function for the employee that is authorized by these regulations.

451.3 Debts Due Other Federal Agencies

Regulations governing the collection by involuntary salary offset of debts owed by postal employees to federal agencies other than the Postal Service are specified in Handbook F-16, *Accounts Receivable,* chapter 7.

451.4 Definitions

The following definitions apply to the material in this subchapter:

a. *Administrative salary offset* — the collection of a postal or other government agency debt through deductions from the disposable pay of a postal employee under the authority of section 5 of the Debt Collection Act of 1982, 5 U.S.C. 5514(a) (1982).

b. *Court judgment salary offset* — the collection of a postal or other government agency debt through deductions from the current pay of a postal employee under the authority of section 124 of Public Law 97-276.

c. *Current pay* or *disposable pay* — that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.

d. *Debt* — any outstanding amount owed to the Postal Service by a postal employee.

e. *Employee* — a current employee of the Postal Service.

f. *Pay* — basic pay, special pay, incentive pay, retired pay, retainer pay, or any other authorized pay, including cost-of-living adjustment or territorial cost-of-living allowance, received by an employee.

g. *Postmaster* or *installation head* — the top management official at a particular Post Office or installation, or the official who has general supervisory responsibility for a debtor employed at Headquarters or in area offices. When a particular debtor is a postmaster or installation head, the term refers to the official to whom the postmaster or installation head reports.

h. *Severe financial hardship* — an employee's inability to meet the essential material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

i. *Waiver* — the Postal Service's cancellation, remission, or forgiveness of a debt, the recovery of which is covered by these regulations.

451.5 Time Computation

In computing any period of time prescribed or allowed by these regulations, the day the designated period of time begins to run is not included. The last day of the period computed is included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or legal holiday.

451.6 Effect of Waiver Request

If an employee requests a waiver of a debt, the recovery of which is covered by these regulations, that request does not stay the collection process. However, if the waiver request ultimately is granted, the amount collected is refunded to the employee.

451.7 Service of Notice, Delivery of Records

A postmaster or installation head must hand deliver any notice required by, or any records requested pursuant to, these regulations to a postal employee and must obtain a dated, signed receipt of delivery. If such personal delivery is not possible, however, Certified Mail™ or Express Mail®, return receipt requested, must be used.

452 Procedures Governing Administrative Salary Offsets

452.1 Determination and Collection of Debt

452.11 Establishment of Accounts Receivable

Depending upon the circumstances of a particular case, the determination of a debt subject to collection under this subchapter may be made by an official in the field or at the Eagan ASC. For payroll-related debts discovered in the field, PS Form 2240, *Pay, Leave, or Other Hours Adjustment Request,* must be submitted to the Eagan ASC. Other debts must be reported to the manager of the Postal Accounts Branch, on PS Form 1902, *Justification for Billing Accounts Receivable.* Regardless of the amount of the debt, it is the responsibility of the Eagan ASC to create a receivable for each debt and to forward an invoice to the postmaster or installation head at the facility where the debtor is employed. At the time a receivable is created, the ASC must ensure that the employee's records are flagged so that the final salary or lump sum leave payment for that employee is not made until the debt is paid.

452.12 Collection by Postmaster or Installation Head

Each postmaster or installation head is responsible for collecting, in accordance with these regulations, any debt owed to the Postal Service by an employee under his or her supervision. Postmasters or installation heads may delegate their responsibilities under these regulations.

452.2 Voluntary Repayment Procedures

452.21 General

The procedures in this section are intended to facilitate the informal resolution of employee-owed debts, and, in most cases, should be followed before the statutorily mandated procedures in 452.3 are initiated. However, if in the opinion of the appropriate postmaster or installation head the circumstances warrant that expeditious action be taken, the procedures in 452.3 may be initiated immediately.

452.22 Notice to Employee

Upon receiving an invoice reflecting an employee-owed debt from the Eagan ASC, the postmaster or installation head must provide the employee with a copy of the invoice and with written notice of the Postal Service's determination of the existence, nature, and amount of the debt (see Exhibit 452.22, Sample Letter of Debt Determination — Nonbargaining). In addition, the letter must inform the employee that he or she may pursue one or more of the following options, as appropriate, in order to avoid involuntary salary offsets:

a. In accordance with the procedures specified in 452.231, the employee may request copies of all postal records relating to his or her particular debt.

b. In accordance with the procedures set forth in 452.232, the employee may arrange to pay the entire debt.

c. In accordance with the procedures in 452.233, the employee may agree to voluntary salary offsets of 15 percent or more of disposable pay.

d. In accordance with the procedures in 452.234, the employee may propose an alternative offset schedule.

e. In accordance with the procedures in 452.235, the employee may request the Postal Service to reconsider its determination of the existence or amount of the debt.

Exhibit 452.22
Sample Letter of Debt Determination — Nonbargaining

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

Dear [__*name of debtor*__]:

As shown in the enclosed invoice, you owe the Postal Service $[__*amount*__]. This debt is based on [__*briefly describe how the debt arose*__].

If you would like, you may repay the debt in a lump sum, agree to voluntary salary offsets of 15 percent or more of your "disposable pay,"[1] propose a different offset schedule, or ask us to reconsider our determination of the existence or amount of the debt. You also may ask for copies of postal records relating to this debt. Instructions for exercising these options are enclosed. If you decide to authorize the Postal Service to collect the amount due through offsets of 15 percent of your disposable pay, approximately $[__*amount*__] will be withheld from your paycheck for approximately [__*number of*__] pay periods.

If you do not act within the time frames specified in the enclosure, we will take the necessary steps to offset your salary on an involuntary basis.

If you have any questions on this matter, you should contact Mr./Ms. [__*name of appropriate official*__] at [__*telephone number*__] or at [__*address*__].

Sincerely,

[__*signature*__]
[__*name*__]
[__*title of installation head*__]

Enclosures:
Invoice
Options Available to Employee

1. The term *disposable pay* refers to that part of an employee's salary remaining after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.

Exhibit 452.22 (p. 2)
Sample Letter of Debt Determination — Nonbargaining (Enclosure)

Options Available to Employee

1. *Options.* If you wish, you may do any of the following:
   a. Request, in accordance with paragraph 2 below, copies of all postal records relating to the debt.
   b. Repay the entire debt voluntarily in accordance with paragraph 3 below.
   c. Agree, in accordance with paragraph 4 below, to voluntary salary offsets of 15 percent or more of disposable pay.
   d. Propose, in accordance with paragraph 5 below, an acceptable alternative offset schedule.
   e. Request, in accordance with paragraph 6 below, that the Postal Service reconsider its determination of the existence or amount of the debt.
2. *Request for Records.* If you would like copies of all postal records relating to your debt, you must contact in writing [__*name of appropriate official*__] at [__*address*__] within 10 calendar days from your receipt of this notice of the Postal Service's determination of a debt. You will be provided with copies of the records within 5 calendar days of the date your request is received.
3. *Payment in Full.* If you wish to repay the debt, you should submit a check or money order, with your Social Security number on its face, for the full amount due, to [__*name of appropriate official*__] at [__*address*__]. Your check or money order must be submitted no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to your debt, or within 15 calendar days from the date you receive any requested records.
4. *Consent to Offsets.* If you would like to repay the debt voluntarily through offsets of 15 percent or more of your disposable pay, you should contact [__*name of appropriate official*__] at [__*address*__] and complete Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness*. The form must be completed no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to your debt, or within 15 calendar days from the date you receive any requested records.
5. *Alternative Offset Schedule.* If you acknowledge the debt, but believe that the proposed deductions of 15 percent of disposable pay would be too severe, you may propose an alternative offset schedule.
   a. You must submit your alternative offset schedule in writing to [__*name of appropriate official*__] at [__*address*__] along with a written statement and supporting documents, stating your reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship."[1] Your proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt, and (3) the date the first payment would be made. In addition, the supporting documents must show, for you and your spouse and dependents, for the 1-year period preceding this notice and for your proposed repayment period, (1) total family income, assets, and liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses.
   b. Your written submissions must be received by the Postal Service no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to the debt, or within 15 calendar days from the date you receive any requested records.
   c. Based upon the material you submit and postal records relating to the debt, the postmaster or installation head will consider (1) the extent to which the assets owned by you and your spouse and dependents are available to meet your essential material expenses and to repay the postal debt, (2) whether your essential material expenses have been minimized as much as possible, and (3) the extent to which you and your spouse and dependents can borrow to finance your essential expenses and to repay the postal debt. An alternative offset schedule will be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and your ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

1. The term *severe financial hardship* refers to an employee's inability to meet the essential material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Exhibit 452.22 (p. 3)
Sample Letter of Debt Determination — Nonbargaining (Enclosure)

d. If it becomes necessary to submit your case to the involuntary salary offset process, you may be entitled to a hearing before an impartial hearing official. The scope of such a hearing, however, is limited by statute to the Postal Service's determination of the existence or amount of the debt or the terms of an involuntary repayment schedule. Since any information you provide will be used by the Postal Service in making a determination on your proposed repayment schedule, it is important, for your own protection, that you provide any relevant information and documents at this stage of the collection process.

6. *Request for Reconsideration of Debt.* If you wish to ask the Postal Service to reconsider its determination of the existence or amount of the debt, you must proceed as follows:

   a. Your request must be submitted to [__*name of appropriate official*__] at [__*address*__] with a written statement and supporting documentation, indicating why you believe you are not so indebted.

   b. Your written submissions must be received by the Postal Service no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to the debt, or within 15 calendar days from the date you receive any requested records.

   c. If it becomes necessary to submit your case to the involuntary salary offset process, you may be entitled to a hearing before an impartial hearing official. The scope of such a hearing, however, is limited by statute to the Postal Service's determination of the existence or amount of the debt or to the terms of an involuntary repayment schedule. Since any information you provide will be used by the Postal Service in making a determination on this debt, it is important, for your own protection, that you provide any relevant information and documents at this stage of the collection process.

7. *Decision on Reconsideration.* If you propose an alternative offset schedule, or submit a request for reconsideration of the existence or amount of a debt, you will be notified of the Postal Service's decision within 15 calendar days of the day your proposal or request is received.

452.23 Employee Response to Notice

452.231 Request for Copies of Postal Records

If an employee would like copies of records relating to a postal debt, he or she must notify the postmaster or installation head in writing within 10 calendar days of receiving notice of the Postal Service's determination of a debt. The postmaster or installation head is responsible for requesting copies of the pertinent records by telephone, if necessary, from the Eagan ASC and/or appropriate postal facility, and for providing the employee with copies of these records within 5 calendar days of receiving the employee's written request. Until collection of the debt is completed, the postmaster or installation head must keep a copy of all records provided to the employee at this stage.

452.232 Payment in Full

An employee who acknowledges the validity of the Postal Service's claim and wishes to repay the entire debt voluntarily should be instructed to remit to the postmaster or installation head, for transmittal to the Eagan ASC, a check or money order for the full amount due, with the employee's Social Security number on its face. The employee should submit the check or money order no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

452.233 Consent to Salary Offsets

If an employee acknowledges the validity of the Postal Service's claim and would like to repay the debt voluntarily through offsets of 15 percent or more of his or her disposable pay, the employee and the postmaster or installation head should complete the appropriate sections of PS Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness* (see Exhibit 452.233). This form must be completed no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

Exhibit 452.233
PS Form 3239, Payroll Deduction Authorization to Liquidate Postal Service Indebtedness

UNITED STATES POSTAL SERVICE®

Payroll Deduction Authorization to Liquidate Postal Service™ Indebtedness

Definitions

* The terms "disposable pay" and "current pay" refer to that part of an employee's salary which remains after all required deductions, normal retirement contributions, FICA and Medicare insurance taxes, and employee-paid federal health insurance premiums, are made.

General Information

The postmaster/installation head completes this form in triplicate.

Send Part 1 to the USPS Scanning and Imaging Center, PO Box 9000, Sioux Falls SD 57117-9000. Send Part 2 to personnel and Part 3 to the employee.

Employee Name *(As shown on paycheck)*		Social Security Number
Finance Number	PRD Reference Number	Total Debt

Type of Offset

☐ Administrative — Nonbargaining-Unit Employee *(Maximum 15% of disposable pay *)*

☐ Administrative — Bargaining Unit Employee *(Maximum 15% of disposable pay * or 20% of gross pay, whichever is lower when salary offset starts)*

☐ Court Judgment *(Maximum 25% of current pay *)*

☐ Voluntary *(No maximum)*

Home Address *(Include ZIP + 4®)*	Postal Facility Where Employed *(Include ZIP + 4)*

Pay Period Deductions

NOTE: A request must be received at the ASC no later than Tuesday of the week in which the pay period ends in order to be effective for the pay period.

Deductions Begin:	Pay Period	Year
Deduction Per Pay Period:	Nonbargaining-Unit Employee $ _____ or _____ % of disposable/ current pay. *	Bargaining Unit Employee $ _____ or _____ % of disposable/ current pay * or _____ % of gross pay.

Voluntary Authorization

I acknowledge that I am indebted to the Postal Service in the amount specified above, and I request that I be permitted to liquidate this debt through payroll deduction from my salary checks as indicated above. If, at the time of my separation from the Postal Service, this debt has not been fully satisfied, the Postal Service may apply any sums due me, without limitation, to the outstanding balance. I hereby certify, that the foregoing statements are true and correct to the best of my knowledge and belief, and they are made of my own free will and at my discretion.

Signature	Date

Involuntary Authorization

The employee has been notified of the Postal Service's determination of the debt set forth above and the applicable set-off procedures have been provided. Accordingly, the deductions may be made on an involuntary basis.

Authorized Individual's Printed Name, Title, and Signature	Date

Cancellation

☐ Cancel deduction in accordance with instructions on file in this office.

Authorized Individual's Printed Name, Title, and Signature	Date

Privacy Act Statement. The collection of this information is authorized by 39 USC § 401. This information will be used to settle a financial difference with the Postal Service. As a routine use, this information may be disclosed to an appropriate law enforcement agency for investigative or prosecutorial purposes, to a congressional office at your request, to OMB for review of private relief legislation, to a labor organization as required by the NLRA, and where pertinent, in a legal proceeding to which the Postal Service is a party. Completion of this form is voluntary. However, if this information is not provided, your personal situation may not be fully considered during the resolution of the difference.

PS Form **3239**, March 2004 **1 - Eagan ASC**

452.234 **Request for Consideration of Alternative Offset Schedule**

If the employee acknowledges the debt, but contends that the proposed deductions of 15 percent of disposable pay would be too severe, he or she may propose an alternative offset schedule.

a. *Proposal.* The employee's proposed offset schedule must be submitted in writing to the postmaster or installation head, along with a written statement and supporting documentation, stating the employee's reasons for believing that the deductions proposed by the Postal Service would result in a "severe financial hardship," as defined in 451.4h. The proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt under the employee's proposal, and (3) the date the first payment would be made. The supporting documents must also show the following information relating to the employee and his or her spouse and dependents, for the 1-year period preceding the Postal Service's notice and the repayment period proposed by the employee's alternative offset schedule: (1) total family income, assets, and liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses. The employee should be instructed to provide all information in his or her possession relating to the debt and to his or her financial ability to repay it so that the postmaster or installation head may make an informed decision on an employee's proposed alternative offset plan.

b. *Time Frame.* The employee's proposed alternative offset schedule and written submissions must be received by the postmaster or installation head no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

c. *Consideration.* Based upon the material submitted by the employee and postal records relating to the debt, the postmaster or installation head must consider (1) the extent to which the assets of the employee and his or her spouse and dependents are available to meet their essential material expenses and to repay the postal debt, (2) whether the essential material expenses have been minimized as much as possible, and (3) the extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the postal debt. An employee's alternative offset schedule should be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

452.235 **Request for Reconsideration of Debt**

If an employee wishes to request reconsideration of the Postal Service's determination of the existence or amount of a debt, he or she may proceed as follows:

a. *Request.* The employee's request for reconsideration must be submitted in writing to the postmaster or installation head, along with a written statement and supporting documentation indicating why the employee believes he or she is not so indebted. Since the postmaster or installation head will use the material provided by the employee, along with postal records relating to the debt, in deciding whether the Postal Service's determination of the debt should be revised, employees should be instructed to provide all information in their possession relating to the debt so that the postmaster or installation head may make an informed determination.

b. *Time Frame.* The employee's written submission must be received by the postmaster or installation head no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

452.24 Action Following Reconsideration of Debt and/or Offset Schedule

452.241 **Consideration and Response**

After reviewing an employee's proposed alternative offset schedule and/or request that the Postal Service reconsider its determination of the existence or amount of a debt, the postmaster or installation head, within 15 calendar days of receiving the employee's proposal or request, must notify the employee in writing of the determination and take any necessary follow-up action as outlined in 452.242 and 452.243.

452.242 **Reconsideration of Debt**

If the employee challenged the existence or amount of the debt, the postmaster or installation head takes one of the following actions:

a. Notifies the employee in writing that (1) he or she is indebted to the Postal Service for the amount set forth in its letter and (2) to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.

b. Notifies the employee in writing that (1) he or she is indebted to the Postal Service for a revised amount and (2) he or she may, within 10 calendar days of receiving the Postal Service's determination upon reconsideration, propose in writing to the postmaster or installation head an alternative offset schedule based on the new figure in accordance with the requirements set forth in 452.234a. In accordance with the requirements set forth in 452.234c, and within 5 calendar days of receiving this proposed alternative offset schedule, the postmaster or installation head must notify the employee in writing whether or not it is acceptable. If the postmaster or installation head rejects the employee's alternative offset schedule, the employee must be advised

in writing that, to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.

c. Notifies the employee in writing that he or she is not indebted to the Postal Service for any amount. The postmaster or installation head must immediately notify the Eagan ASC to eliminate the receivable and remove the flag from the employee's records.

452.243 Consideration of Alternative Offset Schedule

If an alternative offset schedule was proposed, the postmaster or installation head takes one of the following actions:

a. Notifies the employee in writing that (1) the Postal Service's proposed offset schedule would not result in a severe financial hardship for the employee and his or her spouse and dependents, and accordingly the alternative offset schedule proposed by the employee is not acceptable, and (2) to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.

b. Notifies the employee in writing that (1) the employee has demonstrated that the Postal Service's proposed offset schedule would result in a severe financial hardship, and accordingly the alternative offset schedule proposed by the employee (or some variation of it) is acceptable, and that (2) the employee must complete appropriate sections of PS Form 3239. The postmaster or installation head implements the change by completing PS Form 3239.

452.25 Voluntary Repayment Following Reconsideration

452.251 Payment in Full

If an employee, upon receiving notice of the Postal Service's determination upon reconsideration, acknowledges the validity of the Postal Service's claim and would like to repay the entire debt voluntarily, he or she should be instructed to remit to the postmaster or installation head, for transmittal to the Eagan ASC, a check or money order for the full amount due, with the employee's Social Security number on its face. The employee must submit payment within 15 calendar days of receiving notice of the Postal Service's determination upon reconsideration.

452.252 Consent to Salary Offsets

If an employee, upon receiving the Postal Service's determination on reconsideration, acknowledges the validity of the Postal Service's claim and would like to repay the debt voluntarily through offsets of 15 percent or more of his or her disposable pay, the employee and the postmaster or installation head should complete the appropriate sections of PS Form 3239. This form must be completed no later than 15 calendar days from the date the employee receives notice of the Postal Service's determination upon reconsideration.

452.26 Failure to Resolve or Repay Debt

If an employee, after receiving notice of the Postal Service's determination of a debt, or after receiving notice of the Postal Service's determination upon reconsideration, fails, within the applicable time periods, to resolve a debt or

to make satisfactory arrangements to repay it, the postmaster or installation head must initiate the statutory collection procedures in 452.3.

452.3 Statutory Offset Procedures

452.31 Authority

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service may, after providing certain procedural rights, offset an employee's salary in order to satisfy any debt due the Postal Service. Generally, up to 15 percent of an individual's "disposable pay" (or the alternative amount determined for a bargaining unit employee as provided in 462.42) may be deducted in monthly installments or at "officially established pay intervals." A greater percentage may be deducted with the written consent of the individual debtor. If the individual's employment ends before the full debt is collected, deduction may be made from subsequent payments of any nature due the employee.

452.32 Notifying the Employee

452.321 Notice

At least 30 calendar days before making an administrative offset under this authority, the postmaster or installation head must provide an employee-debtor with (a) two copies of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act, containing the information in 452.322, and (b) a copy of the procedures that govern hearings under the Debt Collection Act set forth at 39 CFR Part 961 (see Exhibit 452.322).

452.322 Contents

The notice (see Exhibit 452.322, Sample Notice of Involuntary Administrative Salary Offsets) required by 452.321 must notify the employee of the following:

a. The name, work address, and telephone number of the postmaster or installation head issuing the notice.

b. The Postal Service's determination of the existence and amount of the debt.

c. The nature of the debt.

d. The Postal Service's intention to collect the amount due by offsetting 15 percent of the employee's "disposable pay" (or the alternative amount determined for a bargaining unit employee as provided in 462.42) each pay period.

e. The estimated amount, starting date (generally 30 days from the date the employee receives the notice, see Exhibit 452.322), frequency, and duration of the intended deductions.

f. The procedural rights available to the employee, as well as the appropriate method for requesting them. These rights include an opportunity to:

(1) Obtain copies of Postal Service records relating to the debt.

(2) Avoid the need for involuntary offsets by paying the debt in full.

Exhibit 452.322
Sample Notice of Involuntary Administrative Salary Offsets

UNITED STATES POSTAL SERVICE®

NOTICE OF INVOLUNTARY ADMINISTRATIVE SALARY OFFSETS UNDER THE DEBT COLLECTION ACT

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

[__*name of debtor*__]:

On [__*date of previous letter*__], you were notified by letter of our determination that you owe the Postal Service $[__*amount*__]. As we noted in our earlier letter, this debt is based on [__*briefly describe how debt arose*__].

Our records indicate that you have not acted to repay this debt. Accordingly, this letter provides notice of the Postal Service's intention to collect this debt by deducting 15 percent of your "disposable pay"[1] each pay period (or, for a bargaining unit employee, 20 percent of gross pay each pay period, whichever amount is lower when the salary offset is started). In your case, this will amount to deductions of approximately $[__*amount*__] from each paycheck beginning on [__*date deductions are scheduled to begin–generally 30 days from the date the employee receives this notice*__]. These deductions will continue until the debt is collected; we estimate that this should take approximately [__*number of*__] pay periods.

If you feel our determination of the existence or amount of this debt is incorrect, or if you believe the deductions set forth above would impose a "severe financial hardship"[2] on you and your spouse and dependents, you may take one or more of the measures detailed in the enclosed *Statement of Debtor's Rights and Responsibilities*. Unless you have a sound basis for contesting the Postal Service's determinations concerning this matter, you should make arrangements immediately to repay this debt.

[__*signature*__]
[__*name*__]
[__*title of installation head*__]
[__*work address*__]
[__*telephone number w/area code*__]

Enclosures
Statement of Debtor's Rights and Responsibilities
Rules of Procedure Governing Hearings Under the Debt Collection Act

1. The term *disposable pay* refers to that part of an employee's salary remaining after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.
2. The term *severe financial hardship* refers to an employee's inability to meet the material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Exhibit 452.322 (p. 2)

Sample Notice of Involuntary Administrative Salary Offsets

Statement of Debtor's Rights and Responsibilities

1. *Request for Records.* At any time after receiving this notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before a requested hearing is held, you may request copies of any postal records that you have not previously received, by contacting, in writing, [__*name of appropriate official*__] at [__*address*__]. You will receive any requested records within 5 calendar days of the date your request is received by the Postal Service.
2. *Payment in Full.* If you acknowledge the validity of the Postal Service's claim and wish to repay the entire debt, you may, at any time after receiving this notice of the Postal Service's intention to collect a debt through involuntary offsets, submit a check or money order, with your Social Security number on its face, for the full amount due, to [__*name of appropriate official*__] at [__*address*__].
3. *Consent to Offsets.* If you acknowledge the validity of the Postal Service's claim and would like to consent to offsets of 15 percent or more of your disposable pay (or, for a bargaining unit employee, 20 percent of gross pay, whichever amount is lower when the salary offset is started), you should contact [__*name of appropriate official*__] at [__*address*__] and complete Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness*. You may agree to salary offsets in the amount proposed by the Postal Service, or some greater amount, at any time after you receive notice of the Postal Service's intention to collect a debt through involuntary salary offsets.
4. *Alternative Offset Schedule.* If you acknowledge the debt, but believe that the proposed deductions of 15 percent of disposable pay (or, for a bargaining unit employee, 20 percent of gross pay, whichever amount is lower when the salary offset is started), would impose a "severe financial hardship"[1] on your family, you may propose an alternative offset schedule.
   a. Your proposed alternative offset schedule must be submitted to [__*name of appropriate official*__] at [__*address*__], along with a written statement, and supporting documentation, stating your reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship." Your proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt, and (3) the date the first payment would be made. In addition, the supporting documents must show, for you and your spouse and dependents, for the 1-year period preceding the Postal Service's notice and for your proposed repayment period, (1) your total family income, assets, liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care; and any exceptional expenses. You should be careful to provide all information in your possession relating to this debt so that the Postal Service may make an informed decision on your request for an alternative offset schedule. You may submit your proposed alternative repayment schedule at any time after receiving this notice of the Postal Service's intention to collect an outstanding debt through salary offsets.
   b. Based upon the material you submit and postal records relating to the debt, the Postal Service will consider (1) the extent to which your assets and those of your spouse and dependents are available to meet your family's essential material expenses and to repay the postal debt, (2) whether your essential material expenses have been minimized as much as possible, and (3) the extent to which you and your spouse and dependents can borrow to finance your essential expenses and to repay the debt. An alternative offset schedule will be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and your ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.
   c. You will be notified of the Postal Service's decision regarding your proposed repayment schedule within 15 calendar days of the date it is received.

1. The term *severe financial hardship* refers to an employee's inability to meet the material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Exhibit 452.322 (p. 3)
Sample Notice of Involuntary Administrative Salary Offsets

5. *Petition for a Hearing.* To request a hearing on the Postal Service's determination of the existence or amount of the debt, or on the Postal Service's proposed involuntary offset schedule, you must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. (A copy of Part 961 of 39 CFR. is enclosed.) Your hearing petition must be filed with the RECORDER, JUDICIAL OFFICER DEPT, US POSTAL SERVICE, 2101 WILSON BLVD, STE 600, ARLINGTON VA 22201-3078, on or before the fifteenth calendar day following your receipt of this notice. A timely request for a hearing will stay the commencement of the collection of the debt.

   Note: While you may request a hearing and pursue one of the other available options, your hearing petition must be filed within the required time period. If questions relating to this debt are resolved before the hearing is held, your petition may be withdrawn.

6. *Failure to Act.* If you do not exercise any of the rights set forth above, the Postal Service will proceed with its plans to initiate the proposed offsets 30 days from the date you receive this notice.

Exhibit 452.322 (p. 4)

Sample Notice of Involuntary Administrative Salary Offsets

39 CFR PART 961–RULES OF PRACTICE IN PROCEEDINGS RELATIVE TO EMPLOYEE HEARING PETITIONS UNDER SECTION 5 OF THE DEBT COLLECTION ACT

Section

961.1 Authority for rules.
961.2 Scope of rules.
961.3 Definitions.
961.4 Employee Petition for a hearing and Supplement to Petition.
961.5 Effect of Petition filing.
961.6 Filing, docketing and serving documents; computation of time; representation of parties.
961.7 Answer to Petition and Supplement to Petition.
961.8 Hearing Official authority and responsibilities.
961.9 Effect of Hearing Official's decision; motion for reconsideration.
961.10 Waiver of employee rights.
961.11 Ex parte communications.

Authority: 39 U.S.C. 204, 401; 5 U.S.C. 5514(a).
Source: 51 FR 1251, Jan. 10, 1986, unless otherwise noted.

Sec. 961.1 Authority for rules. These rules are issued by the Judicial Officer pursuant to authority delegated by the Postmaster General.

Sec. 961.2 Scope of rules. The rules in this part apply to the hearing provided by section 5 of the Debt Collection Act of 1982, as amended, 5 U.S.C. 5514(a), on the Postal Service's determination of the existence or amount of an employee debt to the Postal Service, or of the terms of the employee's debt repayment schedule. In addition, these rules, as appropriate, apply to a hearing under section 5 of the Debt Collection Act when an Administrative Law Judge or an Administrative Judge in the Judicial Officer Department is designated as the Hearing Official for a creditor Federal agency other than the Postal Service pursuant to an agreement between the Postal Service and that agency.

Sec. 961.3 Definitions.

a. "Employee" refers to a current employee of the Postal Service or another Federal agency who is alleged to be indebted to the Postal Service or another creditor Federal agency and whose hearing under section 5 of the Debt Collection Act is being conducted under these rules.

b. "General Counsel" refers to the General Counsel of the Postal Service, and includes a designated representative.

c. "Hearing Official" refers to an Administrative Law Judge qualified to hear cases under the Administrative Procedure Act, an Administrative Judge appointed under the Contract Disputes Act of 1978, or any other qualified person not under the control or supervision of the Postmaster General, who is designated by the Judicial Officer to conduct the hearing under section 5 of the Debt Collection Act of 1982, as amended, 5 U.S.C. 5514(a).

d. "Judicial Officer" refers to the Judicial Officer or Acting Judicial Officer of the United States Postal Service.

e. "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act" refers to the formal written notice required by section 5 of the Debt Collection Act before involuntary collection deductions can be taken from an employee's salary.

f. "Postmaster/Installation Head" refers to the Postal Service official who is authorized under the Postal Service Employee and Labor Relations Manual to make the initial determination of employee indebtedness and to issue the "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

g. "Recorder" refers to the Recorder, Judicial Officer Department, U.S. Postal Service, 2101 Wilson Blvd., Ste. 600, Arlington, VA 22201-3078.

Sec. 961.4 Employee Petition for a hearing and supplement to petition.

a. If an employee desires a hearing, prescribed by section 5 of the Debt Collection Act, on the Postal Service's determination of the existence or amount of a debt, or on the involuntary repayment terms proposed by the Postal Service, the employee must file a written, signed petition with the Recorder, Judicial Officer Department, U.S. Postal Service, 2101 Wilson Blvd., Ste. 600, Arlington, VA 22201-3078, on or before the fifteenth (15th) calendar day following the employee's receipt of the Postal Service's "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

Exhibit 452.322 (p. 5)
Sample Notice of Involuntary Administrative Salary Offsets

b. The hearing petition is to include the following:

(1) The words, "Petition for Hearing Under the Debt Collection Act," prominently captioned at the top of the first page;

(2) The name of the employee petitioner and the employee's work and home addresses, and work and home telephone numbers; or other address and telephone number where the employee may be contacted about the hearing proceedings;

(3) A statement of the date the employee received the "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," and a copy of the Notice;

(4) A statement indicating whether the employee requests an oral hearing or a hearing based solely on written submissions;

(5) If the employee requests an oral hearing, a statement of the evidence he or she will produce which makes an oral hearing necessary, including a list of witnesses, with their addresses, whom the employee expects to call; the proposed city for the hearing site, with justification for holding the hearing in that city; and recommended alternative dates for the hearing; which should be within 40 days from filing the Petition;

(6) A statement of the grounds upon which the employee objects to the Postal Service's determination of the existence or amount of the debt, or to the proposed offset schedule. This statement should identify and explain with reasonable specificity and brevity the facts, evidence, and legal arguments, if any, which the employee believes support his or her position;

(7) Copies of all records in the employee's possession which relate to the debt; and

(8) If an employee contends that the Postal Service's proposed offset schedule would result in a severe financial hardship on the employee and his or her spouse and dependents, an alternative offset schedule, and a statement and supporting documents indicating for the employee and his or her spouse and dependents for the 1 year preceding the Postal Service's notice and for the repayment period proposed by the employee in his or her alternative offset schedule, their total income from all sources; assets; liabilities; number of dependents; and expenses for food, housing, clothing, transportation, medical care, and exceptional expenses, if any.

c. The employee may, if necessary, file with the Recorder, additional information as a Supplement to the Petition on or before the thirtieth (30th) calendar day following the employee's receipt of the Postal Service's "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

Sec. 961.5 Effect of Petition filing. Upon receipt and docketing of the employee's Petition for a hearing, the Recorder will notify the Postmaster/Installation Head and the General Counsel that the Petition has been filed and that, pursuant to section 5 of the Debt Collection Act, a timely-filed Petition for a hearing stays further collection action.

Sec. 961.6 Filing, docketing and serving documents; computation of time; representation of parties.

a. *Filing.* All documents relating to the Debt Collection Act hearing proceedings must be filed by the employee or the General Counsel with the Recorder. (Normal Recorder office business hours are between 8:15 a.m. and 4:45 p.m., eastern standard or daylight saving time as appropriate during the year.) The Recorder will transmit a copy of each document filed to the other party, and the original to the Hearing Official.

b. *Docketing.* The Recorder will maintain a docket record of Debt Collection Act hearing petition proceedings and will assign each employee Petition a docket number. After notification of the docket number, the employee and General Counsel should refer to it on any further filings regarding the Petition.

c. *Time computation.* A filing period under the rules in this part excludes the day the period begins, and includes the last day of the period unless the last day is a Saturday, Sunday, or legal holiday, in which event the period runs until the close of business on the next business day.

d. *Representation of parties.* After the filing of the Petition, further document transmittals for, or communications with, the Postmaster/Installation Head or Postal Service shall be through their representative, the General Counsel, or, if an appropriate notice of appearance is filed, the General Counsel's designee. If a notice of appearance by an attorney authorized to practice law in any of the United States or the District of Columbia or a territory of the United States is filed in behalf of an employee, further transmissions of documents and other communications with the employee shall be made through his or her attorney rather than directly with the employee.

Exhibit 452.322 (p. 6)
Sample Notice of Involuntary Administrative Salary Offsets

Sec. 961.7 Answer to Petition and Supplement to Petition. If the employee's Petition states reasons to support the employee's position, within 15 days from notice of the Petition, the General Counsel shall file an Answer to the Petition, and attach all available relevant records and documents in support of the Postal Service's claim, and a list of witnesses the Postal Service intends to call if an oral hearing is granted. If the employee files a Supplement to the Petition, the General Counsel, within ten (10) calendar days from the filing of the Supplement with the Recorder, must file any Supplemental Answer and records to support the position of the Postal Service.

Sec. 961.8 Hearing Official authority and responsibilities. The Hearing Official shall provide a full and fair hearing. The proceedings must be expedited to ensure issuance of the final decision no later than 60 days after the filing of the employee's hearing Petition. The Hearing Official's authority includes, but is not limited to, the following:

a. Ruling on all offers, motions or requests by the parties;

b. Issuing any notices, orders or memoranda to the parties concerning the hearing proceedings;

c. Using telephone conferences with the parties to expedite the proceedings. A memorandum of a telephone conference will be transmitted to both parties;

d. Determining if an oral hearing should be held; and setting the place, date and time for the hearing or the taking of testimony by telephone conference;

e. Administering oaths or affirmations to witnesses, and conducting the hearing in a manner to maintain discipline and decorum while assuring that relevant, reliable and probative evidence is elicited on the issues in dispute, but irrelevant, immaterial or repetitious evidence is excluded;

f. Establishing the record in the case;

g. Issuing the final decision orally or in writing no later than sixty (60) days after the filing of the employee's hearing Petition. When an oral decision is rendered, a written confirmation will thereafter be sent to the parties. The decision must include the determination of the amount and validity of the alleged debt and, where applicable, the repayment schedule. It should also include findings and reasons.

Sec. 961.9 Effect of Hearing Official's decision; motion for reconsideration. The Hearing Official's decision shall be the final administrative determination on the employee's debt or repayment schedule. No reconsideration of the decision will be allowed unless a motion for reconsideration is filed by either party within 10 days from receipt of the decision and shows good reasons for reconsideration. Reconsideration will be allowed only in the discretion of the Hearing Official. A motion for reconsideration by the employee will not operate to stay the collection action authorized by the Hearing Official's decision.

Sec. 961.10 Waiver of employee rights. The Hearing Official may determine the employee has waived his or her right to a hearing and the employee's pay shall be offset in accordance with the Postal Service's offset schedule, if the employee:

a. Files a Petition for hearing after the end of the 15-day period allowed by the Act for filing the Petition, and fails to demonstrate to the satisfaction of the Hearing Official good cause for the delay;

b. Has received notice to appear at an oral hearing but fails to do so without showing circumstances beyond the employee's control;

c. Fails to file required submissions or to comply with orders of the Hearing Official, and the failure makes it difficult or impossible to hold the hearing or to issue the decision within the statutory time;

d. Files a withdrawal of his or her Petition for a hearing with the Recorder.

Sec. 961.11 Ex parte communications. Ex parte communications between a Hearing Official or his staff and a party shall not be made. This prohibition does not apply to procedural matters. A memorandum of any communication between the Hearing Official and a party will be transmitted to both parties.

(3) Consent to salary offsets of 15 percent or more of disposable pay (or the alternative amount determined for a bargaining unit employee as provided in 462.42).

(4) Enter into a written agreement with the Postal Service, under terms agreeable to the postmaster or installation head, to establish an alternative debt repayment schedule.

(5) Obtain a hearing on the Postal Service's determination concerning the existence or the amount of the debt, or on the terms of the Postal Service's proposed repayment schedule.

g. The employee must be informed that the timely filing of a petition for a hearing will stay the collection proceedings.

452.33 Procedures Governing the Exercise of Employee Rights

452.331 Employee Options

Employees may pursue as many of the options available to them as they wish. It should be noted, however, that an employee's petition for a hearing on the Postal Service's determination of the existence or amount of a debt, or on the terms of the Postal Service's proposed repayment schedule, must be submitted within the time frame specified in 452.336. If, after requesting a hearing, the employee is able to resolve the debt through another available option, his or her hearing petition may be withdrawn.

452.332 Requests for Postal Records

If an employee wishes to request copies of any records, the employee and the postmaster or installation head proceed as follows:

a. *Submission.* At any time after receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before any requested hearing is held, a nonbargaining unit employee may request copies of any records he or she did not previously obtain under 452.231, while a bargaining unit employee may request copies of any records the employee or the employee's union did not previously obtain under 462.21. Requests for copies of postal records relating to an alleged debt must be made in writing and directed to the postmaster or installation head.

b. *Response.* The postmaster or installation head should take care to respond expeditiously to records requests so as not to deprive an employee of the benefit of any information that might resolve questions relating to the debt. Once a request is received, the postmaster or installation head must promptly request, as necessary, copies of the pertinent records by telephone from the Eagan ASC or appropriate postal facility and provide the employee, within 5 calendar days of receiving the employee's request, with copies of all records requested.

452.333 Payment in Full

An employee who wishes to pay off an entire debt may remit to the postmaster or installation head for transmittal to the Eagan ASC a check or money order with his or her Social Security number on its face, at any time after receiving written notice of the Postal Service's intention to collect the debt through involuntary salary offsets.

452.334 **Consent to Salary Offsets**

If an employee acknowledges the validity of the Postal Service's claim and would like to consent to offsets of 15 percent or more of his or her disposable pay (or the alternative amount determined for a bargaining unit employee as provided in 462.42), the employee and the postmaster or installation head should complete the appropriate sections of PS Form 3239. An employee may consent to salary offsets at any time after he or she receives notice of the Postal Service's intention to collect the debt through involuntary salary offsets.

452.335 **Alternative Offset Schedule**

If an employee acknowledges the Postal Service's claim, but contends that the proposed deductions of 15 percent of disposable pay (or the alternative amount determined for a bargaining unit employee as provided in 462.42) would be too severe, he or she may propose an alternative offset schedule and proceed as follows:

a. *Proposal.* The employee's proposed offset schedule must be submitted to the postmaster or installation head, along with a written statement and supporting documentation, stating the employee's reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship" as that term is defined in 451.4h. The proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt under the employee's proposal, and (3) the date the first payment would be made. The supporting documents must also show the following information relating to the employee and his or her spouse and dependents, for the 1-year period preceding the Postal Service's notice and the repayment period proposed by the employee's alternative offset schedule: (1) total family income, assets, and liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses. The employee should be instructed to provide all information in his or her possession relating to the debt and his or her financial ability to repay it so that the postmaster or installation head may make an informed decision on the employee's request.

b. *Time Frame.* The employee may submit his or her proposed alternative repayment schedule to the postmaster or installation head at any time after receiving notice of the Postal Service's intention to collect an outstanding debt through involuntary salary offsets.

c. *Consideration.* Based upon the material submitted by the employee and postal records relating to the debt, the postmaster or installation head must consider (1) the extent to which the assets of the employee and his or her spouse and dependents are available to meet their essential material expenses and to repay the postal debt, (2) whether the essential material expenses have been minimized as much as possible, and (3) the extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the debt. An employee's alternative offset schedule should be approved only if it provides for installment payments that

bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

d. *Notification.* The postmaster or installation head must notify the employee in writing of his or her decision regarding the employee's proposed alternative offset schedule within 15 calendar days of receiving it from the employee.

e. *Implementation.* The postmaster or installation head and the employee must implement the terms of an acceptable alternative repayment agreement by completing the appropriate sections of Form 3239.

452.336 Debt Collection Hearing

If an employee wishes to request a hearing, the employee and the Postal Service proceed as follows:

a. *Hearing Request.* If an employee desires a hearing prescribed by section 5 of the Debt Collection Act on the Postal Service's determination of the existence or amount of the debt, or on the involuntary repayment terms proposed by the Postal Service, the employee must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. The petition must be filed with the

RECORDER
JUDICIAL OFFICER
US POSTAL SERVICE
2101 WILSON BLVD STE 600
ARLINGTON VA 22201-3078

on or before the fifteenth calendar day following the employee's receipt of the Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act. The hearing procedures are set forth in 39 CFR Part 961, which is incorporated herein by reference.

b. *Postdecision Responsibilities.* After an employee has been accorded a requested hearing and a written decision has been rendered, the general counsel of the Postal Service notifies the appropriate postmaster or installation head of the determination. If the hearing decision indicates that the employee is not indebted to the Postal Service, the postmaster or installation head must take the necessary steps to remove all references to the debt from the employee's records. However, if the decision authorizes the Postal Service to offset an employee's salary, the postmaster or installation head must initiate the authorized offsets by completing the appropriate sections of PS Form 3239.

452.34 Employee Failure to Respond

If, upon receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets, the employee fails to repay the debt, fails to consent to the Postal Service's proposed offsets, fails to propose an acceptable alternative offset schedule, and does not request a hearing on the Postal Service's determination of the debt or its proposed offset

schedule, the postmaster or installation head may initiate the offsets specified in the Postal Service's notice to the employee, no earlier than 30 calendar days after the debtor's receipt of that notice, by completing the appropriate sections of PS Form 3239.

452.4 Exceptions to Procedures Found in Sections 452.2 and 452.3

a. The procedures governing the collection of postal debts contained in sections 452.2 and 452.3 do not apply to:

(1) Amounts to be collected which arose from the employee's election of coverage or change of coverage under a federal benefits program requiring periodic deductions from pay, and were accumulated over four pay periods or less;

(2) Routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the pay period in which the first adjustment is made, provided the individual is given notice in accordance with section 452.4b; or

(3) Any adjustment that amounts to $50 or less, provided the individual is given notice in accordance with section 452.4b.

b. At the time the first adjustment is made pursuant to section 452.4a2 or 3, or as soon thereafter as practical, the individual must be provided written notice of the nature and the amount of the debt and adjustments and a point of contact for contesting collection.

453 Court Judgment Salary Offsets

453.1 Authority

In accordance with section 124 of Public Law 97-276 (October 2, 1982), 5 U.S.C. 5514 note (1982), the Postal Service may deduct up to one-fourth (25 percent) of an employee's "current pay" in monthly installments or at officially established pay periods to satisfy a debt determined by a federal court to be owed to the Postal Service. The statute authorizes the deduction of a "greater amount" if necessary to collect the debt within the employee's anticipated period of employment. If an individual's employment ends before the full amount of the indebtedness has been collected, section 124 provides that deduction shall be made from later payments of any nature due the employee.

453.2 Applicable Collection Procedures

453.21 Notice

At least 15 calendar days before initiating an offset to collect a debt reflected by a federal court judgment, the postmaster or installation head must provide the employee with a copy of that judgment and a written notice of the Postal Service's intention to deduct 25 percent of the employee's current pay each pay period until the judgment is satisfied. The letter (see Exhibit 453.21, *Sample Letter of Salary Offsets Based on Federal Court Judgment*) also must

Exhibit 453.21
Sample Letter of Salary Offsets Based on Federal Court Judgment

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__street__]
[__*city, state, ZIP*__]

Dear [__*name of debtor*__]:

This letter is to inform you that the Postal Service intends to collect, through salary offsets, the judgment entered against you in the amount of $[__*amount*__] by the [__*name of court*__] on [__*date judgment was entered*__].[1] Twenty-five percent of your *current pay*[2] will be deducted each pay period until the full amount you owe the Postal Service, represented by this judgment, is collected. This will amount to deductions of approximately $[__*amount*__] from each paycheck beginning with that issued on [__*date deductions are scheduled to start–generally 15 days from date of notice*__]. The deductions should last approximately [__*number of*__] pay periods.

If you have any questions regarding this matter, please contact [__*name of appropriate official*__] at [__*address*__] or [__*telephone number*__] immediately.

Sincerely,

[__*signature*__]
[__*name*__]
[__*title of installation head*__]

Enclosure

1. A copy of the judgment is enclosed.
2. The term *current pay* refers to that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.

include a statement setting forth the approximate amount, duration, and starting date of the deductions. The letter and judgment generally should be hand delivered, and a dated, signed receipt of delivery obtained. However, if personal delivery is not possible, Certified Mail or Express Mail, return receipt requested, should be used.

453.22 Implementing Offsets

The postmaster or installation head must initiate the collection process by completing the appropriate sections of PS Form 3239, no earlier than 15 calendar days after the employee's receipt of the letter.

454 Multiple Offsets

454.1 Administrative Salary Offsets

By statute, administrative salary offsets under section 5 of the Debt Collection Act of 1982 are limited to no more than 15 percent of an employee's disposable pay during any one pay period — whether the deductions are made to satisfy a debt owed the Postal Service or another federal agency, or some combination of these. Generally, priority among competing administrative salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 454.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt determined by a federal court to be due the United States — whether the deductions are made to satisfy a debt owed the Postal Service or another federal agency, or some combination of these. Generally, priority among competing court judgment salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 454.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.3 Administrative and Court Judgment Salary Offsets

If the salary of a postal employee is the target of one or more of both types of offsets — administrative and court judgment — a combined total of no more than 25 percent will be withheld during any one pay period. However, in no case may the amount withheld in accordance with administrative salary offsets exceed 15 percent of the employee's disposable pay. As is generally

the case with competing offsets of the same type and subject to 454.4, priority between administrative salary offsets and court judgment salary offsets is determined by the order in which they are received.

454.4 Priority of Postal Service Indebtedness

If a postal employee is indebted to the Postal Service, that debt takes priority over any debt he or she may owe another federal agency, even if the other agency's request for salary offsets was received first. Accordingly, if both the Postal Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered. However, if an amount less than that requested by the other agency may be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

454.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. Rather, for purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted. Accordingly, they should be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

455 Action Upon Transfer or Separation

455.1 Withholdings From Any Amount Due

If a postal employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service. If the debt is still not satisfied, appropriate action as described in 455.2 or 455.3 should be taken.

455.2 Transfer to Another Federal Agency

If a postal employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the Postal Service must request the former postal employee's new agency to continue offsetting the debtor's salary until the debt is satisfied. The request must specify the amount of the original debt, the amount collected by the Postal Service through salary offsets, the amount that remains to be collected, and the percentage of the debtor's disposable earnings or current pay that should be deducted each pay period. In addition, the Postal Service must certify that the former postal employee has been accorded all required rights of due process. When the Postal Service's request is sent to the new employing agency, a copy also must be sent to the former employee at his or her home address.

455.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the manager of the Postal Accounts Branch must attempt to recover the debt from any available retirement or disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D (see Handbook F-16, *Accounts Receivable*, 743).

460 Collection of Postal Debts From Bargaining Unit Employees

461 General

461.1 Scope

These regulations apply to the collection of any debt owed the Postal Service by a current postal employee who is included in any collective bargaining unit. If the circumstances specified in 462.32 apply to such employees, 452.3 may also apply, and consequently 451.2, 451.5, and 451.7 as well.

461.2 Debts Due Other Federal Agencies

Regulations governing the collection, by involuntary salary offset, of debts owed by postal employees to federal agencies other than the Postal Service are specified in Handbook F-16, *Accounts Receivable*, Chapter 7.

461.3 Definitions

As used in this subchapter, the following terms have the same meaning ascribed to them in 451.4:

a. Administrative salary offset.

b. Court judgment salary offset.

c. Current pay and disposable pay.

d. Debt.

e. Employee.

f. Pay.

g. Postmaster or installation head.

h. Severe financial hardship.

i. Waiver.

461.4 Effect of Waiver Request

If an employee requests a waiver of a debt, the recovery of which is covered by these regulations, that request does not stay the collection process. However, if the waiver request ultimately is granted, the amount collected must be refunded to the employee.

462 Procedures Governing Administrative Salary Offsets

462.1 Determination and Collection of Debt

462.11 Establishment of Accounts Receivable

Depending upon the circumstances of a particular case, the determination of a debt, the collection of which is covered by this subchapter, may be made by an official in the field or at the Eagan ASC. For payroll-related debts discovered in the field, PS Form 2240, *Pay, Leave, or Other Hours Adjustment Request,* must be submitted to the Eagan ASC. Other debts must be reported to the manager of the Postal Accounts Branch, on PS Form 1902, *Justification for Billing Accounts Receivable.* Regardless of the amount of the debt, it is the responsibility of the Eagan ASC to create a receivable for each debt and to forward an invoice to the postmaster or installation head at the facility where the debtor is employed. At the time a receivable is created, the ASC must ensure that the employee's records are flagged so that the final salary or lump sum leave payment for that employee is not made until the debt is paid.

462.12 Collection by Postmaster or Installation Head

Each postmaster or installation head is responsible for collecting, in accordance with these regulations, any debt owed to the Postal Service by an employee under his or her supervision. A postmaster or installation head may delegate his or her responsibilities under these regulations.

462.2 Applicable Collection Procedures

462.21 Right to Grieve Letters of Demand

A bargaining unit employee or the employee's union has the right in accordance with the provisions of Article 15 of the applicable collective bargaining agreement to initiate a grievance concerning any letter of demand to challenge (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, (c) the proposed repayment schedule, and/or (d) any other issue arising under Article 28 of the applicable collective bargaining agreement. Care must be taken to ensure that any letter of demand served on an employee provides notice of the employee's right to challenge the demand under the applicable collective bargaining agreement.

462.22 Right to Petition for Hearing

Under the following circumstances, the statutory offset procedures in 452.3, including the right to petition for hearing after the receipt of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act, apply:

a. *Failure to Initiate a Grievance in Time*. If a bargaining unit employee or the employee's union does not initiate, within 14 days of the employee's receipt of a letter of demand, a grievance challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).

b. *Failure to Advance Grievance in Time.* If a bargaining unit employee or the employee's union initiates a grievance in time challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule, but the employee's union, following receipt of a decision denying the grievance, does not advance the grievance to the next step of the grievance procedure within the time limits set forth in Article 15 of the applicable collective bargaining agreement, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).

c. *Partial Settlement of Grievance.* If a grievance challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule is resolved at any stage of the grievance-arbitration procedure through a written settlement agreement between the Postal Service and the union under which the employee remains liable for all or a portion of the debt, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32). If the employee petitions for a hearing under 452.336, the Postal Service is free to pursue collection of the full amount of the debt before the hearing officer, notwithstanding the settlement with the union. However, if any contractual issue is resolved at any stage of the grievance-arbitration procedure, the settlement of that issue is final and binding.

d. *Ruling of Nonarbitrability.* If an arbitrator rules that a grievance concerning any letter of demand is not arbitrable, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).

462.3 Statutory Offset Procedures

462.31 Authority

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service, after providing an employee with procedural due process, may offset an employee's salary in order to satisfy any debt due the Postal Service. Generally, up to 15 percent of an individual's "disposable pay" may be deducted in monthly installments or at "officially established pay intervals," except as provided by 462.42. A greater percentage may be deducted with the written consent of the individual debtor. If the individual's employment ends before collection of the full debt, deduction may be made from subsequent payments of any nature due the employee.

462.32 Initiation of Statutory Offset Procedure

After (a) the 14 days referenced in 462.22a or the time limits referenced in 462.22b have passed, (b) any settlement agreement referenced in 462.22c has been signed, or (c) any nonarbitrability ruling referenced in 462.22d has been issued, and at least 30 calendar days before making an administrative offset under this authority, the postmaster or installation head, in accordance with 452.321, must provide the employee with (a) two copies of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act

containing the information in 452.322, and (b) one copy of the procedures that govern hearings under the Debt Collection Act that are set forth at 39 CFR Part 961 (see Exhibit 452.322). The procedures in 452.33 governing the exercise of employee rights apply. The postmaster or installation head has discretion to agree to an alternative offset schedule, based on a showing of severe financial hardship, as outlined in 452.335.

462.33 Hearing Officials Under 39 CFR Part 961

In accordance with 39 CFR 961.3, administrative hearings under the Debt Collection Act may be conducted by any individual who is not under the control or supervision of the postmaster general and who is designated as a hearing official by the judicial officer.

462.34 Limit of Right to Petition for Hearing

If an arbitrator opens a hearing on the merits of a grievance concerning any letter of demand, the statutory offset procedures in 452.3 do not apply thereafter, unless the arbitrator makes a ruling of nonarbitrability (see 462.22d) or the Postal Service and the union negotiate a partial settlement of the grievance (see 462.22c).

462.4 Collection of Debt

462.41 Stay of Collection of Debt

Whenever a grievance concerning any letter of demand has been initiated in time, in accordance with Article 15 of the applicable collective bargaining agreement, and/or a petition for a hearing has been filed in time, in accordance with 462.22, regardless of the type and amount of the debt, the Postal Service will stay the collection of the debt until after the disposition of the grievance and/or the petition, through settlement or exhaustion of the contractual and/or administrative remedies.

462.42 Limit on Amount of Salary Offset to Collect Debt

Except as specified in part 463, the maximum salary offset to collect a debt that is owed to the Postal Service is 15 percent of an employee's biweekly disposable pay, or 20 percent of the employee's biweekly gross pay, whichever amount is lower when the salary offset is started. A greater salary offset may be made if the employee agrees with the Postal Service, in writing, on such greater amount.

462.5 Implementing Offsets

After the applicable procedural requirements have been followed, the postmaster or installation head must institute the collection process by completing the appropriate sections of PS Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness* (see Exhibit 452.233).

463 Court Judgment Salary Offsets

463.1 Authority

In accordance with section 124 of Public Law 97-276 (October 2, 1982), 5 U.S.C. 5514 note (1982), the Postal Service may deduct up to one-fourth (25 percent) of an employee's "current pay" in monthly installments or at

officially established pay periods to satisfy a debt determined by a federal court to be owed to the Postal Service. The statute authorizes the deduction of a "greater amount" if necessary to collect the debt within the employee's anticipated period of employment. If an individual's employment ends before the full amount of the indebtedness has been collected, 124 provides that deduction is to be made from later payments of any nature due the employee.

463.2 Applicable Collection Procedures

463.21 General

The requirements governing the collection of employer claims specified by a pertinent collective bargaining agreement are not applicable to the collection by salary offset of a Postal Service claim if a federal court has granted judgment upholding the debt.

463.22 Notice

At least 15 calendar days before initiating an offset to collect a debt reflected by a federal court judgment, the postmaster or installation head must provide the employee with a copy of that judgment, as well as with written notice of the Postal Service's intention to deduct 25 percent of the employee's current pay each pay period until the judgment is satisfied. The letter (see Exhibit 453.21, Sample Letter of Salary Offsets Based on Federal Court Judgment) also must include a statement that indicates the approximate amount, duration, and starting date of the deductions. The letter and judgment generally should be hand delivered, and a dated, signed receipt of delivery obtained. However, if personal delivery is not possible, Certified Mail or Express Mail, return receipt requested, should be used.

463.23 Implementing Offsets

The postmaster or installation head must initiate the collection process by completing the appropriate sections of PS Form 3239 no earlier than 15 calendar days after the employee's receipt of the letter.

464 Multiple Offsets

464.1 Administrative Salary Offsets

By statute, administrative salary offsets under section 5 of the Debt Collection Act of 1982 are limited to no more than 15 percent of an employee's disposable pay during any one pay period — whether the deductions are made to satisfy a debt owed the Postal Service, another federal agency, or some combination of these (but see 462.42 for the alternative limit on amount of salary offset to collect a debt that is owed to the Postal Service). Generally, priority among competing administrative salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests, regardless of the date the postal offset request is received (see 464.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the

collection of a lesser amount than that requested and the approximate date the requested offsets can be implemented.

464.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt determined by a federal court to be due the United States — whether the deductions are made to satisfy a debt owed the Postal Service, another federal agency, or some combination of these. Generally, priority among competing court judgment salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 464.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested and the approximate date the requested offsets can be implemented.

464.3 Administrative and Court Judgment Salary Offsets

If the salary of a postal employee is the target of one or more of both types of offsets — administrative and court judgment — a combined total of no more than 25 percent will be withheld during any one pay period. However, in no case may the amount withheld in accordance with administrative salary offsets exceed 15 percent of current pay (but see 462.42 for the alternative limit on amount of salary offset to collect a debt that is owed to the Postal Service). As is generally the case with competing offsets of the same type and subject to 464.4, priority between administrative salary offsets and court judgment salary offsets is determined by the order in which they are received.

464.4 Priority of Postal Service Indebtedness

If a postal employee is indebted to the Postal Service, that debt takes priority over any debt he or she may owe another federal agency, even if the other agency's request for salary offsets was received first. Accordingly, if both the Postal Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered. However, if an amount less than that requested by the other agency can be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

464.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. Rather, for purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted.

Accordingly, they should be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

465 Action Upon Transfer or Separation

465.1 Withholdings From Any Amount Due

If a postal employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service. If the debt is still not satisfied, appropriate action as described in 465.2 or 465.3 should be taken.

465.2 Transfer to Another Federal Agency

If a postal employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the Postal Service must request the former postal employee's new agency to continue offsetting the debtor's salary until the debt is satisfied. The request must specify the amount of the original debt, the amount collected by the Postal Service through salary offsets, the amount that remains to be collected, and the percentage of the debtor's disposable earnings or current pay that should be deducted each pay period. In addition, the Postal Service must certify that the former postal employee has been accorded all required rights of due process. When the Postal Service's request is sent to the new employing agency, a copy also must be sent to the former employee at his or her home address.

465.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the manager of the Postal Accounts Branch must attempt to recover the debt from any available retirement or disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D (see Handbook F-16, *Accounts Receivable*, 743).

470 Pay Administration Recognition and Awards

471 Overview

471.1 Policy

The Recognition and Awards Program is intended to recognize employees who have achieved outstanding performance, have superior competence, or have performed some other significant accomplishment. The program is not intended to provide incentives to employees to meet predetermined goals. The program has been broadly designed to ensure that the recognition and award needs of all organizations and functional areas are met and provides awards ranging from a letter of appreciation to $10,000 in cash.

Recognition falls into five broad categories: (a) Certificates of Appreciation; (b) Service Awards, for which noncash recognition items, such as Service Award Pins, Service Award Certificates, and the Benjamin Franklin Award plaque are awarded; (c) Informal Awards, for which noncash gift items valued at less than $50 are awarded; (d) Formal Awards, for which cash and cash-equivalent items valued at up to $3,000 are awarded; and (e) Special Awards, including Team Awards, Vice President Awards, and Postmaster General Awards, for which cash and cash equivalent items up to $10,000 are awarded.

A summary description of service recognition and incentive awards is contained in Exhibit 471.1.

Exhibit 471.1
Service Recognition and Incentive Awards

Award Category		ELM Reference	Employees Eligible	Others Eligible	Award Description
Certificate of Appreciation		472	All	Contractors and customers	Noncash recognition
Service Award	Service Award Pin	473.2	Career		Noncash recognition
	Service Award Certificate	473.3	Career		Noncash recognition
	Ben Franklin Award	473.4	Career		Noncash recognition
Informal Award		474	All	Contractors	Noncash Gift Item less than $50
Formal Award	Spot Award	475.2	Career		Cash or Cash Equivalent from $50 to $3,000
	Quality Step Increase	475.3	Career bargaining unit on step schedule		Change in Base Pay
Special Award	Team Award	476.2	Career		Cash or Cash Equivalent from $50 to $2,000
	Vice President Award	476.3	Career		Cash up to $5,000
	Postmaster General Award	476.4	Career		Cash up to $10,000

471.2 Management Control

Postal managers must use appropriate review and control procedures to identify individual performance, programs, or operational areas of superior work. Managers must ensure that related actions, such as performance evaluations, are fully considered to maintain compatibility between awards and other relevant factors. It is the responsibility of all levels of management to ensure that all employees are treated fairly and equitably and to provide a workplace environment characterized by recognition and celebration of business success. Vice presidents, district managers, senior and lead plant managers, and the Headquarters vice president of Employee Resource Management periodically audit the awards process.

471.3 Awards

471.31 Noncash

Noncash awards include the following:

a. *Recognition* items, such as pins, certificates, and plaques.

b. *Gift* items, such as mugs, clothing, event tickets, and gift certificates redeemable only for merchandise.

The market value of noncash awards should be less than $50.

471.32 Cash and Cash Equivalent

Cash awards are issued in the form of checks by the Eagan Accounting Service Center (ASC). *Cash equivalent awards* are issued in the form of a “gift check” or similar item that can be immediately converted to cash.

All cash awards and cash equivalent awards, regardless of value, are considered ordinary income and are subject to income tax withholding and involuntary deductions.

471.4 Budgeting Considerations

The award budget for an organization to cover informal noncash and formal cash and cash equivalent awards should be equal to at least 1/2 percent of aggregate salaries paid and should not exceed 1 percent of the aggregate salaries paid at the beginning of the fiscal year.

471.5 Privacy Act Considerations

Award records contain personal information; therefore, such records must be handled and disclosed only as stipulated in the Privacy Act and implementing instructions (see Handbook AS-353, *Guide to Privacy and the Freedom of Information Act).* Records of cash awards received by employees are maintained in the privacy system USPS 120.070, Personnel Records — General Personnel Folder (Official Personnel Folders and Records Related Thereto). Records of achievement awards are maintained in USPS 120.100, Personnel Records — Performance Awards System Records.

471.6 Presentation Ceremonies

Whenever possible, installation heads should (a) coordinate publicity with public information personnel and (b) provide an appropriate ceremony for each award in the presence of the employee's managers and co-worker.

471.7 Documenting Awards

Awards are documented by a permanent record filed in the recipient's official personnel folder.

472 Certificate of Appreciation

472.1 Overview

Characteristics of this award are as follows:

Type of Award	Who Is Eligible	Award Description	Approval Authority	Basis
Certificate of Appreciation	All employees, contractors, and customers	Certificate	Installation head, district manager, senior plant manager	Recognizes contributions that improve the Postal Service

472.2 Purpose

The *Certificate of Appreciation* provides postmasters and other installation heads a way to recognize and commend customers, contract employees, and noncareer and career employees for their contributions to the improvement of the Postal Service.

472.3 Description

The Certificate of Appreciation, a noncash recognition award, is a printed certificate that has a Postal Service corporate signature and has "Certificate of Appreciation" printed at the top. A commendatory letter may accompany the Certificate of Appreciation at the discretion of the approving official.

The certificate and, if included, letter of commendation are presented in a blue leatherette folder.

472.4 Eligibility

Customers, contract employees, and noncareer and career employees are eligible to receive the Certificate of Appreciation. Eligibility for Certificates of Appreciation is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

472.5 Basis

The Certificate of Appreciation may be issued for noteworthy assistance to the Postal Service. Examples of such contributions are:

a. Reflecting credit on the Postal Service through civic service and humanitarian endeavors.

b. Participating significantly in Postal Service programs such as Savings Bond drives, Combined Federal Campaigns, and blood donor drives.

c. Performing exceptionally in one or more important job projects.

d. Meeting unusual demands on one's own initiative, along with regularly assigned duties, during unplanned absences of associates.

e. Improving public relations or sustaining good public relations in unusual circumstances.

f. Enabling the unit to meet unanticipated demands by performance of unusual duties for short periods.

g. Demonstrating unusual courage or competence in an emergency.

h. Improving service through actions that Postal Service management feels are significant.

472.6 Responsibility

472.61 Headquarters and Headquarters-Related Units

The manager of Corporate Personnel Operations administers the program for Headquarters and Headquarters-related units.

472.62 Areas, Districts, and Plants

Area vice presidents, district managers, and senior or lead plant managers administer the program in their organization units.

472.7 Approval Authority

472.71 Headquarters and Headquarters-Related Units

PCES executives may approve the Certificate of Appreciation for customers, noncareer Postal Service employees, and contract employees.

472.72 Areas

The area vice president may approve a Certificate of Appreciation recommended for customers, noncareer Postal Service employees, and contract employees.

472.73 Field

Postmasters and installation heads may approve the Certificate of Appreciation to suit local needs.

472.8 Ordering Certificates

Certificates and folders may be ordered by personnel offices under the following item numbers:

Item No.	Description
0-1100-F	Certificate of Appreciation
0-1100-H	Service Award Folder (Single Window)
0-1100-K	Service Award Folder (Double Window)

472.9 Presenting Awards

The Certificate of Appreciation is presented by the immediate supervisor or higher official with appropriate ceremony and publicity in the presence of top officials and co-worker, preferably at the employee's work site.

473 Service Awards

473.1 Overview

Characteristics of this award are as follows:

Type of Award	Who Is Eligible	Award Description	Approval Authority	Basis
Service Award Pin (milestone years)	All employees	Emblem pin and letter of appreciation	Installation head, district manager, senior plant manager	Recognizes employees with 25, 30, 35, 40, 45, and 50 years of federal service.
Service Award Certificate (retirement)	All employees	Certificate (retirement) and letter of appreciation	Installation head, district manager, senior plant manager	Recognizes employees at time of retirement.
Service Award Certificate (posthumous)	All employees	Certificate (posthumous) and letter of appreciation	Installation head, district manager, senior plant manager	Recognizes employees with 5 or more years of federal service who die while still employed. Presented to nearest relative.
Benjamin Franklin	All employees	Plaque showing a bust of Benjamin Franklin and a cancelled 1847 issue of a 5-cent stamp	Postmaster general	As highest award given by the Postal Service, reserved for employees in highly responsible Postal Service positions and recognizes unusually significant service.

473.2 Service Award Pin

473.21 Description

The *Service Award Pin,* a noncash recognition award given at milestone years, consists of an emblem pin and a letter of appreciation issued in recognition of government service. The letter of appreciation for an employee with 25, 30, 35, 40, or 45 years of service is signed by the installation or functional organization head. The letter of appreciation for an employee with 50 years of service is signed by the postmaster general.

The letter of appreciation is presented in a blue leatherette folder.

473.22 Basis

The Service Award Pin is presented to career employees who have completed 25, 30, 35, 40, 45, or 50 years of creditable service to the government. All federal and military service is creditable. Eligibility for Service Award Pins is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

473.23 Responsibility

473.231 Headquarters

The manager of Corporate Personnel Operations is responsible for the administration of the program for Headquarters and Headquarters-related units.

473.232 Areas

The area vice president is responsible for the administration of the program for personnel on area rolls and employees reporting directly to the area office. The area vice president is also responsible for administration of 50-year service pin awards for eligible employees within the area.

473.233 Districts and Plants

District managers are responsible for the administration of the program for district and plant employees.

473.234 Inspection Service

The chief postal inspector is responsible for the administration of the program for Inspection Service employees.

473.24 Providing Lists of Eligible Employees

Officials at the Eagan ASC furnish a printout prior to each quarter listing all employees whose retirement computation date indicates sufficient government service to receive the Service Award Pin. The printouts are provided to the officials who are responsible for administration of the program.

Note: To determine an individual's eligibility for the Service Award Pin, federal civilian and military service that is not creditable for retirement purposes must be added to service indicated by the retirement compensation date.

473.25 Ordering Pins

Pins and folders may be requisitioned from the Material Distribution Center under the following item numbers:

Item No.	Description
0-917-C	25-Year Pin
0-917-G	30-Year Pin
0-917-D	35-Year Pin
0-917-E	40-Year Pin
0-917-H	45-Year Pin
0-917-J	50-Year Pin
0-1100-H	Service Award Folder (Single Window)
0-1100-K	Service Award Folder (Double Window)

473.26 Preparing Letters of Appreciation

For an employee with 25, 30, 35, 40, or 45 years of service, the responsible installation or functional organization head prepares a letter of appreciation appropriate to accompany the Service Award Pin. See Exhibit 473.27a for a general example of a letter that can be modified.

For an employee with 50 or more years of service, the responsible vice president or district Human Resources manager drafts a suggested letter appropriate to accompany the Service Award Pin and forwards it by electronic mail, headed “Fifty-Year Retirement,” to the Office of the Postmaster General. See Exhibit 473.27b for a general example of a letter that can be modified.

473.27 Presenting Awards

The Service Award Pin, except that for 50 years, is presented by the installation or functional organization head, with appropriate ceremony and publicity, in the presence of top officials and co-worker. Responsibility for presenting 50-year pins remains with the vice president, who may delegate the responsibility.

Exhibit 473.27a

Sample Letter of Appreciation — Employee With 25, 30, 35, 40, or 45 Years of Service

To be signed by the installation or functional organization head.

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street address*__]
[__*city, state, ZIP Code*__]

Dear [__*name*__]:

It gives me a great deal of pleasure to present this Service Award Pin in recognition of your [__*number of*__] years of federal employment.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations.

[__*If desired, personal information can be inserted here.*__]

I wish to extend my warm personal greetings and the hope that you will accept this pin as a symbol of my deep appreciation for a career of commendable service.

Sincerely,

[__*signature*__]
[__*name*__]

Exhibit 473.27b

Sample Letter of Appreciation — Employee With 50 Years of Service

To be signed by the postmaster general.

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street address*__]
[__*city, state, ZIP Code*__]

Dear [__*name*__]:

It is a privilege for me to present this Service Award Pin to recognize your completion of 50 years of government service.

A career spanning a half century is certainly indicative of a unique dedication to duty and to country. The attainment of this career milestone places you in an elite group. Few employees inside or outside of the Postal Service ever attain this distinction. It is an accomplishment of which you should be proud, and one which deserves the admiration of your fellow employees and your community as well.

I am happy to thank you, on behalf of the Postal Service, for your many years of dedicated service and to commend you personally on the attainment of this major career landmark.

Sincerely,

[__*signature*__]
[__*name*__]

473.3 Service Award Certificate

473.31 Description

The *Service Award Certificate,* a noncash recognition item, is a printed certificate that has a Postal Service corporate signature and has "Service Award" printed at the top. A certificate presented at the time of retirement also states: "Given…on this occasion of your retirement." A certificate given to the next of kin of an employee who dies states: "Given posthumously…"

Retirees with 25, 30, 35, 40, or 45 years of service receive a certificate and a letter of appreciation signed by the installation or functional organization head. Retirees with 50 or more years of service receive a certificate and a letter of appreciation signed by the postmaster general.

The certificate and the letter of appreciation that accompanies it are presented in a blue leatherette folder.

473.32 Basis

473.321 Retirement

The Service Award Certificate at retirement recognizes employees who retire (a) under the optional provisions of retirement law, (b) due to disability, or (c) under mandatory retirement for postal inspectors. Eligibility for Service Award Certificates is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

473.322 Death

To honor employees with 5 or more years of creditable service who die while still employed, the Service Award Certificate is presented posthumously to the nearest relative. Creditable service is defined as service that qualifies for retirement under the procedures for the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS). Eligibility for Service Award Certificates is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

473.33 Responsibility

473.331 Headquarters

The manager of Corporate Personnel Operations is responsible for preparing certificates and letters for Headquarters and Headquarters-related unit employees and for submitting requests to the postmaster general for certificates and letters for Headquarters and Headquarters-related retirees with 50 or more years of service.

473.332 Areas

The area vice president is responsible for preparing certificates and letters for area employees in the area office and for submitting requests to the Office of the Postmaster General for certificates and letters for area office retirees with 50 or more years of service.

473.333 Field

District managers are responsible for the administration of the service award program for field employees and for submitting requests to the Office of the Postmaster General for certificates and letters for field retirees with 50 or more years of service.

473.34 Ordering Certificates

Certificates and folders may be requisitioned from the Material Distribution Center under the following item numbers:

Item No.	Description
0-1100-N	Service Award Certificate (Retirement)
0-1100-P	Service Award Certificate (Posthumous)
0-1100-H	Service Award Folder (Single Window)
0-1100-K	Service Award Folder (Double Window)

473.35 Preparing Letters of Appreciation

473.351 Retiring Employees

For an employee with 25, 30, 35, 40, or 45 years of service, the responsible installation or functional organization head prepares a letter of appreciation appropriate to accompany the Service Award Certificate. See Exhibit 473.351a for a general example of a letter that can be modified.

For an employee with 50 or more years of service, the responsible installation or functional organization head drafts a suggested letter appropriate to accompany the Service Award Certificate and forwards it by electronic mail, headed “Fifty-Year Retirement,” to the Office of the Postmaster General for signature. See Exhibit 473.351b for a general example of a letter that can be modified.

473.352 Deceased Employees

A letter appropriate to accompany the posthumous Service Award Certificate may be best drafted by those close to the deceased at the request of the responsible installation or functional organization head.

473.36 Presenting Awards

473.361 Retirement Award Certificates

Whenever possible, installation heads coordinate publicity with public information personnel and provide an appropriate ceremony for each award in the presence of the employee’s managers, co-worker, and family. Only under unusual circumstances should the award be mailed.

473.362 Posthumous Award Certificates

Presentation of posthumous awards must be tailored to the wishes of the family, as follows:

a. The nearest relative should be contacted by district Human Resources personnel to determine whether the recipient prefers to have the certificate presented formally or taken to the home.

b. At a formal ceremony, attendance should be limited to a few close friends and co-worker of the deceased.

c. When delivery to the home is preferred, the management representative should consider having some close friends of the deceased accompany him or her.

d. District Human Resources personnel should mail the Service Award Certificate only as a last resort, making certain that the award is carefully and securely wrapped before mailing.

Exhibit 473.351a

Sample Letter of Appreciation — Retiring Employee With Less Than 50 Years of Service

To be signed by the installation or functional organization head.

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street address*__]
[__*city, state, ZIP Code*__]

Dear [__*name*__]:

It gives me a great deal of pleasure to present this Service Award Certificate in commemoration of your [__*number of*__] years of service. The good reputation the Postal Service enjoys is built on the loyal service of people like you, and I am happy to commend you for your contribution to our efforts for a better Postal Service.

I wish to extend my warm personal greetings and the hope that you will accept this certificate as a symbol of my deep appreciation for a career of commendable service. Best wishes for many years of happy retirement.

Sincerely,

[__*signature*__]
[__*name*__]

Exhibit 473.351b

Sample Letter of Appreciation — Retiring Employee With 50 or More Years of Service

To be signed by the postmaster general.

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street address*__]
[__*city, state, ZIP Code*__]

Dear [__*name*__]:

It gives me a great deal of pleasure to present this Service Award Certificate in recognition of your [__*number of*__] years with the U.S. Postal Service.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations. I wish to extend my warm personal greetings and the hope that you will accept this certificate as a symbol of my deep appreciation for a career of commendable service.

[__*If desired, personal information can be inserted here.*__]

Sincerely,

[__*signature*__]
[__*name*__]

473.4 Benjamin Franklin Award

473.41 Description

The *Benjamin Franklin Award,* the highest award given by the Postal Service, is a plaque showing a bust of Benjamin Franklin and a canceled 1847 issue of a 5-cent Benjamin Franklin stamp. An engraved metal plate is attached to the plaque.

473.42 Eligibility

The postmaster general designates those to be honored. Recommendations may not be made to him. Eligibility for the Benjamin Franklin Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

473.43 Basis

This award is reserved for employees serving in highly responsible Postal Service positions who meet either of the following criteria:

a. Accomplishments having a unique impact on major Postal Service programs.

b. Accomplishments effecting an unusually significant improvement in service to the public or in general operations.

473.44 Approval Authority

The postmaster general alone approves this award.

474 Informal Award

474.1 Overview

Characteristics of this award are as follows:

Type of Award	Who Is Eligible	Award Description	Approval Authority	Basis	Award Limit
Informal Award	All employees and contractors	Noncash gift items, such as mugs, clothing, event tickets, and gift certificates redeemable only for merchandise.	Immediate supervisor	Recognizes a specific action or consistent performance of regular duties in an exemplary manner.	Less than $50

474.2 Purpose

The *Informal Award* is a quick and simple method to recognize employees and contractors who regularly perform duties beyond what is normally expected of them or who have performed a specific exceptional task or action.

474.3 Description

The Informal Award, a noncash gift item of less than $50 value, is a mug, clothing, event tickets, gift certificate redeemable only for merchandise, or similar item.

474.4 Eligibility

All employees and contractors are eligible to receive the Informal Award. Eligibility for the Informal Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

474.5 Basis

The basis for this award is an employee contribution (sustained performance or achievement). The employee must:

a. Consistently perform regular duties in an exemplary manner.

b. Accomplish a specific act beyond the normal duties.

474.6 Approval Authority

The immediate supervisor is the approving official for the Informal Award.

475 Formal Awards

475.1 Overview

Characteristics of this award are as follows:

Type of Award	Who Is Eligible	Award Description	Approval Authority	Basis	Award Limit
Spot Award	Career employees	Cash or cash equivalent item	Installation head, district manager, senior plant manager	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond what is normally expected.	From $50 to $3,000
Quality Step Increase (QSI)	Career bargaining unit employees	Change in base pay	See 475.3	See 475.3	Step increase (see 475.3)

475.2 Spot Award

475.21 Purpose

The *Spot Award* is to provide immediate recognition for a specific action or achievement beyond what is normally expected of an employee. It is not to be used as an incentive for preestablished goals or objectives. The spot award may be used to recognize a wide range of performance or actions.

475.22 Description

The Spot Award, a one-time cash or cash equivalent award (i.e., a check issued by the Eagan ASC or a “gift check” or similar item that can be immediately converted to cash), is valued at up to $3,000. It is presented along with a certificate that has a Postal Service corporate signature and has “Spot Award” printed at the top.

The certificate may be presented in a blue leatherette folder.

The Spot Award is considered ordinary income for tax purposes (see 471.32).

475.23 Eligibility

All career employees are eligible to receive the Spot Award. Eligibility for the Spot Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

475.24 Basis

The basis for this award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements. (See 475.342 for comparison with Quality Step Increase.) The employee must:

a. Exceed requirements in one or more important job elements for 12 months or more.

b. Devise new or improved methods that save manpower, space, materials, equipment, or other cost items.

c. Contribute to outstanding economy, efficiency, added income, or measurably improved service to the public.

d. Break production records or inspire others to improve quantity and quality of work.

e. Risk life or personal safety in an act of heroism.

f. Maintain work schedule in absence of supervisor or meet unusual demands of higher level duties on one's own initiative.

475.25 Approval Authority

475.251 Headquarters and Headquarters-Related Units

Appropriate officers may approve awards up to the maximum for eligible Headquarters or Headquarters-related unit employees.

475.252 Areas

Approval authority at the area level is as follows:

a. Area vice presidents may approve awards up to the maximum for eligible area office employees.

b. Inspection Service Operations Support Group managers may approve awards up to the maximum for eligible Inspection Service employees under their jurisdiction.

475.253 Field

Installation heads, district managers, and senior plant managers may approve awards up to the maximum for eligible employees under their jurisdiction.

475.26 Recommending an Award

Recommendation for an award originates with the immediate supervisor or person with knowledge of the employee or group contribution. The recommendation is initiated promptly but no later than 1 year after the date of the achievement, act, or period covering the performance. The nominee is not advised of the recommendation. The recommending official reviews the

employee's job description, assigned duties, and performance requirements and decides to what degree the contribution exceeds average requirements by:

a. Measuring amount of savings or degree of improvement effected in relation to job responsibilities. (Savings alone cannot be used to determine an award. Higher level employees are expected to effect more significant improvements and benefits than are employees at lower levels.)

b. Deciding the extent of contribution and benefits outside employee's immediate installation.

c. Considering the degree of ingenuity, magnitude of accomplishment, and noncash benefits represented by the contribution.

475.27 Evaluating and Approving the Award

Management evaluates the recommendation, decides if an award is warranted, and approves the recognition through normal channels.

When the accomplishment fails to meet the outlined criteria, a brief written explanation is sent to the person who made the recommendation.

475.28 Processing the Award

The official who is recommending the Spot Award initiates the request for an award by following the procedures in the eAward system.

475.29 Ordering Certificates

Certificates can be printed through the eAwards system. Folders may be ordered from the Material Distribution Center under the following item number:

Item No.	Description
0-1100-H	Service Award Folder (Single Window)

475.3 Quality Step Increase Award

475.31 Description

The *Quality Step Increase* (QSI) is an increase in basic pay that recognizes sustained high-quality performance. The total dollar benefit usually exceeds that of a one-time cash award and is granted only when the performance level is likely to continue.

475.32 Eligibility

All career bargaining unit employees are eligible to receive the QSI. An employee cannot receive more than one QSI in any 52-week period. Eligibility for the QSI is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

475.33 Basis

High-quality performance can be determined only after a thorough review of the position requirements, duties, and responsibilities. Consideration must be given to the quality and quantity of work, demonstrated professional and

technical knowledge, manual skills, and other evidence of superior competence. Performance criteria include the following:

a. The most important function of the job is being performed in a manner that substantially exceeds normal requirements.

b. Another function of the job is being performed in a manner that is better than satisfactory.

c. A specific job was sustained at a high level during the preceding year and gives promise of continuing.

475.34 Comparisons

475.341 Comparison to Regular Within-Grade Increases

A QSI requires exceptional authorization by management and is always in addition to regular pay adjustments (such as general increases, cost of living adjustments, and/or regular within-grade increases) required by the labor contracts. Any employee below the highest step is eligible to receive a QSI.

A bargaining unit employee cannot receive more than one QSI in any 52-week period (see 475.32). A QSI, once filed on PS Form 1727, *Award Recommendation/Authorization,* may result in an advancement of either one or two steps, as determined by the procedure described below. The QSI may also change the due date for advancement to the next higher step.

The step and next step date for the QSI action are determined as follows:

a. If the number of weeks served before the QSI is greater than the number of weeks that would be required to progress from the QSI step to the next step, the employee is actually advanced two steps as the result of the QSI. The next step date is then set to allow for a complete waiting period following the QSI.

   Example: Before the QSI, Joseph completed 38 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to K. Because the time served in step I is greater than the time required to progress from step J to K, Joseph is given an additional step and placed directly into step K as the result of the QSI. He then must wait the full contractual period (34 weeks) before he reaches the next step, step L.

b. If the number of weeks served before the QSI is less than or equal to the number of weeks required to progress from the QSI step to the next step, the employee is advanced only a single step. The next step date is then determined by subtracting the waiting period weeks required by the labor contract to progress from the QSI step to the next step by the weeks already served before the QSI.

   Example: Before the QSI, Joseph completed 22 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to step K. Because the time served in step I is less than the time required to progress from step J to K, Joseph is advanced just a single step, to step J, as the result of the QSI. The next step is determined by taking the waiting period required between steps J and K (34 weeks) and subtracting from it the weeks served in step I before the QSI (22 weeks). The next step, to step K, occurs 12 weeks after the QSI (34 weeks – 22 weeks = 12 weeks).

475.342 **Comparison to Spot Awards**

The standards for a QSI and a Spot Award are similar. Employee performance is evaluated according to the conditions required under both awards to see which is more appropriate (see 475.24 and 475.33). The primary difference is that the QSI changes the employee's base salary, while the Spot Award is a one-time, lump-sum, cash award. The Spot Award may be preferable when (a) the employee is at the top of the grade or (b) group recognition is desired.

475.35 Approval Authority

475.351 **Headquarters and Headquarters-Related Units**

Appropriate officers may approve QSIs for eligible employees.

475.352 **Areas, Districts, and Plants**

Area vice presidents and district managers may approve QSIs for eligible employees under their jurisdiction.

475.36 Recommending an Award

Normally, the employee's supervisor initiates the recommendation for a QSI; however, such recommendations may be initiated by others with the supervisor's concurrence.

475.37 Initiating Documentation

The official who is recommending the QSI award initiates the request through his or her local personnel office by filing a PS Form 1727, *Award Recommendation/Authorization.*

475.38 Initiating a Personnel Action

When the award is approved, the employee's personnel office completes PS Form 50, *Notification of Personnel Action.* The personnel action is effective the first day of the first pay period beginning on or after the approval date of the award.

476 Special Awards

476.1 Overview

Characteristics of this award are as follows:

Type of Award	Who Is Eligible	Award Description	Approval Authority	Basis	Award Limit
Team Award	All career employees	Cash or cash equivalent item	Vice president	Recognizes superior team contribution or achievement deserving of systemwide recognition.	From $50 to $2,000
Vice President Award	All career employees	Cash	Vice president	Recognizes superior individual contribution or achievement deserving of systemwide recognition.	$5,000
Postmaster General Award	All career employees	Cash	Postmaster general, management committee member, senior vice president	Recognizes exceptional individual contribution and achievement deserving of systemwide recognition.	$10,000

476.2 Team Award

476.21 Purpose

The *Team Award* is to reward superior team contribution or achievement deserving of systemwide recognition.

476.22 Description

The Team Award, a one-time cash or cash equivalent award (i.e., a check issued by the Eagan ASC or a “gift check” or similar item that can be immediately converted to cash), is valued at a minimum of $50 and is not to exceed $2,000.

The amount of the award should be commensurate with the magnitude of the team achievement.

The Team Award is considered ordinary income for tax purposes (see 471.32).

476.23 Eligibility

All career bargaining and nonbargaining unit employees are eligible for Team Awards. Eligibility for the Team Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

476.24 Award Limits Ceilings

An employee may receive up to $2,000 in cash Team Awards in a fiscal year (independent of Spot Award dollar amounts).

476.25 Approval Authority

Vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

476.26 Processing the Award

The official who is recommending the Team Award initiates the request for an award by following the procedures in the eAward system.

476.3 Vice President Award

476.31 Purpose

The *Vice President Award* is a cash payment to acknowledge and reward superior individual contribution or achievement that is deserving of systemwide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

476.32 Description

The Vice President Award, a one-time cash award (i.e., a check issued by the Eagan ASC) is valued at up to $5,000.

The amount of an award should be commensurate with the magnitude of the effort or achievement.

The Vice President Award is considered ordinary income for tax purposes (see 471.32).

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476.33 Eligibility

All career bargaining and nonbargaining unit employees are eligible for Vice President Awards. Eligibility for the Vice President Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

476.34 Approval Authority

Vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing this award within their respective organizations.

476.35 Processing the Award

The official who is recommending the Vice President Award initiates the request for an award by following the procedures in the eAward system.

476.4 Postmaster General Award

476.41 Purpose

The *Postmaster General Award* is a cash payment to acknowledge and reward superior individual contribution or achievement that deserves systemwide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

476.42 Description

The Postmaster General Award, a one-time cash award (i.e., a check issued by the Eagan ASC), is valued at up to $10,000.

The amount of the Postmaster General Award should be commensurate with the magnitude of the effort or achievement.

The Postmaster General Award is considered ordinary income for tax purposes (see 471.32).

476.43 Eligibility

All career bargaining and nonbargaining unit employees are eligible for the Postmaster General Award. Eligibility for the Postmaster General Award is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

476.44 Approval

The postmaster general, management committee members, or senior vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

476.45 Processing the Award

The recommending official initiates the Postmaster General Award through the eAwards system.

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5 Employee Benefits

510 Leave

511 General

511.1 Administration Policy

The Postal Service policy is to administer the leave program on an equitable basis for all employees, considering (a) the needs of the Postal Service and (b) the welfare of the individual employee.

511.2 Responsibilities

511.21 Postal Officials

Postal officials:

a. Administer the leave program.

b. Inform employees of their leave balance.

c. Approve or disapprove requests for leave.

d. Record leave in accordance with Handbook F-21, *Time and Attendance,* or Handbook F-22, *PSDS Time and Attendance.*

e. Control unscheduled absences (see 511.4).

511.22 Eagan Accounting Service Center

The Eagan Accounting Service Center (ASC):

a. Maintains official leave records.

b. Provides leave data to installation *when employees are being separated.*

511.23 Postal Employees

Postal employees:

a. Request leave by completing PS Form 3971, *Request for or Notification of Absence.*

b. Obtain approval of PS Form 3971 before taking leave — except in cases of emergencies.

c. Avoid unnecessary forfeiture of annual leave.

511.3 Eligibility

511.31 Covered

Covered by the leave program are:

a. Full-time career employees.

b. Part-time regular career employees.

c. Part-time flexible career employees.

d. To the extent provided in the USPS National Rural Letter Carriers' Association (NRLCA) National Agreement, temporary employees assigned to rural carrier duties.

Note: Transitional employees are not covered by the leave program, but do earn leave as specified in their union's national agreement.

511.32 Not Covered

Not covered by the leave program are:

a. Postmaster relief/leave replacements, noncareer officers in charge, and other temporary employees except as described in 511.31d.

b. Casual employees.

c. Individuals who work on a fee or contract basis, such as job cleaners.

511.4 Unscheduled Absence

511.41 Definition

Unscheduled absences are any absences from work that are not requested and approved in advance.

511.42 Management Responsibilities

To control unscheduled absences, postal officials:

a. Inform employees of leave regulations.

b. Discuss attendance records with individual employees when warranted.

c. Maintain and review PS Form 3972, *Absence Analysis,* and PS Form 3971.

511.43 Employee Responsibilities

Employees are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences. In addition, employees must provide acceptable evidence for absences when required.

512 Annual Leave

512.1 General

512.11 Purpose

Annual leave is provided to employees for rest, for recreation, and for personal and emergency purposes.

512.12 Definitions

The following definitions apply for the purposes of 510:

a. *Leave year* — the year beginning with the first day of the first complete pay period in a calendar year and ending on the day before the first day of the first complete pay period in the following calendar year.

b. *Accumulated leave* — the total unused leave that remains to the credit of the employee at the beginning of any leave year.

c. *Current leave* — leave that an employee earns by biweekly pay periods during the current leave year.

d. *Accrued leave* — leave that is earned but is unused by an employee during any period during the current leave year.

512.2 Determining Annual Leave Category

512.21 General Policy

Annual leave category is determined by using the leave policy in effect at the time an employee enters a career appointment or transfers into the Postal Service.

Both active military and civilian service, as outlined in 512.22 and 512.23, are used in computing the years of service that determine an employee's annual leave category, but leave credit is not allowed for both civilian and military service that cover the same period of time. Other service not counted is listed in 512.24.

512.22 Federal Civilian Service Counted

512.221 Service in the Postal Service

The following prior service in the Postal Service is used in computing the years of service that determine the annual leave category:

a. Service performed while a career employee of the Postal Service or Post Office Department.

b. Time on the rolls during which an employee served as a substitute rural carrier (not just the dates on which actual service was performed) if the time is creditable for the federal retirement program applicable to the employee.

c. If performed before January 1, 1977, time on the rolls as a casual or temporary employee, or time actually worked as a postmaster relief/ leave replacement in an office other than first-class.

d. For postmaster relief/replacement in a first-class office, time actually worked after July 21, 1947, and before January 1, 1977.

512.222 Service in Other Federal Government Organizations, the District of Columbia, or Gallaudet University

The following service in the federal government, the District of Columbia, or Gallaudet University, regardless of breaks in service, is used in computing the years of service that determine the annual leave category:

a. Career, career conditional, and excepted appointment service (without a "not to exceed" (NTE) date).

b. Seasonal, on-call, or intermittent employment, even though it may be an "indefinite career appointment," credited on a "when actually employed" (WAE) basis. For such appointments, no credit for leave is given for leave without pay (LWOP) periods.

c. Time-limited or temporary appointment service performed prior to January 1, 1977.

d. VISTA service prior to October 1, 1973.

e. District of Columbia (D.C.) government service only if (a) the person was employed there prior to October 1, 1987, or, if service in an appointment by the D.C. government to St. Elizabeth's Hospital, on October 1, 1977, and (b) the service is creditable for Civil Service Retirement System (CSRS) purposes.

512.23 Military Service Counted

512.231 Service of an Employee Not Eligible for Military Retirement Annuity

The following military service is used in computing the years of service that determine the annual leave category:

a. Periods of active service terminated by honorable discharge or transfer to inactive reserves under honorable conditions. Active service may be in the Army, Air Force, Navy, Marine Corps, and/or Coast Guard and their respective academies.

b. Service performed by employees who are members of the National Guard Service or Air National Guard Service only during periods of active duty with the U.S. Army or U.S. Air Force.

c. Service performed by Naval Reserve Officers Training Corps students during periods of active duty or training duty as members of the Naval or Marine Corps Reserve.

Note: Veterans Affairs (VA) disability payments for service-connected injuries or illnesses are not retirement annuities. If a VA disability payment is received and the employee is not eligible for a military retirement annuity, 512.231 applies. If the employee is eligible for a military retirement annuity, 512.232 applies.

512.232 Service of an Employee Eligible for Military Retirement Annuity

The following military service is used in computing the years of service that determine the annual leave category:

a. *Full Credit.* Full leave accrual credit for all of active military service is granted if a military retiree meets one of the following four conditions:

(1) Retirement was based on disability resulting from injury or disease received in the line of duty as a direct result of armed conflict.

(2) Retirement was based on disability caused by an instrumentality of war and incurred in the line of duty during a period of war defined in 38 United States Code (U.S.C.) 101 and 301.

(3) On November 30, 1964, the employee was employed in a civilian office to which the Annual and Sick Leave Act of 1951 applied

and continues to be employed in a civilian capacity without a break in civilian service of more than 30 days.

Notes:

(a) A military retiree who as a military reservist or member of the National Guard was called from civilian employment to active military duty before November 30, 1964, and after that date was restored to a civilian position (under 5 U.S.C. 3551) does not meet this condition.

(b) Section 3551 provides only for restoration; therefore, the employee is not considered as having been on military furlough or leave of absence from a civilian position or as having been employed on November 30, 1964, in a civilian position to which section 6303(a), the former *Annual and Sick Leave Act,* applied.

(4) The individual first becomes eligible for a uniformed services annuity while serving as a career employee. This provision applies to members of the Reserve Component of the Armed Forces (Reserves and National Guard) who (a) qualify for an annuity because of reserve service or (b) are involuntarily recalled to active duty under Title 10, qualify for uniformed services retirement during that period of active duty, and then are restored to federal civilian employment on completion of that period of involuntary military service. This provision applies only to the employee's current period of civilian employment; if the employee separates and is reemployed later, the provision is no longer applicable.

b. *Partial Credit.* Military retirees who do not qualify for full leave accrual credit can qualify for partial credit based on the following:

(1) Service for determining an employee's leave category is restricted to the actual length of time in active service in the armed forces during any war or in any nonwartime campaign or expedition for which a campaign badge was authorized.

(2) Service in a nonwartime campaign or expedition does *not* entitle the military retiree to credit for the duration of the campaign or expedition but only for the period of service in the campaign or expedition.

Note: Exhibit 512.232 provides data about wars and campaigns and expeditions for which campaign badges were authorized.

c. *Verification.* Military service should be verified:

(1) *Disability Retirements.* Request verification from the records center of the appropriate military branch.

(2) *Wartime Service.* Verify from discharge certificates (e.g., DD Form 214).

(3) *Military Records Center.* Addresses and other data necessary to verify service are provided in SF180, *Request Pertaining to*

Military Records, found at the following Web site: http://www.archives.gov/research/order/standard-form-180.pdf.

(4) *Campaign or Expeditionary Service.* Verify by sending a completed SF 813, *Verification of a Military Retiree's Service in Nonwartime Campaigns or Expeditions,* to the appropriate military records center. SF 813 can be found at the following Web site: http://www.opm.gov/forms/pdf_fill/SF813.pdf.

Exhibit 512.232

Wars, Campaigns, and Expenditions of the Armed Forces Since 1937

a. Wars[1]

War	Inclusive Dates
World War I	April 6, 1917 – July 2, 1921[2]
World War II	December 7, 1941 – April 28, 1952[3]

b. Nonwar Campaigns and Expeditions Since 1937 for Which a Campaign or Expeditionary Medal Has Been Awarded.

Campaign or Expedition	Inclusive Dates
American Defense Service	September 8, 1939 – December 7, 1941
Army Occupation of Austria	May 9, 1945 – July 27, 1955
Army Occupation of Berlin	May 9, 1945 – October 2, 1990
Army Occupation of Germany (exclusive of Berlin)	May 9, 1945 – May 5, 1955
Army Occupation of Japan	September 3, 1945 – April 27, 1952
China Service	July 7, 1937 – September 7, 1939
China Service Medal (Extended)	September 2, 1945 – April 1, 1957
Korea Defense Service Medal	July 28, 1954 – (to be decided)
Korean Service	June 27, 1950 – July 27, 1954
Navy Occupation of Austria	May 8, 1945 – October 25, 1954
Navy Occupation of Trieste	May 8, 1945 – October 25, 1954
Southwest Asia Service Medal (SWASM): Operation Desert Shield Operation Desert Storm	August 2, 1990 – November 30, 1995 August 2, 1990 – November 30, 1995
Units of the Sixth Fleet (Navy)	May 9, 1945 – October 25, 1955
Vietnam Service Medal (VSM)	July 4, 1965 – March 28, 1973

[1] *"Wars" include only those armed conflicts for which a declaration of war was issued by Congress. The Title 38, U.S.C., definition of "war," which is used in determining benefits administered by the Department of Veterans Affairs, includes the Vietnam Era and other armed conflicts. That Title 38 definition is not applicable for purposes of granting partial leave credit to military retirees.*

[2] *July 2, 1921, is the date of a Joint Resolution of the U.S. Congress that terminated the war with Germany and Austria-Hungary.*

[3] *The effective date of the Treaty of Peace with Japan that officially terminated World War II.*

[4] *Ongoing campaign or operation through August 2000.*

Armed Forces Expeditionary Medal (AFEM) (A veteran's DD Form 214, *Certificate of Release or Discharge From Active Duty,* showing the award of any Armed Forces Expeditionary Medal is acceptable proof. The DD Form 214 does not have to show the name of the theater or country of service for which that medal was awarded.)	**Inclusive Dates**
Afghanistan: Operation Enduring Freedom Operation Iraqi Freedom	September 11, 2001 – (to be decided) March 19, 2003 – (to be decided)
Berlin	August 14, 1961 – June 1, 1963
Bosnia: Operation Joint Endeavor Operation Joint Guard Operation Joint Forge	November 20, 1995 – December 20, 1996 December 20, 1996 – June 20, 1998 June 21, 1998 – (to be decided)
Cambodia	March 29, 1973 – August 15, 1973
Cambodia Evacuation: Operation Eagle Pull	April 11, 1975 – April 13, 1975
Congo	July 14, 1960 – September 1, 1962, and November 23 – 27, 1964
Cuba	October 24, 1962 – June 1, 1963
Dominican Republic	April 28, 1965 – September 21, 1966
El Salvador	January 1, 1981 – February 1, 1992
Global War on Terrorism	September 11, 2001 – (to be decided)
Grenada: Operation Urgent Fury	October 23, 1983 – November 21, 1983
Haiti: Operation Uphold Democracy	September 16, 1994 – March 31, 1995
Indian Ocean/Iran	November 21, 1979 – October 20, 1981
Iraq: Operation Northern Watch[4] Operation Desert Spring Operation Enduring Freedom (OEF) Operation Iraqi Freedom (OIF)	January 1, 1997 – (to be decided) December 31, 1998 – December 31, 2002 (projected) September 11, 2001 – (to be decided) March 19, 2003 – (to be decided)
Korea	October 1, 1966 – June 30, 1974
Kosovo Campaign Medal (KCM): Operation Allied Force Operation Noble Anvil Task Force Saber Task Force Hunter Operation Sustain Hope/Shining Hope Operation Allied Harbor Task Force Hawk Task Force Falcon	March 24, 1999 – June 10, 1999 March 24, 1999 – July 20, 1999 March 31, 1999 – July 8, 1999 April 1, 1999 – November 1, 1999 April 4, 1999 – July 10, 1999 April 4, 1999 – September 1, 1999 April 5, 1999 – June 24, 1999 June 11, 1999 – (to be decided)
Laos	April 19, 1961 – October 7, 1962

[1] *"Wars" include only those armed conflicts for which a declaration of war was issued by Congress. The Title 38, U.S.C., definition of "war," which is used in determining benefits administered by the Department of Veterans Affairs, includes the Vietnam Era and other armed conflicts. That Title 38 definition is not applicable for purposes of granting partial leave credit to military retirees.*

[2] *July 2, 1921, is the date of a Joint Resolution of the U.S. Congress that terminated the war with Germany and Austria-Hungary.*

[3] *The effective date of the Treaty of Peace with Japan that officially terminated World War II.*

[4] *Ongoing campaign or operation through August 2000.*

Lebanon	July 1, 1958 – November 1, 1958, and June 1, 1983 – December 1, 1987
Mayaguez Operation	May 15, 1975
Operations in the Libyan Area: Operation Eldorado Canyon	April 12, 1986 – April 17, 1986
Panama: Operation Just Cause	December 20, 1989 – January 31, 1990
Persian Gulf: Intercept Operation[4]	December 1, 1995 – (to be decided)
Persian Gulf Operations: Operation Earnest Watch Operation Vigilant Sentinel Operation Southern Watch[4] Operation Desert Thunder Operation Desert Fox	July 24, 1987 – August 1, 1990 December 1, 1995 – February 15, 1997 December 1, 1995 – (to be decided) November 11, 1998 – December 22, 1998 December 16, 1998 – December 22, 1998
Quemoy and Matsu Islands	August 23, 1958 – June 1, 1963
Somalia: Operation Restore Hope and United Shield	December 5, 1992 – March 31, 1995
Taiwan Straits	August 23, 1958 – January 1, 1959
Vietnam (including Thailand)	July 1, 1958 – July 3, 1965
Vietnam Evacuation: Operation Frequent Wind	April 29, 1975 – April 30, 1975
Navy Expeditionary Medal and Marine Corps Expeditionary Medal	**Inclusive Dates**
Cuba	January 3, 1961 – October 23, 1962
Indian Ocean/Iran	November 21, 1979 – October 20, 1981
Iranian/Yemen/Indian Ocean	December 8, 1978 – June 6, 1979
Lebanon	August 20, 1982 – May 31, 1983
Liberia: Operation Sharp Edge	August 5, 1990 – February 21, 1991
Libyan Area	January 20, 1986 – June 27, 1986
Panama	April 1, 1980 – December 19, 1986, and February 1, 1990 – June 13, 1990
Persian Gulf	February 1, 1987 – July 23, 1987
Rwanda: Operation Distant Runner	April 7, 1994 – April 18, 1994
Thailand	May 16, 1962 – August 10, 1962

1 *"Wars" include only those armed conflicts for which a declaration of war was issued by Congress. The Title 38, U.S.C., definition of "war," which is used in determining benefits administered by the Department of Veterans Affairs, includes the Vietnam Era and other armed conflicts. That Title 38 definition is not applicable for purposes of granting partial leave credit to military retirees.*

2 *July 2, 1921, is the date of a Joint Resolution of the U.S. Congress that terminated the war with Germany and Austria-Hungary.*

3 *The effective date of the Treaty of Peace with Japan that officially terminated World War II.*

4 *Ongoing campaign or operation through August 2000.*

512.24 Service Not Counted

Credit is not allowed for:

a. Service in a nonpay status in excess of 6 months in a calendar year unless the employee is in an LWOP status and is (1) receiving Office of Workers Compensation Programs (OWCP) benefits, (2) serving as a full-time officer or employee of an employee or management organization, or (3) on active military service while being carried on postal rolls in an LWOP status.

b. LWOP periods during indefinite career appointments that are seasonal, on-call, or intermittent employment.

c. VISTA service after October 1, 1973, Peace Corps, or similar volunteer service.

d. Tennessee Valley Authority service.

e. Time-limited or temporary service performed on or after January 1, 1977.

f. Service in Army and Air Force Exchange Services (AAFES), Navy and Coast Guard Exchanges, Army and Air Force Motion Picture Service, and other organizations under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, and mental and physical improvement of armed forces personnel.

g. Foreign national service, that is, service during which the employee worked outside the United States for a federal agency — such as the Department of the Army, the U.S. Department of State, or the U.S. Agency for International Development — as a foreign citizen.

512.3 Accrual and Crediting

512.31 Employee Categories

512.311 Full-Time Employees

The following provisions concern full-time employees:

a. *Accrual Chart.* Full-time career employees earn annual leave based on their number of creditable years of service:

Leave Category	Creditable Service	Maximum Leave Per Year
4	Less than 3 years	4 hours for each full biweekly pay period; i.e., 104 hours (13 days) per 26-period leave year.
6	3 years but less than 15 years	6 hours for each full biweekly pay period plus 4 hours in last full pay period in calendar year; i.e., 160 hours (20 days) per 26-period leave year.
8	15 years or more.	8 hours for each full biweekly pay period; i.e., 208 hours (26 days) per 26-period leave year.

b. *Credit at Beginning of Leave Year.* Full-time career employees are credited at the beginning of the leave year with the total number of annual leave hours that they will earn for that leave year.

c. *Changes in Employee's Accrual Rate.* Leave credit at the beginning of the leave year reflects any change in an employee's accrual rate for that year.

d. *Change From Part-time to Full-time.* An employee who changes from a part-time to a full-time employee after the start of a leave year is credited with the annual leave to be earned for the remainder of the leave year.

e. *Nonpay Status.* Leave credit for periods in which an employee is in a nonpay status is reduced during the leave year as follows:

(1) When an employee's absence in a nonpay status totals the equivalent of 1 pay period of regular service during the leave year (10 days or 80 hours), credit for leave is reduced by the amount of leave earned by the employee in a pay period.

Notes:

(a) For rural carriers who are required to work 6 days a week, the equivalent of 1 pay period is 12 days or 96 hours.

(b) For J route carriers, the equivalent of 1 pay period is 11 days or 88 hours.

(2) When an employee has one or more periods of LWOP during the leave year, all hours in a nonpay status (during periods in which the employee earned annual leave) are totaled to reduce leave credits.

512.312 Part-Time Employees

The following provisions concern part-time employees:

a. *Accrual and Crediting Chart.* Part-time career employees other than rural carriers earn annual leave based on the number of hours in which they are in pay status (see Exhibit 512.312).

b. *Biweekly Crediting.* Leave accrues and is credited in whole hours at the end of each biweekly pay period. All hours in pay status that cannot be credited for leave purposes (see 512.312a) are dropped when:

(1) The leave year ends.

(2) The employee's status is changed from part-time to full-time.

(3) The employee is removed from the rolls for any cause.

c. *Exceptions.* The following are exceptions to the crediting rule in 512.312b.

(1) Part-time regular schedule employees including A–E postmasters are credited with annual leave on a pro rata basis, according to their authorized daily schedules. Employees other than A–E postmasters must wait until they have 1 year or more of career service to be credited at the beginning of the leave year with the annual leave that they will earn during the leave year. A–E postmasters are credited at the beginning of the leave year with the annual leave that they earn during the leave year. Part-time regular employees are entitled to additional leave hours, based on their leave category, for each 20, 13, or 10 hours of work in excess of the schedule (see Exhibit 512.312).

(2) Substitute rural carriers and rural carrier associates (RCAs) earn leave for time serving (a) a vacant route or (b) a route from which the rural carrier is on extended leave in excess of 90 days. RCAs also earn leave based on the number of hours worked serving an auxiliary route for a period in excess of 90 days. The leave category for substitute rural carriers is based on creditable service, and for RCAs it is based on category 4. The first day of the pay period following 90 days, the substitute or RCA is credited with accrued annual leave for the first 90 days.

(3) Auxiliary rural carriers, including substitute rural carriers in dual appointments, are credited with annual leave for actual service performed in accordance with their appropriate leave category. If auxiliary rural carriers are otherwise employed (e.g., as clerks in the Post Office), such additional service is also used in the computation of leave credit; otherwise, they are credited as instructed in 512.312a.

Exhibit 512.312
Accrual and Crediting Chart for Part-Time Career Employees

Leave Category	Years of Creditable Service	Maximum Leave per Year	Rate of Accrual	Hours in Pay Status	Hours of Leave Earned per Period
4	Less than 3 years.	104 hours, or 13 days per 26-period leave year or 4 hours for each biweekly pay period.	1 hour for each unit of 20 hours pay in status.	20 40 60 80	1 2 3 4 (max.)
6	3 years but less than 15 years.	160 hours, or 20 days per 26-period leave year or 6 hours for each full biweekly pay period.[1]	1 hour for each unit of 13 hours in pay status.	13 26 39 52 65 78	1 2 3 4 5 6 (max.)[1]
8	15 years or more.	208 hours, or 26 days per 26-period leave year or 8 hours for each full biweekly pay period.	1 hour for each unit of 10 hours in pay status.	10 20 30 40 50 60 70 80	1 2 3 4 5 6 7 8 (max.)

[1] *Except that the accrual for the last pay period of the calendar year may be 10 hours, provided the employee has the 130 creditable hours or more in a pay status in the leave year for leave purposes.*

Recording Hours for Annual and Sick Leave

a. *Units of hours in a pay status are converted into annual leave credits at the rate of 1 hour for each unit of 20, 13, or 10 hours in a pay status — up to a maximum of 4, 6, or 8 hours per biweekly pay period, depending on the employee's leave category.*

b. *Hours in a pay status in excess of these whole units are accumulated and carried forward as excess workhours. These excess (uncredited) workhours are added to hours in a pay status in the next period.*

c. *Whole units of creditable hours (20, 13, or 10) are then converted into leave hours at the unit rate — provided no more leave is credited to a part-time employee than could be earned in the same leave year by a full-time employee.*

d. *The maximum credit allowable for a particular leave category is calculated by multiplying the period number by the number of leave hours allowable per period.*

512.313 **Appointees**

The following provisions concern appointees:

a. *Rate of Leave Accrual.* The rate of leave accrual for a new career employee (whether appointed, reinstated, or transferred) *is determined promptly as soon as related facts are verified*. It is based on creditable service, both civilian and military (see 512.2).

b. *Ninety-Day Qualifying Period.*

(1) *Requirement.* New employees are not credited with and may not take annual leave until they complete 90 days of continuous employment under one or more appointments without a break in service.

Exception: This requirement does not apply to (a) career (or career conditional) employees who have had a minimum of 90 days of continuous federal service prior to transferring, without a break in service, to a Postal Service career position (see 512.812 and 512.91) or (b) substitute rural carriers or RCAs who are in a leave-earning status and convert to a Postal Service career position without a break in service.

(2) *Break in Service.* A break in service of 1 or more workdays breaks the continuity of employment. Any further employment requires beginning a new 90-day period. (For substitute rural carriers and RCAs, see 512.552.)

(3) *Active Military Service.* Active military service for an employee *not entitled to mandatory restoration* is a break in civilian service. The employee begins a new 90-day qualifying period for leave purposes.

(4) *Full-time Employees and A–E Postmasters.* After new employees complete the 90-day qualifying period, they are credited with annual leave to be earned during the remainder of the leave year plus the leave earned during the qualifying period.

(5) *Part-time Employees Except A–E Postmasters.* After part-time employees complete the 90-day qualifying period, annual leave that they have accrued is credited to their accounts.

c. *Partial Pay Period.*

(1) Any employee whose appointment is made effective after the first Monday of a pay period does not receive leave credit for service performed during that pay period. Part-time employees appointed in this manner do not have their service hours brought forward for leave purposes for that pay period.

(2) An employee transferring from an agency having different pay periods may be given credit for the partial period.

512.32 Maximum Carryover

512.321 Maximum Carryover Amounts

The maximum carryover amount, i.e., the maximum amount of previously accumulated annual leave with which an employee may be credited at the beginning of a year, is as follows:

a. *Bargaining Unit Employees.* The maximum leave carryover for bargaining unit employees is 55 days (440 hours).

b. *Executive and Administrative Schedule (EAS) Employees.* The maximum carryover amount for EAS employees is 70 days (560 hours).

c. *Employees Affected by Public Law 102.* For employees who, on January 1, 1953 (prior to the passage of Public Law 102), (1) had more accumulated leave to their credit than the amounts provided above, and (2) who have maintained balances in excess of those amounts, the maximum carryover amount is the balances they have maintained.

512.322 Nonbargaining Unit to Bargaining Unit

When a nonbargaining unit employee is permanently assigned to a bargaining unit position, the employee's annual leave carryover ceiling is reduced to the carryover ceiling for that bargaining unit. The employee is permitted to use the excess annual leave over the bargaining unit ceiling during the leave year in which the permanent assignment is effective.

512.4 Authorizing Annual Leave

512.41 Requests for Annual Leave

512.411 General

Except for emergencies, annual leave for all employees except postmasters must be requested on PS Form 3971 and approved in advance by the appropriate supervisor. Leave requests from rural carriers must be approved in accordance with Article 10 of the USPS-NRLCA National Agreement.

512.412 Emergencies

An exception to the advance approval requirement is made for emergencies; however, in these situations, the employee must notify appropriate postal authorities of the emergency and the expected duration of the absence as soon as possible.

When sufficient information is provided to determine that the absence may be covered by the Family and Medical Leave Act (FMLA), Department of Labor Form WH 380, *Certification of Health Care Provider (Family and Medical Leave Act of 1993);* Publication 71, *Notice for Employees Requesting Leave for Conditions Covered by the Family and Medical Leave Act;* and a return envelope will be mailed to the employee's address of record. A PS Form 3971 will be provided to the employee upon his or her return to duty.

When sufficient information to determine that the absence is covered by FMLA is not provided in advance of the absence, the employee must submit a PS Form 3971 and applicable medical or other certification upon returning to duty and explain the reason for the emergency to his or her supervisor.

Supervisors approve or disapprove the leave request. When the request is disapproved, the absence may be recorded as LWOP or absent without leave (AWOL) at the discretion of the supervisor as outlined in 512.422.

512.42 PS Form 3971 Request for or Notification of Absence

512.421 Purpose

Request for annual leave is made in writing, in duplicate, on PS Form 3971.

512.422 Approval or Disapproval

The supervisor is responsible for approving or disapproving the request for annual leave by signing PS Form 3971, a copy of which is given to the employee. If a supervisor does not approve a request for leave, the Disapproved block on PS Form 3971 is checked and the reasons given in writing in the space provided. When a request is disapproved, the granting of any alternate type of leave, if any, must be noted along with the reasons for disapproval. AWOL determinations must be similarly noted.

512.423 Retention and Disposal Period

Forms 3971 are retained by the installation head for 2 years from the date the leave is taken or disapproved and are then destroyed. (Documents that become a part of a disciplinary file or administrative proceeding will be disposed of with that file.)

512.43 Insufficient Leave Balance

If the leave is approved and the employee has an insufficient leave balance, it is changed to LWOP when the employee's pay is processed.

512.5 Leave Charge Information

512.51 Full-Time Employees

512.511 Minimum Unit Charge

Minimum unit charges for full-time employees are as follows:

Employee Category	Minimum Unit Charge
All full-time nonexempt employees.	One-hundredth of an hour (0.01 hour).
Full-time exempt.	(See 519.7.)
Regular rural carriers.	1 day (8 hours).
Substitute rural carriers and RCAs when in a leave-earning status and serving:	
1. Vacant routes.	1 day (8 hours).
2. Routes from which rural carriers are on extended leave.	1 day (8 hours).
RCAs when in a leave-earning status and serving auxiliary routes.	1 hour.
Auxiliary rural carriers.	1 hour.
Triweekly rural carriers.	(See 512.54.)

512.512 Holidays

Leave cannot be charged for national legal holidays, days designated as holidays, or absences authorized by administrative order.

Exception: If an employee shown to be eligible in 434.422 elects to receive annual leave credit in lieu of holiday leave pay (see 512.65), annual leave may be charged to supplement work hours, up to the limit of the employee's regular work schedule, on the holiday worked.

512.513 **Leave for Postmasters and Installation Heads**

These employees must (a) promptly report emergency or planned absences exceeding 5 working days to their postal managers and (b) maintain accurate records of their leave.

512.514 **Rural Carriers (Regular and Substitute)**

See 512.53 and 512.55.

512.52 Part-Time Employees

512.521 **Minimum Unit Charge**

Minimum unit charges for part-time employees are as follows:

Employee Category	Minimum Unit Charge
All part-time nonexempt employees.	One-hundredth of an hour (0.01 hour).
Part-time exempt employees.	(See 519.)

512.522 **Part-Time Regular**

A part-time regular employee who is granted annual leave and performs service on the same day is not allowed to take more leave hours than would total 8 hours when combined with workhours.

512.523 **Part-Time Flexible**

The following provisions concern part-time flexible employees:

a. A part-time flexible employee who has been credited with 40 hours or more of paid service (work, leave, or a combination of work and leave) in a service week is not granted paid annual or sick leave during the remainder of that service week. Absences in such cases are treated as nonduty time, not chargeable to paid leave of any kind. Supervisors should avoid granting leave resulting in the requirement for overtime pay.

b. Part-time flexible employees who request leave on days that they are scheduled to work, except legal holidays, may be granted leave provided they can be spared. The combination of leave and workhours charged to these employees cannot exceed 8 hours on any one day. The installation head may also consider a request for annual leave on any day a part-time flexible employee is not scheduled to work. The 40 hours paid service in a service week specified in 512.523a may not be exceeded.

512.524 **A–E Postmasters**

The following provisions concern A–E postmasters:

a. *Maximum Leave.* Annual leave may not exceed the scheduled service hours for the day on which the leave is taken.

b. *Saturday Absences.* A–E postmasters work a 6-day week. Absence on Saturday that occurs within or at the beginning or end of a period of annual leave or sick leave is not charged to such leave, nor is there loss of compensation provided either of the following is true:

(1) There are 5 or more days of annual or sick leave within the period.

(2) There are 4 or more days of annual or sick leave plus a holiday. If the holiday falls on a Saturday that is a scheduled workday, absence on the preceding Friday is not charged to leave. If the leave period is for less than 4 days, absence on Friday is charged to leave.

512.53 Regular Rural Carriers

512.531 General

Annual leave is earned by a regular rural carrier in accordance with 512.311 and the terms of the applicable collective bargaining agreement. It is taken in minimum units of 1 day (8 hours) provided a leave replacement is available.

512.532 Saturday Absences

Rules for approved absences of regular rural carriers, substitute rural carriers, or RCAs in a leave-earning status are subject to the specific conditions of the USPS-NRLCA National Agreement. Accordingly, the following apply:

a. Absence on Saturday that occurs within or at the beginning or end of a period of annual leave or sick leave is not charged to such leave, nor is there loss of compensation provided the appropriate leave balance on the PS Form 1223-A, *Earnings Statement,* reflects at least 6 days of leave and either of the following is true:

(1) There are more than 5 days of annual or sick leave within the period.

(2) There are more than 4 days of annual or sick leave plus a holiday. If the holiday falls on a Saturday that is a scheduled workday, absence on the preceding Friday is not charged to leave. If the leave period is 4 days or less, absence on Friday is charged to leave.

b. Interruption during the approved period of annual or sick leave by 1 day of court leave due to circumstances beyond the carrier's control does not disqualify the carrier for coverage as provided above.

c. Upon request, a rural carrier is granted annual leave or LWOP on Saturday, at the carrier's option, provided a replacement is available.

512.54 Triweekly Rural Carriers

512.541 Week's Absence

Carriers who are absent for a week on sick or annual leave are charged with 5 days' leave.

512.542 Absences Less Than a Week

Carriers who are absent for less than a week at a time are charged with 2 days' leave for each workday of absence.

512.543 Leave Carryover

The carrier may end the year with 1 day of unused annual leave. This day may be carried forward into another leave year provided the total carried forward does not exceed 55 days, except as provided in 512.321.

512.55 Leave Replacements for Rural Carriers

512.551 General

After a rural carrier or RCA has been assigned to and served in excess of 90 days in a vacant route or in a route from which a rural carrier is on extended leave, or after an RCA has been assigned to and served in excess of 90 days in an auxiliary route, he or she may take the accrued annual leave. Annual leave is granted in accordance with normal leave requirements and the terms of the applicable collective bargaining agreement. It is granted in minimum units of 1 day for regular routes or 1 hour for auxiliary routes provided a leave replacement is available.

512.552 Ninety-Day Qualifying Period

Substitute carriers and RCAs qualify for taking leave after being assigned as the primary leave replacement and serving in excess of 90 days in (a) a vacant route or (b) a route from which the rural carrier is on extended leave. RCAs also qualify for taking leave after being assigned to and serving an auxiliary route in excess of 90 days. A break in service of 1 or more workdays breaks continuity of employment, and the substitute carrier or RCA must begin a new 90-day qualifying period. Normally a break in service occurs only when the regular carrier returns or when the vacant route is filled by the appointment of a new regular rural carrier. A break in service does not mean absence from the route on a nonscheduled workday or absence in approved leave status, including LWOP. The first day of the pay period following 90 days of service, the substitute carrier or RCA is credited with annual leave accrued for the 90-day qualifying period. (In determining the employee's leave category, credit is also given for prior service as a substitute rural carrier or RCA.)

512.553 Lump Sum Payment

When regular rural carriers return to duty, substitute replacement carriers who earn leave are given lump sum payments for the annual leave to their credit if they have been in a leave-earning capacity. The lump sum payment is not made if the substitute replacement carrier is converted to a career position without a break in service and continues to earn leave.

512.56 Auxiliary Rural Carriers

Auxiliary rural carriers earn leave based on the number of hours worked and in accordance with the appropriate leave category. Leave is credited as earned. These carriers are granted leave in increments of 1 hour.

512.6 Vacation Planning and Special Programs

512.61 Bargaining Unit Employees Vacation Planning

For these employees, leave is subject to specific vacation planning provisions of applicable collective bargaining agreements. Note also:

a. For all regular employees, both full-time and part-time, vacation leave is granted when requested to the extent practicable.

b. For part-time flexible employees, vacation planning is limited to accumulated and accrued leave.

512.62 Nonbargaining Unit Employees Vacation Planning

Vacation leave is granted to these employees when their services can best be spared. Postmasters and other responsible officials must schedule leave so that (a) employees do not forfeit leave and (b) postal operations are not impaired.

512.63 Annual Leave Exchange

512.631 General

The annual leave exchange program provides eligible employees with the opportunity to receive cash in exchange for leave that they will earn during the next leave year. Accumulated leave and leave accrued during the current leave year cannot be exchanged under this program. The terms and conditions for exchanging leave vary for bargaining unit and nonbargaining unit employees and are explained in the instructions mailed to eligible employees before the open season November 15 through December 15 each year.

512.632 Bargaining Unit Annual Leave Exchange

Certain national collective bargaining agreements provide a leave exchange option for covered employees. Eligibility and the other terms and conditions for this option are set forth in the applicable collective bargaining agreements and information related to administering the program.

512.633 Nonbargaining Unit Annual Leave Exchange

Career employees permanently assigned to a nonbargaining unit position are provided the option at the end of the calendar year to exchange for cash a given number of hours of the annual leave they would otherwise earn during the next leave year. The minimum and maximum number of hours allowed each year, as well as the leave balance the employee must have at the end of the leave year in which the election is made, and any other requirements, are determined by consultation with Postal Service management associations and specified in information related to administering the program.

512.634 Processing Annual Leave Exchange Options

Open season for the annual leave exchange program runs from November 15 to December 15 each year. Eligible employees are notified of the election before the open season. The exchange is effective the first full pay period of the new leave year.

Note: Postal employees may not exchange leave already earned that exceeds the Postal Service leave carryover limit due to Internal Revenue Service “constructive receipt” regulations.

512.64 Annual Leave Sharing

The annual leave-sharing program provides employees the opportunity to receive and use donated annual leave and to donate their annual leave to another employee under certain conditions. The program is limited to career nonbargaining unit and bargaining unit employees and to noncareer employees designated as transitional employees (TEs) under certain collective bargaining agreements. The terms and conditions for this program are set forth in applicable collective bargaining unit agreements and memorandums of understanding. Instructions for administration of the terms

and conditions are found in Management Instruction EL-510-2003-2, *Annual Leave Sharing Program.*

512.65 Annual Leave Credit in Lieu of Holiday Leave Pay

Employees shown to be eligible in 434.422 who work a holiday may elect to receive annual leave credit in lieu of holiday leave pay. If they do so and then work only a partial day, they may use LWOP, annual leave, or sick leave (if they become ill during their scheduled tour) to supplement work hours, up to the limit of their regular work schedule, on the holiday worked.

512.7 Separation Adjustments

512.71 Terminal Leave Worksheet

If an employee is not transferring to another federal agency and is separating from the Postal Service, the Eagan ASC furnishes the separating installation with PS Form 2246, *Terminal Leave Worksheet,* for filing in the employee's official personnel folder. (For transfers to other federal agencies, see 512.8.)

512.72 Collection for Unearned Leave

512.721 Refund

Separating employees who are indebted for unearned annual leave or sick leave must refund the amount paid to them for such unearned leave. If employees do not make refunds, deductions are made from any funds that are due them.

512.722 Exception

Collection is not required in cases of death or in the case of separation due to a disability that prevents an employee from returning to duty or continuing in the Postal Service.

512.73 Lump Sum Terminal Leave Payment

512.731 General

Separating employees may receive lump sum terminal leave payments subject to the following conditions:

a. *Completion of Qualifying Period.* Except for those employees identified under 512.812, employees who separate before completing the 90-day qualifying period forfeit terminal leave payment for accrued leave. Employees who complete the 90-day qualifying period, even if separated at the close of business on day 90, may be entitled to terminal leave payment for accrued leave.

b. *Completion of Pay Period.* Employees whose separation is effective before the last Friday of a pay period do not receive leave credit or terminal leave payment for the leave that would have accrued during that pay period.

512.732 Entitlement Amounts

Separating employees may receive lump sum terminal leave payments as follows:

a. *Nonbargaining Unit Employees.* Nonbargaining unit employees may receive a lump sum leave payment for accumulated annual leave carried over from the previous year; accrued annual leave for the year

in which they separate, including amounts over the carryover maximum; any unused donated leave; and for full-time and part-time regular employees, holidays that fall within the terminal leave period.

b. *Bargaining Unit Employee.* Bargaining unit employees may receive a lump sum leave payment:

(1) If separating other than under the Voluntary Early Retirement Authority (VERA), for accumulated annual leave carried over from the previous year; accrued annual leave for the year in which they separate, up to the carryover maximum for their bargaining unit (see 512.32); any unused donated leave; and for full-time and part-time regular employees, holidays that fall within the terminal leave period. Any part of the unused annual leave earned during the leave year of separation that is in excess of the maximum carryover amount is granted prior to separation rather than paid out in the form of a lump sum payment. No payment is made for unused leave that the employee would have been required to forfeit at the end of the leave year.

(2) If separating under VERA, for accumulated annual leave carried over from the previous year; accrued annual leave for the year in which they separate, including amounts over the carryover maximum for their bargaining unit; any unused donated leave; and for full-time and part-time regular employees, holidays that fall within the terminal leave period.

Note: Transitional employees receive payment for accrued annual leave at the end of their appointment.

512.733 **Separation for Military Service**

Employees who separate to enter active U.S. military duty may choose to receive a lump sum leave payment or to have their accrued annual leave balance held for credit until they return to Postal Service duty.

512.734 **Separation Followed by Reemployment**

Employees who receive a lump sum leave payment on separation from a Postal Service position (or a federal position under the federal leave system) and who are reemployed or reinstated to a leave-earning status before the period covered by the payment expires must refund to the Postal Service in full the payment for the overlapping period. These employees may then be recredited (see 512.9) with leave.

512.735 **Absence of Relationship to Annuity Payment**

Lump sum payment for annual leave at the time of retirement does not affect the amount or commencement date of annuity payments.

512.736 **Payment to Beneficiaries or Estates of Employees Who Die in Service**

If employees die in service, terminal leave payments are made as follows:

a. The beneficiaries or estates of nonbargaining unit employees receive terminal leave payments that are the same as the payments to which the employees would have been entitled if they had separated while living (see 512.732a).

b. The beneficiaries or estates of bargaining unit employees receive terminal leave payments that are the same as the payments to which

the employees would have been entitled if they had separated while living (see 512.732b1) with the provision that the amount includes payment for accrued annual leave in excess of the maximum carryover amount that the employees could have taken if they had lived to the end of the leave year, but not for accrued annual leave that the employees would have been required to forfeit.

512.8 Transfers

512.81 Transfer Without a Break in Service

512.811 From the Postal Service to a Federal Agency

The Eagan ASC furnishes the agency gaining the employee with SF 1150. (A copy of SF 1150 is *not* sent to the losing installation.) When necessary, the Postal Service collects for used but unearned leave (see 512.721). When the receiving agency is unable to transfer a leave balance in excess of its leave carryover limit, the employee receives a lump sum payment for earned annual leave that cannot be transferred. The lump sum is calculated by multiplying the person's postal hourly rate times the number of earned annual leave hours that cannot be transferred.

512.812 From a Federal Agency to the Postal Service

Leave credit must be transferred to the employee's leave account. However, leave that may be transferred is limited to the leave carryover limit applicable to the Postal Service position to be filled. The employee should not have to take LWOP because of delay in transferring leave:

a. If the SF 1150 does not reach the Eagan ASC before the employee has to take leave, the Eagan ASC may contact the losing agency to request the employee's leave balance.

b. If LWOP cannot be avoided, the record can be adjusted when the SF 1150 is received to show paid leave unless the employee requests that the LWOP remain unchanged.

512.82 Transfer With a Break in Service

An employee who moves from the Postal Service to another federal agency after a break in service is separated (see 512.7) and later reemployed (see 512.9). Any accumulated leave is not transferred, but is paid for in a lump sum.

512.9 Recrediting Annual Leave

512.91 Policy

Annual leave that may be recredited consists of leave earned under any of the leave systems merged under the Annual and Sick Leave Act of 1951. However, annual leave that is already forfeited cannot be recredited.

Annual leave is recredited under the act for:

a. Employees who are reemployed before the period covered by the lump sum payment expires.

b. Employees who transferred to a position that is not under an annual leave system and transferred back to the Postal Service without a

break in Postal Service service of more than 52 continuous calendar weeks.

c. Employees who return to pay and duty status following a period of suspension or involuntary separation (i.e., cases of retroactive reversals of disciplinary action).

512.92 Procedures

512.921 Leave Earned in Prior Service in the Postal Service

See 512.734.

512.922 Leave Earned at Another Agency

When an employee makes application for recredit of leave earned in another agency, the Postal Service contacts the other agency to determine if leave was forfeited at the time of separation. If not, the agency is asked to certify the leave account. The following applies:

a. If the agency cannot find the leave record, the Postal Service will accept a statement or other evidence of leave credits. The statement should include an estimate of leave credit and reflect the factors forming the basis of the estimate.

b. If the leave record or statement justifies it, the amount of leave shown is recredited.

512.923 Leave Buy-Back — OWCP

The following provisions concern leave buy-back:

a. Under the provisions of the Injury Compensation Program, current employees may be permitted to buy back sick and annual leave they used while awaiting adjudication of their cases by OWCP. In traumatic injury cases, employees may be permitted to buy back only the leave that is used after the end of the 45-day continuation-of-pay period.

b. When the employee buys back annual leave for a previous year that exceeds the applicable maximum (see 512.32), the excessive leave is automatically forfeited. Employees are allowed to buy back only those hours that can be carried forward.

c. Some loss of leave may occur when the period of absence is changed to an LWOP status as a result of leave buy-back. For every 80 hours of paid leave bought back and changed to LWOP, both annual and sick leave are adjusted by the amount earned in 1 pay period. The employee must be informed of this so there will be no misunderstanding.

See Exhibit 514.4, item e, for further information.

513 Sick Leave

513.1 Purpose

513.11 Sick Leave for Employee Incapacitation

Sick leave insures employees against loss of pay if they are incapacitated for the performance of duties because of illness, injury, pregnancy and confinement, and medical (including dental or optical) examination or treatment.

513.12 Sick Leave for Dependent Care

A limited amount of sick leave may also be used to provide for the medical needs of a family member. Nonbargaining unit employees, and bargaining unit employees if provided in their national agreements, are allowed to take up to 80 hours of their accrued sick leave per leave year to give care or otherwise attend to a family member (as defined in 515.2) with an illness, injury, or other condition that, if an employee had such a condition, would justify the use of sick leave. If leave for dependent care is approved, but the employee has already used the maximum 80 hours of sick leave allowable, the difference is charged to annual leave or to LWOP at the employee's option. (See 515 for information about FMLA entitlement to be absent from work.)

513.2 Accrual and Crediting

513.21 Accrual Chart

Time accrued is as follows:

Employee Category	Time Accrued
Full-time employees.	4 hours for each full biweekly pay period — i.e., 13 days (104 hours) per 26-period leave year.
Part-time employees.	1 hour for each unit of 20 hours in pay status up to 104 hours (13 days) per 26-period leave year.

513.22 Crediting

513.221 General

Sick leave is credited at the end of each biweekly pay period in which it is earned. Sick leave (earned and unused) accumulates without limitation.

513.222 Part-Time Employees

Part-time employees are not credited with sick leave in excess of 13 days (104 hours) per 26-period leave year.

513.223 Leave Replacements for Rural Carriers

Substitute rural carriers or RCAs assigned to and serving (a) a vacant route or (b) a route from which the rural carrier is on extended leave, and RCAs assigned to and serving an auxiliary route are credited with sick leave starting with the first pay period following the 90-day qualifying period.

513.224 Auxiliary Rural Carriers

Auxiliary rural carriers are not credited with sick leave in excess of 104 hours per leave year. If they serve in another capacity (e.g., flexible employees) in the Post Office, that service is also used in computing sick leave credit (see 513.21).

513.225 Substitute Rural Carriers in Dual Appointment

Substitute rural carriers in dual appointments earn sick leave only when their service is performed in a position that is subject to the Civil Service Retirement Act. The leave can be used only while they are serving in a leave-earning position.

513.226 Leave Credit Adjustment for LWOP

See 514.24.

513.3 Authorizing Sick Leave

513.31 Policy

513.311 General

Sick leave cannot be granted until it is earned, except as provided in 513.5.

513.312 Restriction

An employee who is in sick leave status may *not* engage in any gainful employment unless prior approval has been granted by appropriate authority (see 662, Federal Standards of Ethical Conduct).

513.32 Conditions for Authorization

Conditions for authorization are as follows:*

Conditions	
Illness or injury.	If the employee is incapacitated for the performance of official duties.
Pregnancy and confinement.	If absence is required for physical examinations or periods of incapacitation.
Medical, dental, or optical examination or treatment.	If absence is necessary during the employee's regular scheduled tour.
For eligible employees (as indicated in 513.12), care for a family member (as defined in 515.2).	Up to 80 hours of accrued sick leave per leave year if the illness, injury, or other condition is one that, if an employee had such a condition, would justify the use of sick leave.
Contagious disease. A contagious disease is a disease ruled as requiring isolation, quarantine, or restriction of movement of the patient for a particular period by the health authorities having jurisdiction.	If the employee (1) must care for a family member afflicted with a contagious disease, (2) has been exposed to a contagious disease and would jeopardize the health of others, or (3) has evidence supplied by the local health authorities or a certificate signed by a physician certifying the need for the period of isolation or restriction.
Medical treatment for disabled veterans.	If the employee (1) presents a statement from a duly authorized medical authority that treatment is required, and (2) when possible, gives prior notice of the definite number of days and hours of absence. (Such information is needed for work scheduling purposes.)

* *Sick leave, annual leave, or LWOP is granted as may be necessary for any of these conditions in accordance with normal leave policies and collective bargaining agreements. (See also 513.6 and 514.22.)*

513.33 Requests for Sick Leave

513.331 General

Except for unexpected illness or injury situations, sick leave must be requested on PS Form 3971 and approved in advance by the appropriate supervisor.

513.332 Unexpected Illness or Injury

An exception to the advance approval requirement is made for unexpected illness or injuries; however, in this situation the employee must notify appropriate postal authorities of his or her illness or injury and expected duration of the absence as soon as possible.

When sufficient information is provided to determine that the absence may be covered by the Family and Medical Leave Act (FMLA), Department of Labor Form WH 380, *Certification of Health Care Provider (Family and Medical Leave Act of 1993);* Publication 71, *Notice for Employees Requesting Leave for Conditions Covered by the Family and Medical Leave Act;* and a return envelope will be mailed to the employee's address of record. A PS Form 3971 will be provided to the employee upon his or her return to duty. When sufficient information to determine that the absence is covered by FMLA is not provided in advance of the absence, the employee must submit a PS Form 3971 and applicable medical or other certification upon returning to duty and explain the reason for the absence. Employees may be required to submit acceptable evidence of incapacity to work as outlined in the provisions of 513.36, Sick Leave Documentation Requirements, or noted on the reverse of PS Form 3971 or Publication 71, as applicable.

The supervisor approves or disapproves the leave request. When the request is disapproved, the absence may be recorded as annual leave or, if appropriate, as LWOP or AWOL, at the discretion of the supervisor as outlined in 513.342.

513.34 PS Form 3971, Request for or Notification of Absence

513.341 General

Request for sick leave is made in writing, in duplicate, on PS Form 3971. If the absence is to care for a family member, this fact is to be noted in the Remarks section.

513.342 Approval or Disapproval

The supervisor is responsible for approving or disapproving requests for sick leave by signing PS Form 3971, a copy of which is given to the employee. If a supervisor does not approve a request for leave as submitted, the Disapproved block on the PS Form 3971 is checked and the reason(s) given, in writing, in the space provided. When a request is disapproved, the granting of any alternate type of leave, if any, must be noted along with the reason for the disapproval. AWOL determinations must be similarly noted.

513.35 Postmaster Absences

There are special requirements for postmaster absences:

a. *Leave Replacement.* A postmaster whose absence requires the hiring of a leave replacement must notify the appropriate official.

b. *Absence Over 3 Days.* A postmaster who is absent in excess of 3 days must submit PS Form 3971 within 2 days of returning to duty or, for an extended illness, at the end of each accounting period.

513.36 Sick Leave Documentation Requirements

513.361 Three Days or Less

For periods of absence of 3 days or less, supervisors may accept the employee's statement explaining the absence. Medical documentation or other acceptable evidence of incapacity for work or need to care for a family member is required only when the employee is on restricted sick leave (see 513.39) or when the supervisor deems documentation desirable for the protection of the interests of the Postal Service. Substantiation of the family relationship must be provided if requested.

513.362 Over Three Days

For absences in excess of 3 days, employees are required to submit medical documentation or other acceptable evidence of incapacity for work or of need to care for a family member and, if requested, substantiation of the family relationship.

513.363 Extended Periods

Employees who are on sick leave for extended periods are required to submit at appropriate intervals, *but not more frequently than once every 30 days,* satisfactory evidence of continued incapacity for work or need to care for a family member unless some responsible supervisor has knowledge of the employee's continuing situation.

513.364 Medical Documentation or Other Acceptable Evidence

When employees are required to submit medical documentation, such documentation should be furnished by the employee's attending physician or other attending practitioner who is performing within the scope of his or her practice. The documentation should provide an explanation of the nature of the employee's illness or injury sufficient to indicate to management that the employee was (or will be) unable to perform his or her normal duties for the period of absence. Normally, medical statements such as "under my care" or "received treatment" are not acceptable evidence of incapacitation to perform duties.

Supervisors may accept substantiation other than medical documentation if they believe it supports approval of the sick leave request.

513.365 Failure to Furnish Required Documentation

If acceptable substantiation of incapacitation is not furnished, the absence may be charged to annual leave, LWOP, or AWOL.

513.37 Return to Duty

An employee returning from an FMLA-covered absence because of his or her own incapacitation must provide documentation from his or her health care provider that he or she is able to perform the functions of the position with or without limitation. Limitations described are accommodated when practical. Bargaining unit employees must also comply with requirements in 865.

513.38 Performance Ability Questioned

When the reason for an employee's sick leave is of such a nature as to raise justifiable doubt concerning the employee's ability to satisfactorily and/or safely perform duties, a *fitness-for-duty medical examination* is requested through appropriate authority. A complete report of the facts, medical and otherwise, should support the request.

513.39 Restricted Sick Leave

513.391 Reasons for Restriction

Supervisors or installation heads who have evidence indicating that an employee is abusing sick leave privileges may place the employee on the restricted sick leave list. In addition, employees may be placed on the restricted sick leave list after their sick leave use has been reviewed on an individual basis and the following actions have been taken:

a. Establishment of an absence file.

b. Review of the absence file by the immediate supervisor and higher levels of management.

c. Review of the absences during the past quarter of LWOP and sick leave used by employees. (No minimum sick leave balance is established below which the employee's sick leave record is automatically considered unsatisfactory.)

d. Supervisor's discussion of absence record with the employee.

e. Review of the subsequent quarterly absences. If the absence logs indicate no improvement, the supervisor is to discuss the matter with the employee to include advice that if there is no improvement during the next quarter, the employee will be placed on restricted sick leave.

513.392 Notice and Listing

Supervisors provide written notice to employees that their names have been added to the restricted sick leave listing. The notice also explains that, until further notice, the employees must support *all* requests for sick leave by medical documentation or other acceptable evidence (see 513.364).

513.393 Recision of Restriction

Supervisors review the employee's PS Form 3972 for each quarter. If there has been a substantial decrease in absences charged to sickness, the employee's name is removed from the restricted sick leave list and the employee is notified in writing of the removal.

513.4 Charging Sick Leave

513.41 Full-Time Employees

513.411 General

General provisions are as follows:

a. Sick leave is not charged for legal holidays or for nonworkdays established by Executive Order.

Exception: If employees shown to be eligible in 434.422 elect to receive annual leave credit in lieu of holiday leave pay (see 512.65) and then become ill during their scheduled tour, sick leave may be charged to supplement work hours, up to the limit of their regular

work schedule, on the holiday worked, provided the requirements of section 513.32 are met.

b. Sick leave may be charged on any scheduled workday of an employee's basic workweek.

513.412 **Minimum Unit Charge**

Minimum unit charges are as follows:

Employee Category	Minimum Unit Charge
All full-time nonexempt employees.	One-hundredth of an hour (0.01 hour).
Full-time exempt.	(See 519.7)
Regular rural carriers.	1 day (8 hours).
Substitute rural carriers and RCAs when in a leave-earning status and serving:	
1. Vacant routes.	1 day (8 hours).
2. Routes from which rural carriers are on extended leave.	1 day (8 hours).
RCAs when in a leave-earning status and servicing auxiliary routes.	1 hour.
Auxiliary rural carriers.	1 hour.
Triweekly rural carriers.	(See 512.54).

513.413 **Special Situations**

The following provisions concern special situations:

a. *A–E Postmasters.* A–E postmasters are charged sick leave the same as annual leave (see 512.524).

b. *Rural Carriers.* Rural carriers who are absent because of illness on Saturdays are charged sick leave based on the computations used for their annual leave charges (see 512.53).

c. *Replacement Rural Carriers.* Substitute rural carriers and RCAs in a leave earning status and serving (a) vacant routes and (b) routes from which rural carriers are on extended leave are charged sick leave in the same manner as rural carriers. RCAs in a leave earning status and serving auxiliary routes are charged sick leave in the same manner as auxiliary rural carriers.

d. *Triweekly Rural Carriers.* Triweekly rural carriers are charged sick leave the same as for annual leave (see 512.54).

513.42 Part-Time Employees

513.421 **General**

General provisions are as follows:

a. Absences due to illness are charged as sick leave on any day that an hourly rate employee is scheduled to work except national holidays.

Exception: If employees shown to be eligible in 434.422 elect to receive annual leave credit in lieu of holiday leave pay (see 512.65), sick leave may be charged to supplement work hours, up to the limit of their regular work schedule, on the holiday worked, provided the requirements of section 513.32 are met.

b. Except as provided in 513.82, paid sick leave may not exceed the number of hours that the employee would have been scheduled to work, up to:

(1) A maximum of 8 hours in any one day.

(2) 40 hours in any one week.

(3) 80 hours in any one pay period. If a dispute arises as to the number of hours a part-time flexible employee would have been scheduled to work, the schedule is considered to have been equal to the average hours worked by other part-time flexible employees in the same work location on the day in question.

c. Limitations in 513.421b apply to paid sick leave only and not to a combination of sick leave and workhours. However, part-time flexible employees who have been credited with 40 hours or more of paid service (work, leave, or a combination of work and leave) in a service week are not granted sick leave during the remainder of that service week. Absences, in such cases, are treated as nonduty time that is not chargeable to paid leave of any kind. (Sick leave is not intended to be used to supplement earnings of employees.)

513.422 **Minimum Unit Charge**

Minimum unit charges are as follows:

Employee Category	Minimum Unit Charge
All part-time nonexempt employees.	One-hundredth of an hour (0.01 hour).
Part-time exempt employees.	(See 519.7.)

513.5 Advanced Sick Leave

513.51 Policy

513.511 **May Not Exceed Thirty Days**

Sick leave not to exceed 30 days (240 hours) may be advanced in cases of an employee's serious disability or illness if there is reason to believe the employee will return to duty. Sick leave may be advanced whether or not the employee has an annual leave or donated leave balance.

513.512 **Medical Document Required**

Every request for advanced sick leave must be supported by medical documentation of the illness.

513.52 Administration

513.521 **Installation Heads' Approval**

Officials in charge of installations are authorized to approve these advances without reference to higher authority.

513.522 **Forms Forwarded**

PS Form 1221, *Advanced Sick Leave Authorization,* is completed and forwarded to the Eagan ASC when advanced sick leave is authorized.

513.53 Additional Sick Leave

513.531 Thirty-Day Maximum

Additional sick leave may be advanced even though liquidation of a previous advance has not been completed provided the advance at no time exceeds 30 days. Any advanced sick leave authorized is in addition to the sick leave that has been earned by the employee at the time the advance is authorized.

513.532 Liquidating Advanced Sick Leave

The liquidation of advanced sick leave is not to be confused with the substitution of annual leave for sick leave to avoid forfeiture of the annual leave. Advanced sick leave may be liquidated in the following manner:

a. Charging the sick leave against the sick leave earned by the employee as it is earned upon return to duty.

b. Charging the sick leave against an equivalent amount of annual leave at the employee's request provided the annual leave charge is made prior to the time such leave is forfeited because of the leave carryover limit.

513.6 Leave Charge Adjustments

513.61 Insufficient Sick Leave

If sick leave is approved but the employee does not have sufficient sick leave to cover the absence, the difference is charged to annual leave or to LWOP at the employee's option.

513.62 Insufficient Sick and Annual Leave

If sick leave is approved for employees who have no annual or sick leave to their credit, the absence may be charged as LWOP unless sick leave is advanced as outlined in 513.5. LWOP so charged cannot thereafter be converted to sick or annual leave.

513.63 Disapproved Sick Leave

If sick leave is disapproved, but the absence is nevertheless warranted, the supervisor may approve, at the employee's option, a charge to annual leave or a charge to LWOP.

513.64 Absence Without Leave

An absence that is disapproved is charged as LWOP and may be administratively considered as AWOL.

513.65 Annual Leave Changed to Sick Leave

If an employee becomes ill while on annual leave and the employee has a sick leave balance, the absence may be charged to sick leave.

513.7 Transfer or Reemployment

513.71 Transfer

513.711 Crediting

Individuals who are transferring from a federal agency to the Postal Service are credited with their sick leave balance provided there is not a break in service in excess of 3 years.

513.712 **Recrediting**

The following provisions concern recrediting:

a. If a Postal Service employee transfers to a position under a different leave system to which only a part of the employee's sick leave can be transferred, the sick leave is recredited if the individual returns to the Postal Service provided there is not a break in service in excess of 3 years.

b. If a Postal Service employee transfers to a position to which sick leave cannot be transferred, the sick leave is recredited if the individual returns to the Postal Service provided there is not a break in service in excess of 3 years.

513.72 Reemployment

Sick leave may be recredited upon reemployment provided there is not a break in service in excess of 3 years.

Note: For sick leave to be recredited, the employee must be reemployed in a position where sick leave may be earned and used.

513.73 Reemployment — OWCP

All individuals who were originally separated and who are subsequently reemployed from a continuous period on OWCP rolls have any previously unused sick leave recredited to their account, regardless of the length of time these employees were on OWCP and off postal rolls.

Exception: Sick leave may not be recredited if an employee applied and was approved for disability retirement regardless of whether the employee actually collected the annuity.

513.8 Retirements or Separations

513.81 General

No payment is made for accumulated sick leave when an employee retires or separates from Postal Service employment.

513.82 Retirement

513.821 **Credit for Sick Leave**

Provisions of the Civil Service Retirement Act provide for the granting of credit for unused sick leave in calculating retirement or survivor annuity at the time of the employee's retirement or death (see 562.4). Each 8 hours of sick leave represents 1 day of retirement credit. Unused sick leave days are converted to calendar time retirement credit, based on a 260-day workyear (260 days x 8 hours = 2,080 hours). There are no provisions for credit of sick leave upon retirement for employees under the Federal Employees Retirement System (FERS) program except for those employees who formerly were in the Civil Service Retirement System (CSRS) and transferred to FERS. See 580, Federal Employees Retirement System (FERS), for details for credit of sick leave upon retirement for FERS employees who formerly were under the CSRS coverage.

513.822 **Disability Retirement**

If the OPM has approved an application for disability retirement effective on expiration of accumulated and accrued leave, or if the employee is being

otherwise separated for physical or mental disability resulting in inability to perform the work, sick leave is granted at the rate of 8 hours per day, 40 hours per week, or 80 hours per pay period until the employee's sick leave is exhausted. Payments may not be made, however, for any hours for which the employee received salary or leave payments from another federal agency.

513.83 Separation by Death

If an ill employee dies without returning to duty and without making application for sick leave, the postal official who is in charge of the installation grants sick leave for the period of illness or disability immediately prior to death. If the employee was in pay status on the day of death or immediately prior to death, the employee's beneficiary is entitled to receive compensation without charge to leave for the date of death. The latter applies whether or not employees have leave to their credit.

513.9 Collection for Unearned Sick Leave

Collection for used but unearned sick leave at the time of separation is made in the same manner as for unearned annual leave (see 512.72).

514 Leave Without Pay

514.1 Essential Features

The following definitions apply for the purposes of 514:

a. LWOP is an authorized absence from duty in a nonpay status.

b. LWOP may be granted upon the employee's request and covers only those hours that the employee would normally work or for which the employee would normally be paid. FLSA-exempt employees must take LWOP in 1-day increments except when they are taking leave protected under the Family and Medical Leave Act (FMLA).

c. LWOP is different from AWOL (absent without leave), which is a nonpay status due to a determination that no kind of leave can be granted either because (1) the employee did not obtain advance authorization or (2) the employee's request for leave was denied.

514.2 Policy

514.21 Restriction

LWOP in excess of 2 years is not approved unless specifically provided for in postal policy or regulations.

514.22 Administrative Discretion

Each request for LWOP is examined closely, and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service. The granting of LWOP is a matter of administrative discretion and is not granted on the employee's demand except as provided in collective bargaining agreements or as follows:

a. A disabled veteran is entitled to LWOP, if necessary, for medical treatment.

b. A Reservist or a National Guardsman is entitled to LWOP, if necessary, to perform military training duties under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), Public Law 103-353.

c. An employee who requests and is entitled to time off under 515, Absence for Family Care or Serious Health Condition of Employee, must be allowed up to a total of 12 workweeks of absence within a Postal Service leave year for one or more reasons listed in 515.41.

514.23 Condition

In granting approval for extended LWOP, the granting official should have reasonable expectation that the employee will return at the end of the approved period.

514.24 Leave Credit Adjustment

Employees who are on LWOP for a period, or periods, totaling 80 hours (normal number of workhours in 1 pay period) during a leave year have their leave credits reduced by the amount of leave earned in 1 pay period.

Exception: Employees who (1) are in leave category 6, (2) are not on LWOP for the entire year, and (3) whose accumulated LWOP reaches 80 hours in the last pay period in a leave year have their leave balance reduced by only 6 hours, even if they earn 10 hours during that pay period (see 512.3). Also, no adjustment is made to the leave computation date for periods of LWOP taken for active military service or while absent due to an illness or injury approved by OWCP.

514.25 Other Employment

LWOP is not granted for the purpose of enabling an employee to “try out” or to accept other employment.

514.3 Authority to Approve

514.31 Installation Head

Installation heads may approve requests for LWOP that are not in excess of 1 year.

514.32 District Managers

District managers may approve requests for LWOP that are not in excess of 2 years.

514.4 Acceptable Reasons and Instructions

See Exhibit 514.4 for acceptable reasons and instructions for LWOP.

Exhibit 514.4
Acceptable Reasons and Instructions for LWOP

Acceptable Reasons for LWOP	Instructions
a. Personal reasons.	LWOP may be granted to cover the absence.
b. Employee has no leave to cover vacation during choice vacation period.	LWOP may be granted to cover the absence.
c. Full-time attendance at a college or university.	1. Restricted to full-time employee. 2. An official transcript of courses taken must be submitted to the installation head.
d. Personal illness or injury (also see 515).	1. An employee may utilize annual and/or sick leave in conjunction with LWOP, subject to approval of the leave in accordance with normal leave approval procedures. An employee need not exhaust annual leave and/or sick leave before requesting leave without pay. 2. A medical document from the attending physician or practitioner must be obtained before approval, the same as for sick leave. 3. Applications for LWOP to cover a period in excess of 30 days in any 1 year in cases of illness or injury are reviewed and acted upon by the installation head. 4. An employee normally will not be separated from the service because of absence due to personal illness or injury for a period of less than 1 year (also see 568). An employee may be separated if required to be absent for more than 1 year unless there is cause to expect recovery and return within a reasonable time after the end of 1 year in LWOP status. 5. The separation of an employee after 1 year of continued absence with or without pay does not prevent an eligible employee from filing an application for retirement (also see 568).
e. Injury in line of duty.	1. Supervisors must advise employees of their right to file an application for FECA benefits as a result of illness or injury that is suffered in the line of duty. (See instructions on CA-1 and CA-2a for traumatic injuries and CA-2 for occupational illnesses and diseases.) 2. In traumatic injury cases, an employee is entitled to a maximum of 45 calendar days of continuation of pay (COP) without charge to leave if written notice of injury is filed within 30 days of injury. The period of COP begins at the start of the employee's first full tour of duty thereafter, or the first day following the disability, whichever occurs sooner. The period during which 45 days of COP may be claimed must begin within 90 days of the occurrence of the injury but may end after 90 days from the occurrence. If, after returning to work subsequent to an apparent recovery from a traumatic injury, an employee is again absent from work as a result of the original traumatic injury, the employee may use any remaining COP time left up to the 45-day limit. However, the remaining COP time must be used within 90 days of the date the employee first returns to work following the initial traumatic injury. 3. An employee may choose sick or annual leave in lieu of COP; however, this leave may be retroactively converted to COP provided a request is made within 1 year of the date the leave was used or the date of the claim approval, whichever is later. 4. Before being placed on LWOP, an employee may choose to use annual or sick leave until it is exhausted. Leave is earned during that part of a pay period in which the employee is in pay status. 5. On favorable adjudication of a claim by the Office of Workers' Compensation Programs (OWCP), LWOP may be substituted for a period of sick and/or annual leave so that the employee may accept disability compensation for the period of absence. 6. On favorable adjudication of a claim by OWCP, current employees may be permitted to buy back the leave that they used while awaiting adjudication (see 545.84). If the injury is a traumatic injury, only leave used after the end of the 45-day COP period may be bought back. OWCP does not restrict the amount of leave hours an employee may buy back. However, Postal Service regulations do not permit employees to carry-over into the next leave year more than the allowable maximum number of hours of annual leave (see 512.12). When an employee buys back annual leave in the previous year in an amount that exceeds the applicable maximum carry-over, such excess will be automatically forfeited. For every 80 hours of leave bought back and changed to LWOP, both annual and sick leave must be adjusted by the amount earned in a pay period.
f. Family care (see 515).	An eligible employee may request and must be allowed up to a total of 12 workweeks of absence during a Postal Service leave year for one or more reasons listed in 515.41.

Acceptable Reasons for LWOP	Instructions
g. Military duty for scheduled drills or for periods of training.	An employee enlisted under the Reserve Forces Act of 1955 who has completed the initial period of active duty training of not less than 3 months or more than 6 months may be granted LWOP for scheduled drills or periods of training.
h. Military duty for any purpose, training or otherwise.	Eligible members of the National Guard or reserve components of the Armed Forces who are ordered to active duty for training or for any other purposes, for a specified period of time not to exceed 1 year, but in excess of the total time allowable under military leave and annual leave are granted LWOP.
i. Employee elected to devote full-time service as a national president to an organization of supervisory or other managerial personnel (see 416.3).	1. LWOP normally does not exceed 2 consecutive years coinciding with the elected term of office. 2. The employee requests in writing, through the appropriate management structure, that the vice president of Labor Relations grant the employee LWOP during tenure of presidency for the purpose of serving as resident president of an employee organization in Washington, D.C., in a full-time capacity. 3. If LWOP is granted, the employee continues to be eligible for appropriate fringe benefits during that period. 4. The vice president of Labor Relations reserves the right to deny the request for LWOP if it is determined that the position must be filled on a permanent basis, unencumbered by an individual on prolonged leave.
j. Union business.	See applicable provisions of current collective bargaining agreement.
k. Postmaster elected as an organization officer, other than the president.	An employee holding a national office in one of the postmaster organizations must use annual leave or LWOP for absences to conduct business for the organization.
l. Absence on worked holiday.	If an employee shown to be eligible in 434.422 elects to receive annual leave credit in lieu of holiday leave pay (see 512.65), LWOP may be granted to supplement work hours, up to the limit of the employee's regular work schedule, on the holiday worked.

514.5 Forms Required

514.51 PS Form 3971

A request for LWOP is submitted by the employee on PS Form 3971. If the request for leave indicates that the LWOP will extend over 30 days, a written justification and statement of reason for the desired absence is required.

514.52 PS Form 50

PS Form 50, *Notification of Personnel Action,* is prepared when LWOP is in excess of 30 days (see Handbook EL-301, *Guidelines for Processing Personnel Actions).*

515 Absence for Family Care or Illness of Employee

515.1 Purpose

Section 515 provides policies to comply with the Family and Medical Leave Act of 1993 (FMLA). Nothing in this section is intended to limit employees' rights or benefits available under other current policies (see 511, 512, 513, 514) or collective bargaining agreements. Likewise, nothing increases the amount of paid leave beyond what is provided for under current leave policies or in any collective bargaining agreement. The conditions for authorizing the use of annual leave, sick leave, or LWOP are modified only to the extent described in this section.

515.2 Definitions

The following definitions apply for the purposes of 515:

a. *Son or daughter* — biological, adopted, or foster child, stepchild, legal ward, or child who stands in the position of a son or daughter to the employee, who is under 18 years of age or who is 18 or older and incapable of self-care because of mental or physical disability.

b. *Parent* — biological parent or individual who stood in that position to the employee when the employee was a child.

c. *Spouse* — husband or wife.

d. *Serious health condition* — illness, injury, impairment, or physical or mental condition that involves any of the following:

(1) *Hospital care* — inpatient care (i.e., an overnight stay) in a hospital or residential medical care facility, including any period of incapacity or subsequent treatment in connection with or subsequent to such inpatient care.

(2) *Absence plus treatment* — a period of incapacity of more than 3 consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition) that also involves either one of the following:

(a) Treatment two or more times by a health care provider.

(b) Treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider.

(3) *Pregnancy* — any period of incapacity due to pregnancy or for prenatal care.

(4) *Chronic condition requiring treatments* — a chronic condition that meets all of the three following conditions:

(a) Requires periodic visits for treatment by a health care provider or by a nurse or physician's assistant under direct supervision of a health care provider.

(b) Continues over an extended period of time (including recurring episodes of a single underlying condition).

(c) May cause episodic, rather than a continuing period of, incapacity. Examples of such conditions include diabetes, asthma, and epilepsy.

(5) *Permanent or long-term condition requiring supervision* — a period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples of such conditions include Alzheimer's, a severe stroke, and the terminal stages of a disease.

(6) *Condition requiring multiple treatments (nonchronic condition)* — any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by

a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than 3 consecutive calendar days in the absence of medical intervention or treatment. Examples of such conditions include cancer (which may require chemotherapy, radiation, etc.), severe arthritis (which may require physical therapy), and kidney disease (which may require dialysis).

Note: Cosmetic treatments (such as most treatments for orthodontia or acne) are not "serious health conditions" unless complications occur. Restorative dental surgery after an accident or removal of cancerous growths is a serious health condition provided all the other conditions are met. Allergies, mental illness resulting from stress, and treatments for substance abuse are protected only if all the conditions are met. Routine preventative physical examinations are excluded. Also excluded as a regimen of continuing treatments are treatments that involve only over-the-counter medicine or activities such as bed rest that can be initiated without a visit to a health care provider.

e. *Health care provider* — doctor of medicine or osteopathy; Christian Science practitioner listed with the First Church of Christ, Scientist, in Boston, MA; physician; or other attending practitioner who is performing within the scope of his or her practice.

515.3 Eligibility

For an absence to be covered by the FMLA, the employee must have been employed by the Postal Service for an accumulated total of 12 months and must have worked a minimum of 1,250 hours during the 12-month period before the date leave begins.

515.4 Leave Requirements

515.41 Conditions

Eligible employees *must* be allowed an total of up to 12 workweeks of leave within a Postal Service leave year for one or more of the following:

a. Because of the birth of a son or daughter of the employee and in order to care for such son or daughter. Entitlement to be absent for this condition expires 1 year after the birth.

b. Because of the placement of a son or daughter with the employee for adoption or foster care. Entitlement to be absent for this condition expires 1 year after the placement.

c. In order to care for the spouse, son, daughter, or parent of the employee if the spouse, son, daughter, or parent has a serious health condition.

d. Because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

515.42 Leave Type

Absences that qualify as FMLA leave may be charged as annual leave, sick leave, continuation of pay, or leave without pay, or a combination of these. Leave is charged consistent with current leave policies and applicable collective bargaining agreements.

515.43 Authorized Hours

Eligible employees are entitled to 12 workweeks per leave year of FMLA-protected absences. This amount is twelve times the hours normally, or regularly, scheduled in the employee's workweek. Occasional or sporadic overtime hours are excluded. Thus:

a. Full-time employees who normally work 40 hours per week are entitled to up to 480 hours of FMLA-covered absences within a leave year.

b. Part-time employees who have regular weekly schedules are entitled to 12 times the number of hours normally scheduled in their workweek. For example, a part-time employee with a normal schedule of 30 hours a week is entitled to 360 hours (12 weeks times 30 hours).

c. Part-time employees who do not have normal weekly schedules are entitled to the total number of hours worked in the previous 12 weeks, not including occasional or sporadic overtime hours.

Absences in addition to the 12 workweeks of FMLA leave may be granted in accordance with other leave policies or collective bargaining agreements (see 511, 512, 513, 514).

515.5 Documentation

515.51 General

An employee must provide the FMLA coordinator a PS Form 3971, together with documentation supporting the request, at least 30 days before the absence if the need for the leave is foreseeable. If an FMLA coordinator has not been designated, the documentation should be submitted to a supervisor. If 30 days notice is not practicable, the employee must give notice as soon as practicable. Ordinarily the employee should give at least verbal notification within 1 or 2 business days of the time the need for leave becomes known. A copy of the completed PS Form 3971 is returned to the employee along with a copy of Publication 71, which details the specific expectations and obligations and the consequences of a failure to meet these obligations.

Additional documentation may be requested of the employee, and this must be provided within 15 days or as soon as practicable considering the particular facts and circumstances.

During an absence, the employee must keep his or her supervisor informed of intentions to return to work and of status changes that could affect his or her ability to return to work. Failure to provide documentation can result in the denial of FMLA protection.

515.52 Particular Circumstances

515.521 New Son or Daughter

An employee requesting FMLA-covered time off because of the birth of the employee's son or daughter and to care for the son or daughter, or because of the placement of a son or daughter with the employee for adoption or foster care, may be required to substantiate the relationship and provide the birth or placement date.

515.522 Care of Others for Medical Reasons

An employee requesting FMLA-covered time off because the employee is needed to care for a spouse, parent, son, or daughter who has a serious health condition may be required to:

a. Substantiate the relationship.

b. Provide documentation from the health care provider — using either Form WH-380, *Certification of Health Care Provider,* or equivalent documentation — stating the date the serious health condition began, probable duration of the illness, appropriate medical facts, nature of the need to care for, and when the employee will be needed to provide such care or psychological support.

Note: The medical certification provision that an employee is "needed to care for" a family member encompasses both physical and psychological care. It includes situations where, for example, because of a serious health condition, the family member is unable to care for his or her own basic medical, hygienic, or nutritional needs or safety, or is unable to transport him- or herself to the doctor, etc. The term also includes providing psychological comfort and reassurance that would be beneficial to a child, spouse, or parent with a serious health condition who is receiving inpatient or home care.

515.523 Employee Incapacitation

An employee requesting FMLA-covered time off because of his or her own incapacitation must satisfy the documentation requirements for sick leave in 513.31 through 513.38 in order to receive paid leave during the absence. If medical opinions are required in addition to initial documentation, they are administered as described in 515.53.

515.524 Return to Work After Employee Incapacitation

To return to work from an FMLA-covered absence because of his or her own incapacitation, an employee must provide certification from his or her health care provider that the employee is able to perform the essential functions of his or her positions with or without limitations. Limitations described are accommodated when practical. In addition, a bargaining unit employee must comply with collective bargaining agreements, which include Postal Service policies in 865 (summarized in section VI of Publication 71), 513.37, and other handbooks and manuals.

515.53 Additional Medical Opinions

A second medical opinion by a health care provider who is designated and paid for by the Postal Service may be required. A health care provider selected for the second opinion may not be employed by the Postal Service

on a regular basis. In case of a difference between the original and second opinion, a third opinion by a health care provider may be required. The third health care provider is jointly designated or approved by management and the employee, and the third opinion is final. The Postal Service pays the health care provider for the third opinion. Recertifications of a medical condition, for which the employee bears the cost, may also be required. Such medical opinions are obtained off the clock.

515.6 Intermittent Leave or Reduced Schedule

515.61 New Son or Daughter

Absences requested because of the birth and subsequent care of the employee's newborn son or daughter or because of the placement of a son or daughter with the employee for adoption or foster care may be taken on an intermittent basis or reduced work schedule only if the request for such intermittent leave or schedule modification is approved by the supervisor. Eligibility for this leave expires 1 year after the birth or placement. Approval is based on employee need, Postal Service need, and costs to the Postal Service.

515.62 Care of Others for Medical Reasons or Employee Incapacitation

Absences requested to care for a spouse, son, daughter, or parent with a serious health condition or due to the employee's own health condition may be taken on an intermittent basis or by establishing a reduced work schedule when medically necessary.

515.63 Temporary Change in Duty Assignment

If an employee requests intermittent leave or a reduced work schedule, the Postal Service may assign the employee, with equivalent pay and benefits, temporarily to the duties of another position consistent with applicable collective bargaining agreements and regulations if such an assignment better accommodates the recurring periods of absence.

515.64 Fair Labor Standards Act Status

An employee exempt from the Fair Labor Standards Act (FLSA) normally may not take leave in less than 1-day increments. However, leave taken for an FMLA-covered reason on an intermittent basis or by temporarily establishing a reduced work schedule can be taken in less than 1-day increments without affecting the employee's FLSA-exempt status.

515.7 Return to Position

Employees whose absence is covered by the FMLA are normally entitled to return to the positions they held when the absence began, or to equivalent positions with equivalent pay, benefits, working conditions, and other terms of employment if they are able to perform the essential functions of the positions. Returning employees are not entitled to any right, benefit, or position to which they would not have been entitled had they not been absent, or to intangible, unmeasurable aspects of the job such as the perceived loss of potential for future promotional opportunities. If an employee was hired for a specific term or only to perform work on a discrete project, then there is no further reinstatement obligation under this section if

the employment term or project is over and the employment would not have otherwise continued.

515.8 Benefits

All benefits accrue to employees during an FMLA absence pursuant to the applicable provision of the ELM.

515.9 Family Leave Poster

All postal facilities, including stations and branches, are required to conspicuously display WH Publication 1420, *Your Rights Under the Family and Medical Leave Act of 1993.* It must be posted, and remain posted, on bulletin boards where it can be seen readily by employees and applicants for employment.

516 Absences for Court-Related Service

516.1 General

516.11 Determining Nature of Court-Related Service

Installation heads ascertain the exact nature of court service and determine if the employee (a) is entitled to paid court leave, (b) must take annual leave or LWOP, or (c) is to serve in an official duty status. If a summons to witness service is not specific or clear, the installation head contacts appropriate authorities to determine the party on whose behalf the witness service is to be rendered. When the exact nature of court service is determined, records are annotated accordingly. (See Exhibit 516.11 for a summary of leave to be taken according to nature of service.)

Exhibit 516.11
Absences for Court-Related Service

Nature of Service	Court Leave	Annual Leave or LWOP	Official Duty
1. Jury Service:			
a. U.S. or D.C. court.	x	–	–
b. State or local court.	x	–	–
2. Witness Service:			
a. On behalf of U.S. or D.C. government.	–	–	x
b. On behalf of state or local government:			
(1) In official capacity.	–	–	x
(2) Not in official capacity.	x	–	–
c. On behalf of private party:			
(1) In official capacity.	–	–	x
(2) Not in official capacity:			
(a) Postal Service a party.	x	–	–
(b) Postal Service not a party.	–	x	–

516.12 Explanation of Terms

The following definitions apply for the purposes of 516.

a. *Judicial proceedings* — any actions, suits, or other proceedings of a judicial nature but not including administrative proceedings such as National Labor Relations Board (NLRB) hearings and hearings conducted in accordance with 650, Nonbargaining Disciplinary, Grievance, and Appeal Procedures.

b. *Summons* — an official request, invitation, or call, evidenced by an official writing from the court or authority responsible for the conduct of the judicial proceeding.

516.2 Court Leave

516.21 Definition

Court leave is the authorized absence from work status (without loss of or reduction in pay, leave to which otherwise entitled, credit for time or service, or performance rating) of an employee who is summoned in connection with a judicial proceeding, by a court or authority responsible for the conduct of that proceeding, to serve as a juror, as a witness in a nonofficial capacity on behalf of a state or local government, or as a witness in a nonofficial capacity on behalf of a private party in a judicial proceeding to which the Postal Service is a party or the real party in interest. The court or judicial proceeding may be located in the District of Columbia, a state, territory, or possession of the United States, including the Commonwealth of Puerto Rico, or the Trust Territory of the Pacific Islands.

516.22 Eligibility

Court leave is granted to full-time and part-time regular employees. Certain part-time flexible employees are granted court leave as provided and governed by applicable collective bargaining agreements. Other employees are ineligible for court leave and must use either annual leave or LWOP to cover the period of absence from postal duties for court service but may retain any fees or compensation received incident to such court service.

Court leave is granted only to eligible employees who would be in work status or on annual leave except for jury duty or service as a witness in a nonofficial capacity on behalf of a state or local government, or service as a witness in a nonofficial capacity on behalf of a private party in a judicial proceeding to which the Postal Service is a party or the real party in interest. An employee on LWOP, when called for such court service, although otherwise eligible for court leave, is not granted court leave but may retain any fees or compensation received incident to court service.

516.23 Recording Court Leave

The following provisions concern the recording of court leave:

a. *Employees Other Than Rural Carriers.* PS Form 1224, *Court Duty Leave — Statement of Service,* is prepared at the time an employee is authorized court leave. Instructions for preparing PS Form 1224 appear in Handbook F-1, *Post Office Accounting Procedures,* 823; in Handbook F-21, *Time and Attendance,* 353.3; and in Handbook F-22, *PSDS Time and Attendance,* 353.3.

b. *Rural Carriers.* When a rural carrier is on court leave, the postmaster records it as "Other" leave on PS Form 1314, *Regular Rural Carrier Time Certificate,* and describes the court service performed on the reverse side of the form. (See Handbook F-1, 445.5 for recording and reporting fees.)

516.3 Conditions Affecting Court-Related Service

516.31 Employee on Annual Leave

If an eligible employee while on annual leave is summoned for court service that qualifies for court leave or official duty (see 516.11), the employee's annual leave is canceled and the employee is placed on court leave or official duty for the duration of such court service. Employees who are not entitled to court leave or official duty must use annual leave or LWOP for the period of absence from duty for such court service.

516.32 Combination of Court Leave and Postal Duty

The following provisions concern combinations of court service and postal duty:

a. *Employees Who Report for Court Service and Are Excused Early.* If an employee reports for court service and is excused by the court for the balance of the day, or performs court service for only part of that day, the employee is entitled to full compensation for the day in question. An employee who would otherwise be in a work status is required to report to the postal installation for the balance of the postal tour of duty provided (1) an appreciable time of the tour is involved and (2) it is feasible to report to work and complete the tour. Combined paid court leave and postal duty may not exceed 8 hours.

b. *Employees Who Serve a Full Day in Court.* Employees serving a full day in court service are not required to report to their postal duties.

c. *Employees Excused From Court Service for an Extended Period.* Employees, including rural carriers, who are excused from court service for an entire day or days are not entitled to compensation for such days unless they actually perform service as postal employees.

No overtime is allowed for court service performed while an employee is on court leave or for a combination of postal work and such court service.

516.33 Accommodation of Employees Called for Court Service

The following provisions concern accommodation of employees called for court service:

a. *Employee Options.* Employees who are eligible for court leave and who have a conflict with court duty and work schedules have the following options:

(1) Work their postal tours of duty in addition to performing court service.

(2) Have their work schedules changed temporarily to conform to the hours of court service. (Employees who do not choose this option may not have their work schedule changed and are

expected to report for postal duty upon completion of their court service.)

b. *Performance of Postal Tour of Duty in Addition to Court Service.* If employees work their full postal tours of duty in addition to performing court service, their court service is *not* charged to court leave as the court service is performed outside of their postal tours of duty. Accordingly, employees may retain any fees or payment received incident to such court service. If employees choose to work their full postal tours of duty in addition to performing court service, but are required to be in court beyond the starting time of their scheduled tours, they report for postal duty as soon as possible after completion of court service and work the remaining hours of their scheduled tours. The hours of court service that overlap the employees' scheduled tours of duty are charged to court leave and the employees remit to the Postal Service that portion of court fees received for the hours charged to court leave. The combined court leave and postal workhours may not exceed 8 hours.

c. *Temporary Change in Schedule.* Employees who choose to have their work schedules changed temporarily to conform to court service hours submit PS Form 3189, *Request for Temporary Schedule Change for Personal Convenience,* as soon as possible, together with PS Form 3971, requesting such schedule change to the appropriate postal official at their installation (see Handbook F-21, *Time and Attendance,* 232.23). Such request states that the schedule change is for the employee's personal convenience and is agreed to by the local union. Employees who exercise this option receive full compensation for the period of court service including any applicable night differential for the revised schedule.

516.4 Fees

516.41 General

Employees may retain any court allowance in the amount of $25 or less per day on days court leave is authorized. Employees must remit to their supervisor amounts received in excess of $25 per day. Employees who are eligible to receive such fees are not authorized to waive the fee.

516.42 Court Service Outside of Regular Working Hours or Regular Working Days

Employees who perform court service outside of their basic workweek (on scheduled days off) or outside of their scheduled tour of duty, for which no court leave is granted, may accept and retain the jury or witness fees or payment received incidental to such court service.

516.43 Holidays

Fees received for court service falling on a holiday within an employee's basic workweek may be retained by the employee provided the employee would have been excused from regular postal duties on the holiday.

516.44 Annual Leave or LWOP

Employees who are on annual leave and do not change, or are not eligible to change, the annual leave to court leave or who are on LWOP for court service may retain fees or payment received incidental to such service.

516.45 Recording and Reporting of Fees

Postmasters record and report fees in accordance with instructions in Handbook F-1, 793. Other installation heads forward collections of jury or witness fees to the disbursing officer, Eagan ASC. If court service is to be performed in a state court, the installation head determines the exact amount of compensation received from the state.

516.5 Official Duty

516.51 Definition

An employee is in an *official duty status* (as distinguished from a leave status and without regard to any entitlement to court leave) if assigned by the Postal Service or summoned by proper authority to:

a. Testify in a judicial proceeding or produce official postal records on behalf of the United States or the District of Columbia. (Such testimony may be in an official or nonofficial capacity.)

b. Testify in a judicial proceeding in an official capacity or produce official postal records on behalf of a party other than the United States or the District of Columbia.

Note: *Official duty* means that the testimony the witness provides concerns the witness's specialized knowledge of Postal Service facts, procedures, or methods gained by performing his or her job. For example, a postal supervisor would be in an official capacity if called to explain how the Postal Service processes a particular class of mail. A carrier would be in an official capacity if called to confirm a delivery he or she made. On the other hand, a carrier would not be in an official capacity as a witness to a car accident, even if a postal vehicle were involved, because observing car accidents is not part of a carrier's job.

516.52 Compensation

Employees who perform witness service in an official duty status are paid their regular salaries as Postal Service employees, including any applicable night differential and overtime pay. In addition, such employees collect the authorized fees and any allowances for travel and subsistence expenses and retain an amount equal to actual allowable expenses. All amounts collected over and above the amount of the employee's actual allowable expenses are remitted to the postal official in charge (see Handbook F-15, *Travel and Relocation,* 9-1.2).

516.6 Witness Service in a Nonofficial Capacity on Behalf of a Private Party

An employee who is summoned to testify in a nonofficial capacity (as a private individual) on behalf of a private party is *not* performing official duty. The employee's absence is charged to court leave if the testimony is given in a judicial proceeding to which the Postal Service is a party or the real party in

interest. If the Postal Service is not a party or the real party in interest, the employee's absence is charged to annual leave or LWOP.

517 Paid Military Leave

517.1 General

517.11 Postal Service Support

The Postal Service supports employee service in the Reserve or National Guard, and no action is permitted to discourage either voluntary or involuntary participation. The Postal Service allows employees to be absent:

a. To participate in drills or meetings scheduled by the National Guard or Reserve Units of the armed forces.

b. To attend usual summer training periods.

c. To perform any other active duty ordered by the National Guard and Reserve Units of the armed forces.

However, eligible employees are entitled to paid military leave only for such duty as and to the extent provided below.

517.12 Definition

Paid military leave is authorized absence from postal duties without loss of pay, time, or performance rating, granted to eligible employees who are members of the National Guard or Reservists of the armed forces.

517.13 Types of Duty

517.131 Duty Covered for Members of the Reserves and National Guard, Except D.C. National Guard

Types of duty covered as paid military leave include:

a. Active duty, field, and coast defense training.

b. Scheduled drills.

c. Service providing military aid for law enforcement purposes.

517.132 Duty Covered for Members of the D.C. National Guard

Types of duty covered as paid military leave include:

d. Parade or encampment activities of the D.C. National Guard.

e. Service providing military aid for law enforcement purposes as provided in 517.43.

517.133 Duty Not Covered

Types of duty *not* covered as paid military leave include:

a. Summer training as a member of Reserve Officer Training Corps.

b. Temporary Coast Guard Reserve.

c. Service with the National Guard, if ordered by the State Governors without authority of the Department of Defense, except when such service is in connection with regular annual encampment or for law enforcement purposes as specified in 517.43.

d. Training with a State Guard or other state military organization that is not a part of the National Guard or that was created to take the place of the National Guard during an emergency.

e. Weekly drills as member of D.C. National Guard.

f. Civil Air Patrol, established as a civilian auxiliary of the U.S. Air Force, and similar reserve and guard auxiliary organizations.

g. Time taken on a workday to travel to the place where training is to begin, unless military training orders encompass the period of travel time required.

517.2 Eligibility

517.21 Eligible Employees

Career postal employees, i.e., full-time, part-time regular, and part-time flexible employees who are members of the following components of the armed forces, are eligible for paid military leave:

a. The Army National Guard of the United States.

b. The Army Reserve.

c. The Naval Reserve.

d. The Marine Corps Reserve.

e. The Air National Guard of the United States.

f. The Coast Guard Reserve.

g. The Air Force Reserve.

517.22 Ineligible Employees

Permitted to be absent, but not eligible for paid military leave, are noncareer employees such as the following:

a. Casual employees.

b. Contract workers.

c. Noncareer rural carriers.

d. Temporary employees.

e. Transitional employees.

517.3 Procedures

517.31 Approval

The employee is to complete a PS Form 3971 before the period of absence. Sufficient notice is required for making necessary arrangements for replacements. If the employee does not learn of the need for the absence until later, notice is to be given as soon possible. The official responsible for approving the attendance record also approves military leave.

517.32 Use of Mixed Leave

Normally the first days of a longer period of military duty are charged to military leave. If circumstances warrant it, any other scheduled workdays during the longer active duty period may be designated as military leave instead of the days at the beginning of the military duty.

517.33 Use of Leave Intermittently

Military leave may be taken intermittently.

517.34 Return From Duty

For paid military leave approval, upon return from military duty to the Postal Service, the employee furnishes a copy of military orders or other documentation properly endorsed by appropriate military authority to show the duty was actually performed.

517.4 Military Leave Allowances

517.41 General Allowance

Eligible full-time and part-time employees receive credit for paid military leave as follows:

a. *Full-time employees other than D.C. National Guard* — 15 calendar days (120 hours) each fiscal year.

b. *Part-time employees other than D.C. National Guard* — 1 hour of military leave for each 26 hours in pay status (including military LWOP) in the preceding fiscal year provided:

(1) Employee was in pay status a minimum of 1,040 hours in the preceding fiscal year.

Note: A part-time employee's time on military LWOP in one fiscal year counts toward meeting the 1,040 hours' requirement for the next fiscal year.

(2) Employee's pay for military leave does not exceed 80 hours.

c. *D.C. National Guard* — all days (no limit) of parade or encampment duty ordered under Title 49, District of Columbia Code.

An employee may carry over up to 1 year's allotted but unused (not to exceed 15 days) military leave from one fiscal year to the next.

517.42 Previous Service

Employees transferring to the Postal Service from other government agencies are entitled to credit for paid military leave purposes for government service performed prior to appointment as part-time employees. Any other creditable federal civilian service rendered during the prior fiscal year is also used in computing the required 1,040 hours. Creditable service is determined by requesting a transcript from the other agency detailing the number of hours in which the employee was in pay status.

517.43 Law Enforcement Allowance

517.431 State or Jurisdiction Duty

Eligible full-time and part-time employees who are members of the National Guard are granted additional paid military leave over and above the general allowance if they are ordered by appropriate authority to provide *military aid to enforce the law* of their contracted state or their chartered jurisdiction (e.g., the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States). See approval procedures in 517.3. The following provisions apply:

a. Evaluation of Circumstances.

(1) *Qualifying Circumstances. Military aid* is the kind of work characteristic of, or typically performed by, soldiers. *Military aid*

to enforce the law means engagement in the suppression of riots, violent assembly, widespread looting, and civil disorder where the guardsman is ordered to perform state military duty under a state law that specifically confers law enforcement powers on the guardsman or under the authority of an executive order of the governor (or the highest authority of the jurisdiction) pursuant to state law that specifically confers on the governor the authority to confer law enforcement powers on activated guardsmen. Orders to provide assistance or support to law enforcement agencies do not constitute an order conferring law enforcement powers. The mere fact that national guardsmen in uniform perform a given function does not necessarily transform that function into military aid. The duty performed must be evaluated. Such additional military leave is granted only when an employee's military orders (or other official documentation from the employee's guard unit) specify that he or she was engaged in one or more of the activities and under the authority referenced above for the particular periods of military duty.

(2) *Nonqualifying Circumstances.* Additional military leave is *not* granted when military orders do not specify one or more of the duties and statutory requirements referenced in 517.431a1 above. For example, it is *not* granted when an employee's military orders simply indicate the employee was ordered to duty "for law enforcement purposes," "to enforce the law," "for state emergency active duty, "etc. It is *not* granted if the duties are top secret and the actual duties cannot be verified as meeting these requirements. It is not granted if the military orders state that the duty is to provide aid to civil authorities to protect life, preserve property, or prevent injury. Circumstances that do not qualify the employee for additional military leave include, but are not limited to, the following:

(a) Activities that, although prompted by emergencies, *do not involve directly enforcing the law,* such as when guardsmen are engaged in fighting fires, controlling floods, controlling routine crowds, cleaning up following natural disasters, eradicating controlled substances, providing transportation and/or services to persons engaged in law enforcement or other activities, or providing security for such missions.

(b) Activities that, although they may have a collateral effect of enforcing the law, *do not involve military aid,* such as when guardsmen are engaged in directing vehicular traffic, which may concern enforcement of traffic laws, or when a guardsman provides security for public events, buildings, or places, these duties do not constitute military aid to enforce the law.

(c) Activities whose principal purpose is to protect the United States and its territories from attack by foreign enemies or domestic agents aligned with foreign enemies.

b. *Amount Granted.* Law enforcement military leave is granted, upon the presentation of qualifying military orders, as follows:

(1) *Full-time employee* — 22 workdays (176 workhours) each fiscal year.

(2) *Part-time employee* — 1 hour of military leave for each 13 hours of service performed as a part-time employee in the fiscal year preceding the request provided both of the following conditions apply:

(a) The employee has worked at least 1,040 hours during the preceding fiscal year.

(b) Additional leave granted under this section does not exceed 160 workhours in a fiscal year.

517.432 Allowance for Federal Duty

Paid military leave is not granted for enforcement of federal law or in support of a federal agency, regardless of the employee's specific duties.

517.5 Leave Charge Information

517.51 Pay Status Requirement

Generally, an employee must be in pay status either immediately prior to the beginning of military duty or immediately after the end of military duty in order to be entitled to military leave with pay. The approving official determines whether (but for the active duty) the employee fulfills the pay status requirement.

517.52 Minimum Units

Military leave may be taken in one-hundredths of an hour, except for regular rural carriers (designation 71) or substitute rural carriers (designation 72), who must take military leave in minimum units of 8 hours.

517.53 Continuance of Night Differential Pay

Employees regularly assigned in whole or in part to a night tour of duty are entitled to night differential pay when absent on military leave.

517.54 Absence Beyond the General Military Leave Allowance

517.541 Training Periods

Any absence beyond the general military leave allowance is charged to annual leave or LWOP regardless of the number of training periods in the fiscal year.

517.542 Choice of Annual Leave, Sick Leave, or LWOP

Eligible employees who volunteer or are ordered for a period of military training or for a period of active military duty beyond the general military leave allowance may use annual leave or LWOP, at their option. Sick leave can be used only if the employee is hospitalized, confined to quarters as directed by competent military medical authorities, or on convalescent leave due to military service.

517.6 Conflict With Work Schedule

517.61 Employee Alternatives

An employee who has official duty orders or official notices signed by appropriate military authority for weekly, biweekly, or monthly training meetings and who has a conflict with scheduled work requirements may choose one of four ways of meeting the military obligation:

a. Use military leave not in excess of the general military leave allowance.

b. Use annual leave.

c. Use LWOP.

d. Arrange a mutually agreeable trade of workdays and days off with another employee who is qualified to replace the absent employee. Such trades must be cleared with the responsible supervisor and must be in accordance with the terms of collective bargaining agreements.

517.62 Administrative Policy

517.621 Reassignments

The following provisions concern reassignments:

a. Arbitrary reassignments of other employees are not made to permit absences of employees for military duty. An employee having military drills or military training responsibility should attempt to bid on a work assignment (when the opportunity presents itself) that will not conflict with military duties.

b. Employees requesting a temporary schedule change must submit PS Form 3189 (with PS Form 3971) to the appropriate postal official at their installation (see Handbook F-21, 232.23).

517.622 Rescheduling

An employee desiring absences for military duty may be rescheduled if such action can be taken without increasing costs or adversely affecting the service to other employees. Every effort should be made to work out these problems as satisfactorily as possible.

517.7 Records Control

517.71 General Paid Military Leave

The following provisions concern general paid military leave allowance:

a. *Full-time Employees.* When full-time employees request general paid military leave, i.e., for other than law enforcement duty, offices must check AAD935P3, *Military — Leave Report,* to ascertain whether military leave has been advanced. If it has not, offices must submit their requests for a credit of 120 hours military leave to Payroll Processing, Eagan ASC.

b. *Part-time Employees.* For a part-time employee, installations should check AAD935P4, *Military — Leave Potential Report,* for the number of hours the employee is entitled and submit a request for an advance of the hours authorized on the report.

c. *Transfers From Other Agencies.* When an employee transfers from another federal agency, a transcript must be requested detailing hours

in a pay status in the prior fiscal year and the military leave used in the current fiscal year. These hours are sent to Payroll Processing, Eagan ASC, and are used in addition to the hours on the AAD935P4 report to determine hours to be advanced.

d. *Noncareer Employees.* Offices may not authorize paid military leave for noncareer employees.

517.72 Paid Military Leave for Law Enforcement

If a leave request is for law enforcement purposes, installations must submit a memorandum to Payroll Processing, Eagan ASC, requesting advancement of paid military leave for law enforcement purposes for the number of hours requested, not to exceed 176 hours for a full-time employee or, for a part-time employee, the number of hours of law enforcement leave to which the employee is entitled as shown in the AAD935P4 report. If regular military leave has not been advanced, follow the procedures for full-time employees.

518 Holiday Leave

518.1 Observed Holidays

The following 10 days are observed as holidays by the U.S. Postal Service:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Monday in January
Washington's Birthday/Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veterans' Day	November 11
Thanksgiving Day	4th Thursday in November
Christmas Day	December 25

Note: Administrative leave is not granted for absence on state, local, or religious holidays. To the fullest extent practicable, annual leave or LWOP is granted to employees for observance of their religious holidays.

518.2 Holidays on Nonscheduled Workdays

518.21 Saturday

When a holiday falls on a Saturday, the preceding Friday is observed as the holiday.

518.22 Sunday

When a holiday falls on Sunday, the following Monday is observed as the holiday.

518.23 Nonscheduled Workday

When an employee's nonscheduled workday falls on a day observed as a holiday, the employee's scheduled workday preceding the holiday is designated as that employee's holiday.

518.3 Holidays on Scheduled Workdays

Holidays falling on an employee's scheduled workday are observed on those days.

518.4 Eligibility for Holiday Pay

See 434.4.

518.5 Provisions for Rural Carriers and Substitutes

518.51 Rural Carriers

Rural carriers are not required to report to post offices for any purpose on legal holidays. When a holiday falls on Sunday, the following Monday is observed. Rural carriers are not permitted to substitute any other day.

518.52 Substitute Rural Carriers

When the holiday falls on a service day for a triweekly route, the carrier is not required to serve until the next scheduled service day.

518.6 Provisions for Postmasters

For all full-time postmasters except those in EAS A–E offices, if a holiday falls on a Saturday that is a nonscheduled workday, the preceding Friday is designated as the postmaster's holiday. When necessary, additional workhour allowances are authorized for those post offices without a senior supervisor to provide relief coverage during the postmaster's absence on holiday leave (see 434.412e)

519 Administrative Leave

519.1 Definition

Administrative leave is absence from duty authorized by appropriate postal officials without charge to annual or sick leave and without loss of pay.

519.2 Special Conditions

519.21 Acts of God

519.211 General

Acts of God involve community disasters such as fire, flood, or storms. The disaster situation must be general rather than personal in scope and impact. It must prevent groups of employees from working or reporting to work.

519.212 Authorizing Administrative Leave for Acts of God

The following provisions concern administrative leave for acts of God:

a. Postmasters and other installation heads have authority to approve administrative leave for up to 1 day.

b. District managers and Postal Career Executive Service (PCES) plant managers may authorize administrative leave beyond 1 day, but not to exceed a total of 3 days, for their installation and those reporting to it.

c. District managers and senior or lead plant managers may approve administrative leave for periods up to and in excess of 3 days for their installation and those reporting to it.

519.213 **Determining the Cause of Absence**

Postmasters and other appropriate postal officials determine whether absences from duty allegedly due to “acts of God” were, in fact, due to such cause or whether the employee or employees in question could, with reasonable diligence, have reported for duty.

519.214 **Early Dismissal Due to Acts of God**

When employees are dismissed from duty before the normal completion of their duty due to an act of God, the following applies:

a. Full-time employees are entitled to credit for hours worked plus enough administrative leave to complete their tour of duty. This combination of work and leave is not to exceed 8 hours in any one day.

b. Part-time regular employees are entitled to credit for hours worked plus enough administrative leave to complete their scheduled hours of duty. This combination of work and leave is not to exceed 8 hours in any one day.

c. Part-time flexible employees are entitled to credit for hours worked plus enough administrative leave to complete their scheduled tour. The combination of straight time worked and administrative leave may not exceed 8 hours in a service day. If there is a question as to the scheduled workhours, the part-time flexible employee is entitled to the greater of the following:

(1) The number of hours the part-time flexible worked on the same service day in the previous service week.

(2) The number of hours the part-time flexible was scheduled to work.

(3) The guaranteed hours as provided in the applicable national agreement.

519.215 **Employees Prevented From Reporting**

Employees scheduled to report who are prevented from reporting or, who after reporting, are prevented from working by an act of God may be excused as follows:

a. Full-time and part-time regular employees receive administrative leave to cover their scheduled tour of duty not to exceed 8 hours.

b. Part-time flexible employees receive administrative leave, subject to the 8-hour limitation, for their scheduled workhours, as provided in 519.214c.

519.216 **Employees on Annual Leave, Sick Leave, or LWOP**

Employees on annual leave, sick leave, or LWOP remain in such status. They are not entitled to administrative leave.

519.217 **Substitute Rural Carriers and Rural Carrier Associates**

Substitute rural carriers and RCAs in a leave-earning status are treated the same as rural carriers:

a. If they are scheduled for duty and are unable to report to the postal installation, administrative leave is granted for the full day that the employees are scheduled to serve their routes. No equipment maintenance allowance is paid.

b. If employees are scheduled for duty and report to the postal installation but are unable to serve all or part of their routes through no fault of their own, they may be granted administrative leave for the remainder of the normal tour of duty for that day. Payment for equipment maintenance allowance is made, if appropriate, because employees are considered to be in duty status.

519.22 Civil Disorders

519.221 Decision to Curtail or Terminate Postal Operations

During times of civil disorders in communities, the postmaster or installation head determines whether conditions are such that postal operations are curtailed or terminated, taking into account the needs of the service, local conditions, and the welfare of postal employees.

519.222 Civil Disorder Extends Beyond Three Days

When civil disorder extends beyond 3 days and administrative leave is indicated as being necessary, prior approval is obtained through the district manager or senior or lead plant manager.

519.223 Early Dismissal

Employees dismissed early because of civil disorder are treated the same as for early dismissals for acts of God (see 519.214).

519.224 Employees Prevented From Reporting

Postmasters and installation heads are authorized to grant up to 3 days of administrative leave on a day-to-day basis to those employees who, through no fault of their own, are prevented from reporting to work. The following applies:

a. Full-time and part-time regular employees prevented from reporting in civil disorder situations are treated the same as employees in the act of God situation (see 519.214a and 519.214b).

b. Part-time flexible employees are not granted administrative leave except if scheduled to report but are prevented from doing so. Provisions in 519.214c apply.

519.23 Relocation

519.231 Policy

An employee who is transferred or relocated in the interest of the Postal Service from one official station to another in the Postal Service is entitled to 5 days of administrative leave. The 5 days of administrative leave are not charged to any other leave.

519.232 Requirements

An actual physical move of the employee's household is a requirement for eligibility for relocation leave. Therefore, employees who are relocated to another duty station in the same commuting area who do not move their households are not eligible. The following employees are entitled to 5 days of relocation leave with pay when directed to transfer or relocate:

a. Employees who are transferred or relocated from one official duty station to another in the interest of the Postal Service.

b. Employees who request and accept a transfer in lieu of a separation or demotion when separation or demotion is not for personal cause.

519.233 **Notation on PS Form 50**

If any leave is granted by the losing duty station, the number of days allowed is noted in the Remarks section of the reassignment PS Form 50. Before granting relocation leave, the gaining duty station reviews the losing station's PS Form 50 to determine the additional leave that may be allowed.

519.234 **Limitations**

Relocation leave may be taken before or after the physical move and may be taken a day or more at a time; it must be taken in whole days. In no instance does it exceed a total of 5 days. In the event that the employee later decides not to transfer to the new station, all relocation leave taken is charged to annual leave or LWOP.

519.24 Adverse Action Investigation and Decision

During the time required for investigation and decision regarding an adverse action, management may place an employee in an off-duty, nonpay status, in accordance with 651.4 or the applicable bargaining unit agreement. If these provisions are not applicable and it is necessary to remove the employee from a duty status, management may place the employee on administrative leave until the effective date of an adverse action or until the employee is returned to work, whichever comes first. Beginning on the effective date of an adverse action, the employee remains on the rolls but in a nonpay status during an appeal process. (See 651.4 and 651.6, and see applicable bargaining unit agreement to determine maximum allowable time.)

519.3 Civil Participation

519.31 State and Local Civil Defense Programs

519.311 **No Charge to Leave**

Full-time employees who volunteer and are selected by state or local authorities for civil defense assignments are authorized to participate in pre-emergency training programs and test exercises conducted by the state or local government. Participation in these activities during the employee's regularly scheduled tour of duty cannot exceed more than 40 hours of administrative leave in any 1 leave year.

519.312 **Annual or LWOP**

Employees who participate in civil defense activities other than those cited in 519.311 are granted annual leave or LWOP if it is possible to spare them without undue interference with the needs of the Postal Service.

519.313 **Availability for Civil Defense Assignment**

Employees are designated as available for assignment to civil defense activities subject to the following conditions:

a. The employee's participation is requested by the state or local civil defense authorities.

b. Within reason, the employee is expected to be available for assignment to civil defense activities in the event of an emergency.

c. The employee can be spared from regular duties for the required periods of participation.

519.314 **Key Role Restriction**

Key roles in civil defense activities are *not* assigned to employees for whom a certificate of availability has been granted for military duty.

519.315 **Statement Requirement**

On return to duty, employees are required to submit a written statement from the state or local civil defense authorities showing days or hours of their participation.

519.32 Voting or Registering to Vote

519.321 **Policy**

Employees are encouraged to exercise their voting rights. So far as is practicable without seriously interfering with service, postal employees, excluding casual and temporary employees, who desire to vote or register in any election or in any referendum on a civic matter in their community are excused for a reasonable time for that purpose on a day they are scheduled to work. Casual and temporary workers are encouraged to vote but are not eligible for administrative leave for this purpose.

519.322 **Administrative Determination**

Postal officials in charge of installations obtain necessary information concerning the hours during which the polls are open in the political subdivisions in which their employees reside. They then make an administrative determination regarding the amount of excused absence necessary (and limits in accordance with 519.323). Employees are notified of this determination and of the procedures to be followed in obtaining advance approval for the absence.

519.323 **Voting**

The following provisions concern time allowed for voting:

a. *Three-Hour Rule.* As a general rule, if the polls are not open at least 3 hours either before or after an employee's scheduled hours of work, the employees may be excused for the length of time that permits them to report for work 3 hours after the polls open or to leave work 3 hours before the polls close, whichever requires the lesser amount of time off.

b. *Exception to Three-Hour Rule.* Under exceptional circumstances, if the general rule in 519.323a does not permit sufficient time, an employee may be excused for the additional time needed to vote. However, time off must not exceed a full day.

c. *Charge to Annual Leave or LWOP.* If an employee's voting place is beyond normal commuting distance and if voting by absentee ballot is not permitted, employees may be granted sufficient time off to be able to make the trip to the voting place to cast their ballots. When more than 1 day is required to make the trip to the voting place, postal officials observe a liberal policy in granting necessary time off for this purpose. Time off in excess of 1 day is charged to annual leave or, if annual leave is exhausted or the employee so requests, it is charged to LWOP.

519.324 **Registration**

If the employee votes in a jurisdiction that requires registration in person, time off to register is granted on substantially the same basis as for voting,

except that no time is granted if registration can be accomplished on a nonworkday and the place of registration is within a (reasonable) 1 day, round trip travel distance of the employee's place of residence.

519.325 **Restrictions**

An employee is not allowed administrative leave for voting or registration during a period of absence on sick leave, annual leave, or LWOP pay.

519.33 Funeral Services

519.331 **Absence of Veterans to Attend Funeral Services**

Full-time Postal Service employees (except rural carriers) who are veterans of any war, campaign, or expedition (for which a campaign badge has been authorized, see Exhibit 512.232a), or who are members of honor or ceremonial groups or organizations of such veterans, may be granted administrative leave, not to exceed 4 hours in any one day, to participate in funeral ceremonies for members of the Armed Forces of the United States whose remains are returned from abroad for final interment in the United States. Such participation is limited to service as active pallbearers or as members of firing squads or guards of honor. Absences in excess of 4 hours in any one day are charged to annual leave or to LWOP.

519.332 **Funeral of Immediate Relatives Who Died in Combat Zone**

Administrative leave not to exceed 3 days is granted to employees to make arrangements for, or to attend the funeral of, or memorial service for, an immediate relative who died as a result of wounds, disease, or injury incurred while serving as a member of the Armed Forces of the United States in a combat zone. An *immediate relative* is defined as:

a. Spouse and his or her parents.

b. Children and their spouses.

c. Parents.

d. Brothers, sisters, and brothers-in-law and sisters-in-law (brothers and sisters of spouses and spouses of brothers and sisters).

519.4 National Day of Observance

519.41 General

In the event that the postmaster general or designee determines that the Postal Service will participate in a national day of observance (for example, National Day of Mourning) subsequent to the declaration of a national day of observance by Executive Order of the President of the United States, administrative leave is granted to employees.

The policy shown below applies to executive and administrative schedule (EAS) employees, Postal Career Executive Service (PCES) employees, and other employees not covered by union agreements concerning national days of observance and is consistent with the agreements developed for that purpose. Employees in the following unions should refer to the memorandums of agreement or understanding between the Postal Service and their unions regarding regulations for national days of observance:

a. American Postal Workers Union, AFL-CIO.

b. National Association of Letter Carriers, AFL-CIO.

c. National Postal Mail Handlers Union, AFL-CIO.

d. National Rural Letter Carriers' Association.

e. Fraternal Order of Police, National Labor Council, USPS No. 2.

519.42 Leave Granted

519.421 Full-Time Employees

Full-time employees whose basic work week includes the national day of observance are granted administrative leave as follows:

a. Those with the national day of observance as a scheduled workday:

(1) If *not directed* to report for work, are granted administrative leave for that day.

(2) If *directed* to report for work, are granted a day of administrative leave at a future date, for the number of hours equal to their regular workday.

b. Those with the national day of observance as a nonscheduled (relief) workday:

(1) If *not directed* to report for work, are granted a day of administrative leave at a future date, for the number of hours equal to their regular workday.

(2) If *directed* to report for work, are granted overtime pay, if eligible, plus a day of administrative leave at a future date, for the number of hours worked, up to the number of hours equal to their regular workday.

519.422 Part-Time Regular Employees

Part-time regular employees whose basic workweek includes the national day of observance are granted administrative leave as follows:

a. Those with the national day of observance as a scheduled workday:

(1) If *not directed* to report for work, are granted administrative leave for that day, for the number of hours scheduled to work.

(2) If *directed* to report for work, are granted a day of administrative leave at a future date, for the number of hours scheduled to work on the national day of observance.

b. Those with the national day of observance as a nonscheduled (relief) workday:

(1) If *not directed* to report for work, are granted a day of administrative leave at a future date, equal to the average number of daily paid hours in their schedule for the service week previous to the service week in which the national day of observance occurs, up to 8 hours.

(2) If *directed* to report for work, receive straight time pay (or overtime pay if appropriate), plus administrative leave at a future date for the number of hours worked on the national day of observance, up to 8 hours.

519.423 **Part-Time Flexible Employees**

Part-time flexible employees are granted administrative leave for the national day of observance as follows:

a. Those *directed* to report for work are granted a day of administrative leave at a future date, for up to 8 hours.

b. Those *not directed* to report for work are granted a day of administrative leave at a future date, equal to the average number of daily paid hours during the service week previous to the service week in which the national day of observance occurs, up to 8 hours.

519.424 **Transitional Employees**

Transitional employees receive pay only for actual workhours performed on the national day of observance. They are not granted administrative leave.

519.425 **Employees on Paid Leave**

Employees on paid leave on the national day of observance receive administrative leave on that day in lieu of requested leave for up to the number of hours equal to the employee's regular workday. (See 519.423b for part-time flexible employees.)

519.426 **Employees on Continuation of Pay, Office of Workers' Compensation Programs Pay, and Leave Without Pay**

Employees on continuation of pay (COP) and employees on leave without pay (LWOP) not associated with Office of Workers' Compensation Programs (OWCP) on the national day of observance are granted a day of administrative leave for up to 8 hours.

Employees working part days on the national day of observance as a result of an injury on duty (IOD) receive administrative leave equal to the hours normally worked.

Employees not working as a result of an IOD and employees on OWCP pay on the national day of observance are not granted administrative leave.

519.427 **Employees Absent Without Leave, Suspended, or Pending Removal**

Employees absent without leave (AWOL), suspended, or pending removal on the national day of observance are not granted administrative leave.

Note: An employee returned to duty and made whole for a period of AWOL, suspension, or removal may be eligible for administrative leave for the national day of observance consistent with the rules of the provision of ELM 519.4 for that employee's group if the period of suspension or removal for which the employee is considered to have been made whole includes that day.

519.428 **Individuals Not Eligible for Administrative Leave**

Individuals not eligible for administrative leave include the following:

a. Postmaster relief employees.

b. Rural carrier relief employees.

c. Substitute rural carrier employees and rural carrier associate employees who are not in leave-earning positions.

d. Temporary employees.

e. Noncareer officer-in-charge employees.

f. Contractors.

519.43 Leave Taken at a Future Date

Administrative leave to be taken at a future date:

a. Must be granted and used within 6 months of the national day of observance or by the end of the fiscal year, whichever is later.

Note: Administrative leave is not granted to an employee who is on extended leave for the entire period between the day of observance and 6 months from that date, or between the day of observance and the end of the fiscal year, whichever is later.

b. Must be taken all at one time.

c. May, at the employee's option, be substituted for previously scheduled but not used annual leave.

d. Should be requested by using the same procedures that govern the request and approval of annual leave consistent with ELM 512.41 and ELM 512.42.

519.5 Medical Events

519.51 Blood Donations

519.511 Policy

All postal employees are urged to cooperate fully with the public blood donation programs for the health and security of their community. The time necessary includes the time required for travel and the time required by the medical facility to process the blood donations.

519.512 Time Allowed

The following provisions concern time allowed for blood donations:

a. *General Allowance.* Postal employees may be excused for that period of time deemed reasonably necessary to cover any absence from regular tours of duty to make voluntary blood donations, without remuneration, to the Red Cross, the community, or other nonprofit blood bank. This regulation does not apply to those employees who participate in this program on their own time, off duty.

b. *Additional Time.* In the case of employees in occupations for which the blood bank recommends additional time off following the blood donation, the time necessary includes the additional time recommended by the blood bank. Every effort should be made to have blood donations for such employees scheduled near the end of their tour of duty.

519.513 Restrictions

The following provisions concern restrictions on time allowed for blood donations:

a. The time allowed may in no instance exceed 8 hours. A full day's administrative leave may be granted only when there are unusual circumstances, such as in rural areas where considerable travel may be involved. It is not intended that a full day's administrative leave be granted any employee for donating blood when the blood bank or facility is nearby.

b. Administrative leave for blood donation may be granted during a regular tour of the employee's basic workweek, but only on the date of the blood donation. It is not granted to employees on suspension or in any nonpay status.

519.514 **Facility Arrangements**

For group donations, postmasters or installation heads make arrangements with the blood bank to provide facilities (mobile) for on-site participation or arrange the hours of donation to present the least interruption and cost to the Postal Service.

519.52 Bone Marrow, Stem Cell, Blood Platelet, and Organ Donations

519.521 **Policy**

Career postal employees who wish to donate bone marrow, stem cells, blood platelets, or organs may be granted administrative leave, subject to the limitations in 519.522, with appropriate management approval. Administrative leave is *not* available to bone marrow or organ *recipients.*

519.522 **Time Limitations**

The maximum administrative leave that can be granted per leave year to cover qualification and donation is limited to the following:

a. To a full-time career employee:
   (1) For bone marrow, 3 days.
   (2) For stem cells, 3 days.
   (3) For blood platelets, 3 days.
   (4) For organs, 14 days.

b. To a part-time career employee:
   (1) For bone marrow, 1 1/2 days.
   (2) For stem cells, 1 1/2 days.
   (3) For blood platelets, 1 1/2 days.
   (4) For organs, 7 days.

519.53 Physical Examination for Entry Into Armed Forces

Postal employees who are scheduled for physical examination for entry into the armed forces at times when they are also scheduled for postal duty are given administrative leave for the time necessary to take the examination.

519.54 First-Aid Examination and Treatment for On-the-Job Injury or Illness

519.541 **Employee on Regular Tour**

If an employee on a regular tour of duty is injured or becomes ill and the injury or illness can be treated so that the employee can return to duty during that tour, the employee is excused without charge to annual or sick leave. The employee is not required to clock out when leaving the place of duty for first-aid examination or treatment.

519.542 **Employee in Overtime Status**

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 occurs, which

would have been worked but for the medical attention, is credited as work time even though overtime hours may be involved. The employee's time card is so noted and initialed by the supervisor.

519.55 Day of Death

If an employee dies during a scheduled work day, the balance of the full tour is charged to administrative leave. If the employee dies before a scheduled tour begins, the full tour is charged to administrative leave, provided the employee was in a pay status, either work hours or paid leave, on the last scheduled day before the day of death. When a scheduled tour overlaps a calendar day and begins at or near the previous day, a death occurring within 2 hours of the beginning of the tour is considered to be before the scheduled tour and the full tour is charged to administrative leave.

519.6 Special Events

519.61 Postal Service Invitation

The postmaster general, deputy postmaster general, or chief operating officer may approve the use of administrative leave for spouses or guests who are postal employees when they are invited by the Postal Service to attend a special event. The invitation from the postmaster general, deputy postmaster general, or chief operating officer must include the spouse or guest attendance as well as the allowable period of administrative leave authorized for the specific special event. The invitation must be attached to the PS Form 3971 and submitted to the spouse's or guest's supervisor in advance of the leave.

519.62 Postmaster Organization Conventions

519.621 Conventions

The following provisions concern time allowed for career postmasters to attend postmaster organization conventions:

a. *Time Limitation.* Up to 5 working days of administrative leave with pay are authorized for postmasters for the purpose of attending postmaster organization, state, and/or national conventions. These 5 working days (inclusive of travel time) may be used in a leave year as follows:

   (1) For actual attendance at one postmaster organization's annual national convention, and/or at the postmaster organization's annual state or multi-state convention that is held for the district in which the postmaster's installation is located.

   (2) For the travel time that is actually required by a postmaster in order to attend the national and/or state conventions provided such travel time is also during a regularly scheduled workday.

b. *Restriction.* Administrative leave is not authorized for any other meeting, including training sessions or any other meetings or conferences sponsored by the management organizations.

c. *Advance Approval.* Application for the intended absence must be approved in advance by the Postal Service manager to whom the postmaster directly reports. Any request for annual leave or LWOP to supplement administrative leave must be approved in advance by the

postal manager to whom the postmaster directly reports. The postmaster should complete a PS Form 3971 prior to taking such leave.

d. *Verification of Attendance.* Supporting documentation such as hotel receipts and confirmation of convention registration may be requested by the postal manager to whom the postmaster reports following attendance at any state or national convention for which administrative leave has been extended.

519.622 Recording Leave at Time Card Offices

Postmasters record their own leave. Administrative leave is recorded in the "OL" column. LWOP is recorded on time cards in the "WOP" column using the following symbols:

For national conventions	N/(number of hours)
For state conventions	S/(number of hours)
For convention travel	T/(number of hours)

519.623 Travel or Per Diem

The Postal Service does not pay the postmaster's travel or per diem expenses for travel to or attendance at conventions.

519.7 Nonbargaining Unit Personal Absence

519.71 Definition

Nonbargaining unit employees' personal absence time is paid time off. It is not charged as annual leave, sick leave, or any other paid leave category. Only FLSA-exempt employees are eligible for such time off.

519.72 Policy

Nonbargaining unit exempt employees are paid on a salary basis. This means that under the FLSA they are not considered to be hourly rate employees. Therefore, partial day absences are paid the same as work time. While exempt employees are expected to work a full day, they may request time off to attend to personal matters during the workday, including time off due to conditions covered by FMLA. If approved, the time off is "personal absence time" and is not charged to annual leave, sick leave, or LWOP.

519.73 Limitations and Exceptions

519.731 Full-Day Absences

Except as provided for in 519.733, personal absence time is not authorized for a full-day absence, which must be charged to annual leave, sick leave, or LWOP, as appropriate. Exempt employees who intend to be absent from work for more than a half day on a workday should apply in advance for a full day of annual leave, sick leave, or LWOP, unless the absence is for an FMLA-covered condition.

519.732 Partial-Day Absences

Normally, personal absence time is limited to no more than half an employee's workday. However, when an unanticipated need for time off occurs after the employee reports to work and the employee is allowed to leave work but is unable to return, the half-day limit does not apply. For

example, when an employee gets sick after 2 hours at work and must leave for the remaining 6 hours of the workday, the entire 6 hours is treated as personal absence time. However, managers may disapprove personal leave requests when necessary to carry out their responsibilities to control work hours as set forth in 519.75. In this regard, managers may require the use of an appropriate leave category, for example, sick leave in the case of partial-day absences for FMLA-covered conditions.

519.733 Directed to Work

When exempt employees are directed to work a full day on a holiday or other full day in addition to normal workdays, the supervisor may grant a full day of personal absence without charging it to official leave.

519.74 Administration

519.741 General

Full-time exempt employees are expected to work a full day and part-time exempt employees are expected to work the full or partial day specified at the time of their employment. A full day is defined to include the continuous or nearly continuous time that an employee normally works in a 24-hour period. A half day is half that number of hours.

519.742 Approval

Except for postmasters and installation heads, exempt employees must obtain prior approval from their supervisors for all absences, whether or not such absences are to be charged to the employee's leave account. At the discretion of the installation head, PS Form 3971 may be used to request personal absences not charged to leave.

Postmasters and installation heads normally are not required to obtain advance approval for personal absences. They are required, however, to keep an accurate record of all such absences and generally to keep their manager informed of planned periods away from the office. In this respect, the manager may require the use of PS Form 3971 to report absences. On an individual basis, vice presidents of Area Operations may require that a postmaster or installation head obtain advance approval of all absences, including personal absences, from the plant or district manager, as appropriate, when the individual's previous performance warrants such action.

When PS Form 3971 is used for personal absence time, it must indicate in Remarks: "Do not charge to leave."

519.743 Full-Day Leave

Each full day of approved absence is to be charged to official leave. Absences such as court leave, military leave, holiday leave, donated leave, continuation of pay, and all administrative leave are to be approved and reflected on an exempt employee's time record.

519.75 Management Controls

519.751 Responsibility

Managers are responsible for controlling the workhours of their exempt employees. They may require the attendance of these employees during and outside of regular service hours and, when warranted, may disapprove

advance requests for late arrivals, early departures, or other absences, as well as leave. These instructions are not intended to be overly restrictive, but managers must be aware of the frequency of requests for personal leave, recognize patterns in the use of this leave, and be alert to possible abuse. They must also give consideration to the amount of the current workload or urgency of a particular program or project that requires the employee's presence.

519.752 **Administration**

This program must be administered in a fair and equitable manner. Managers must advise their employees of the reasons for requiring their attendance during or outside of regular service hours and for denying their requests for personal absence or leave. Employees are also to be given the opportunity to informally discuss the decision with the managers.

520 Health Benefits Program

Additional Material:
References to additional material concerning the subject matter in some sections of this chapter are indicated in boxed sections identified as "Reference Notes."

521 Administration and Eligibility

521.1 General

Reference Note:
For additional material concerning the subject matter found in 521.1, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapters S-1 and S-2.

The Office of Personnel Management (OPM) administers the Federal Employees Health Benefits (FEHB) Program. The FEHB law, policies and regulations issued by OPM, including those governing eligibility and benefits, are controlling in the event of conflict with these instructions.

521.2 Eligible Employees

Reference Note:
For additional material concerning the subject matter found in 521.2 through 521.3, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-4.

The following employees are eligible for health insurance coverage:

a. Officers in charge, except "off-the-street" officers in charge as noted under 521.3a.

b. Employees in the regular workforce expected to work at least 6 months each year.

c. Employees with career appointments employed to serve under a cooperative work-study program that:

(1) Will be in existence at least 1 year.

(2) Requires the employee to be in pay status at least one-third of the total time required to complete the program.

d. Student-trainees with career appointments serving under a formal cooperative work-study program that requires them to be in a pay status for at least one-third of the total time required to complete the program.

e. Contract executives and others appointed by contract, provided:

(1) The contract requires personal services and covers a period in excess of 1 year.

(2) The individual is under the supervision and direction of the Postal Service.

(3) Work is performed on a full-time or specified part-time basis and the individual is paid on the basis of units of time.

f. American nationals employed at Postal Service installations in American Samoa, Micronesia, and Guam.

g. Noncareer employees (i.e., substitute rural carriers, rural carrier associates, postmaster leave replacements) who meet the following criteria:

(1) Have completed 1 year of continuous employment, disregarding breaks in service of 5 days or less.

(2) Have a predetermined tour of duty.

(3) Have sufficient earnings to cover mandatory withholdings and premium deductions.

521.3 Employees Not Eligible

The following employees, with certain exceptions, are not eligible for health insurance:

a. Casual and temporary employees (including “off-the-street” officers in charge) serving under an appointment limited to 1 year or less, *except* as eligible under 521.2. When individuals are hired as casual or temporary employees and they have previously served in a position in the Postal Service or another federal government agency wherein they were covered by the Health Benefits Program, there must be a break of at least 4 days between such service and the casual or temporary appointment.

b. Substitute rural carriers (*except* those transferred from positions in which they were insured without a break in service of more than 3 calendar days), rural carrier associates, and rural carrier reliefs who do not meet the criteria noted in 521.2g.

c. Members of the armed forces.

d. Noncitizens whose permanent duty stations are located outside the United States or the Panama Canal Zone.

e. Employees paid on a contract or fee basis *except* as eligible under 521.2e. Ineligible contract employees include (1) contract job cleaners; (2) special delivery messengers at post offices in Cost Ascertainment Groups (CAG) H through L; (3) clerks-in-charge of rural or contract stations; (4) mail messengers and all other contract carriers; and (5) clerks and leave replacements at Post Offices in CAG L.

f. Employees whose pay on an annual basis is $350 a year or less or whose salary for the pay period is too small to justify withholdings.

g. Employees expected to work less than 6 months in each year except as provided in 521.2c and d and employees whose employment is of uncertain or temporary duration or for brief intervals.

521.4 Family Member Eligibility

Reference Note:
For additional material concerning the subject matter found in 521.4 through 521.5, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-11.

521.41 General

521.411 Responsibility of Employing Office

The employing office is responsible for determining whether or not a person is a family member for health benefits purposes for an enrolled employee. It is that person's relationship to the employee that is controlling. The employing office must satisfy itself that an event has occurred that permits enrollment or a change in enrollment under the FEHB program. Documentary evidence may be requested as appropriate (e.g., marriage certificate, birth certificate, divorce decree, etc.). However, it is not necessary that such evidence be retained. The carrier is not notified at the time the original determination is made regarding the eligibility status of an enrollee's family member, but the carrier may request evidence to verify the eligibility of the family member at the time benefits for that family member are claimed.

521.412 Family Members Eligible

The employee's spouse and unmarried dependent children under age 22, including legally adopted children and recognized natural (illegitimate) children, are eligible for coverage.

Stepchildren and foster children are eligible if they live with the employee in a regular parent-child relationship.

An unmarried child over 22 who is incapable of self-support because of mental or physical incapacity that existed before the child's 22nd birthday is eligible if the incapacity is established as explained in 526.

521.42 Determining Family Membership Status of Children

521.421 Adopted Children

Applicable state law governs whether or not a child has been adopted. The child is considered adopted for health benefits purposes if the adoption decree is final or if it is interlocutory and state law provides that the rights of the child generally are the same as those of an adopted child.

521.422 Stepchildren

If not contrary to state law, the illegitimate child or adopted child of the employee's spouse is the employee's stepchild. However, a stepchild by a previous marriage of the employee's spouse is not the employee's stepchild. Whether or not an employee's stepchild remains a stepchild and a family member after the employee's divorce from, or the death of, the natural parent is determined in accordance with applicable state law:

a. The majority of states rule that the relationship of the stepchild continues.

b. A minority of states rule that the relationship is terminated by the death of, or divorce from, the natural parent.

c. If there is no authoritative state ruling, the majority rule is followed. This does not affect the requirement, which still must be met, that the stepchild live with the employee in a regular parent-child relationship.

521.423 Foster Children

To be considered a foster child for health benefits purpose, the child must live with the employee in a regular parent-child relationship, and the employee must be rearing the child as his or her own. The employee need not be related to the child nor have taken steps to legally adopt the child, but there must be an expectation that the employee will continue to rear the child into adulthood.

a. Usually the employee is responsible, in whole or in part, for the child's support. However, a foster parent-child relationship between the child and an employee may exist even though the child receives support from other than the employee (e.g., Social Security payments, support payments from a parent).

b. Common examples of a foster parent-child relationship are the following:

(1) A child's parents have died and the child is living with and supported by a grandparent (or other close relative) who is an employee.

(2) A grandchild is living with an employee who supports the child financially and intends to raise him or her to adulthood. This situation may exist even if one natural parent also lives with the employee and the child.

(3) A child is living with an employee under a preadoption agreement.

(4) A child is in the legal custody of an employee.

Note: A Certification of Foster Child Status must be signed by the employee and filed as a permanent document in the employee's

official personnel folder. For a sample certification, see Exhibit 521.423.

c. A child who has been placed in the employee's home by a welfare or social service agency under an agreement whereby the agency retains control of the child or pays for maintenance does not qualify as a foster child as there is no regular parent-child relationship. Similarly, an arrangement under which a child is temporarily living with an employee as a matter of convenience does not qualify the child as a foster child.

521.424 **Child's Temporary Absence on "Living-With" Requirement**

Periods of temporary absence while attending school or for other reasons do not affect the family member status of stepchildren or foster children otherwise considered to be living with the employee in a regular parent-child relationship. Also, an employee's stepchild, or foster child, who lives with the employee at least 6 months a year under a court order directing shared custody may be considered living with the employee in a regular parent-child relationship.

521.425 **Effect of Child's Marriage on Family Member Status**

Married children do not have family member status. If their marriages dissolve, the following rules apply:

a. *Divorce or Death.* A child, under age 22 or incapable of self-support, who is divorced or widowed is considered to be unmarried. Effective January 1, 1979, a child who was married at the time the parent enrolled for Self and Family, or who married after the parent's enrollment became effective, is considered a family member upon divorce or upon the death of a spouse.

b. *Annulment.* Annulment of a marriage of a child under age 22 has the effect of restoring family member status to the child. The restoration of a child's family member status and coverage under a continuing family enrollment dates back to the effective date of the annulment decree in the case of a voidable marriage (i.e., one that was legal when performed but was annulled, e.g., for fraud or lack of consummation). If the marriage was illegal from the beginning (i.e., one of the partners was already married), there is no break in family member status and coverage under a family enrollment continues uninterrupted.

521.5 Relatives Not Eligible

The employee's parents, brothers, sisters, and relatives, except those eligible under 521.4, are not eligible for health benefits coverage as family members even though they may live with and be dependent upon the employee for support.

Exhibit 521.423
Certification of Foster Children

UNITED STATES POSTAL SERVICE

Federal Employees Health Benefits Program
Certification of Foster Children

I have been informed of the following requirements for coverage of a foster child under the Federal Employees Health Benefits Program and/or Option C of the Federal Employees' Group Life Insurance Program:

1. The child must be unmarried and under age 22. (If the child is over age 22, he or she can only be covered if he or she is incapable of self-support because of a disabling condition that began before age 22. I must provide documentation of this to my employing office.)
2. The child must be living with me.
3. The parent-child relationship must be with me, not with the biological parent. This means that I am exercising parental authority, responsibility, and control; I am caring for, supporting, disciplining, and guiding the child; I am making the decisions about the child's education and health care.
4. I must be the primary source of financial support for the child.
5. I must expect to raise the child to adulthood.

I understand that if the child moves out of my home to live with a biological parent, he or she loses coverage and cannot ever again be covered as a foster child unless the biological parent dies, is imprisoned, or becomes incapable of caring for the child due to a disability, or unless I obtain a court order taking parental responsibility away from the biological parent.

This is to certify that [__*name of child*__] lives with me; I have a regular parent-child relationship with [__*name of child*__], as described above; I am the primary source of financial support for [__*name of child*__]; and I intend to raise [__*name of child*__] into adulthood.

I will immediately notify both my employing office and the health benefits carrier if the child marries, moves out of my home, or ceases to be financially dependent on me.

[__*print name of employee/annuitant*__] [__*Social Security number*__]

[__*signature of employee/annuitant*__] [__*date*__]

FILE THE ORIGINAL IN THE EMPLOYEE'S OFFICIAL PERSONNEL FILE

521.6 Former Spouses

Reference Note:
For additional material concerning the subject matter found in 521.6, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-17.

521.61 Eligibility Determination

521.611 Requirements

Former spouses of employees are eligible to enroll for health benefits coverage under the FEHB Program if they meet all of the following requirements:

a. Based on a qualifying court order or divorce decree, the OPM has granted the former spouse a portion of the employee's annuity or a survivor benefit.

b. The former spouse, if under the age of 55, has not remarried.

c. The former spouse was covered as a family member in an FEHB plan at any time during the 18 months preceding the date of the dissolution of marriage.

d. The application for coverage is filed within 60 days after the marriage is dissolved. (If the application is mailed, the postmark is used in determining the 60-day time limit.)

521.612 Office of Personnel Management Responsibility

OPM is responsible for determining whether a former spouse is entitled to receive a survivor annuity or a portion of the employee's retirement annuity as a prerequisite to the former spouse's eligibility to enroll in the FEHB program.

The former spouse forwards the request for determination to:

OFFICE OF RETIREMENT PROGRAMS
RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 17
WASHINGTON DC 20044-0017

The request must contain as much information as possible, including the employee's name, date of birth, Social Security number, and employing office, and a certified copy of the court order or divorce decree.

OPM sends the former spouse a written decision once it has reviewed all the information provided by the former spouse.

521.613 Employing Office Responsibility

The employing office for which the employee worked at the time the marriage dissolved is responsible for accepting the former spouse's application for health benefits coverage under the FEHB program. The former spouse's application for health benefits may be in the form of an SF 2809, *Employee Health Benefits Election Form,* letter, or a written statement to the employing office. The application preserves the former spouse's FEHB enrollment right until the eligibility determination is made.

After the former spouse provides the employing office with a copy of OPM's decision as required by 521.612, the employing office makes its determination regarding the former spouse's eligibility to enroll under the FEHB Program by verifying whether the requirements stated in 521.611b and 521.611c have been met. In order to make this determination, the employing office:

a. Reviews the SFs 2809, the SFs 2810, *Notice of Change in Health Benefit Enrollment,* and the *PostalEASE* Federal Employees Health Benefits (FEHB) Worksheets in the employee's official personnel folder (OPF) to determine if the former spouse was covered as a family member in an FEHB enrollment at any time during the 18 months preceding the date of the dissolution of marriage.

b. Verifies the former spouse's age and, if under age 55, verifies that the former spouse has not remarried.

521.62 Documentation of Eligibility

521.621 Eligible for Coverage

If the former spouse meets all the requirements stated in 521.61, and is, therefore, eligible for coverage, the employing office notifies the former spouse in writing of its determination. The notification of eligibility acknowledges the documents on which the employing office based its decision, i.e., proof that the former spouse has not remarried prior to age 55 and that the former spouse was enrolled under the FEHB Program at some point during the 18 months prior to divorce. An RI 70-5, *Guide to Federal Employees Health Benefits Plans for TCC and Former Spouse Enrollees,* and a statement of the requirements for continued enrollment (Exhibit 523.62) are forwarded to the former spouse with the notification. See 523.6 for enrollment procedures.

521.622 Ineligible for Coverage

If the employing office determines, after its review, that the former spouse has not met the eligibility requirements for health benefits coverage stated in 521.61, it notifies the former spouse of its determination in writing. The notification of ineligibility must provide the former spouse the right to request reconsideration of its decision in accordance with 521.63. It must also state the reason for the denial, specify the time limit for making the reconsideration request, and include the address for forwarding the request (see 521.63). In cases where an associate office is the employing office, the appropriate district is responsible for determining the former spouse's ineligibility and for preparing the notification denying that individual health benefits coverage.

521.63 Request for Reconsideration

A former spouse denied health benefits coverage by an employing office may request reconsideration of an employing office's refusal to permit him or her to enroll. The request is made in writing and sent within 30 days of the employing office's letter of denial to the area Human Resources address identified in the denial letter. Requests must include the employee's name and date of birth, reasons for the request, and a copy of the denial letter. The decision rendered by the area office is final.

521.7 Temporary Continuation of Coverage

Reference Note:
For additional material concerning the subject matter found in 521.7, see:
- Management Instruction EL-520-91-2, *FEHB: Temporary Continuation of Coverage,* March 27, 1991.

Specific individuals who lose entitlement to health benefits may qualify to enroll under the Temporary Continuation of Coverage (TCC) Program. This program provides health benefits enrollment opportunities to allow continuation of benefits beyond the 31-day extension period that follows termination. Election is allowed in any plan or option available for which the individual meets the enrollment criteria, if any.

521.71 Eligibility

521.711 Eligible for Coverage

Individuals identified below are eligible to continue enrollment beyond the 31-day extension period allowed following termination of coverage:

a. Employees who separate voluntarily or involuntarily, except those who are separated due to gross misconduct.

b. Annuitants who at time of retirement do not meet the criteria to continue enrollment into retirement.

c. Children who have been covered under an employee or annuitant's enrollment because they met the requirements for unmarried, dependent children and no longer meet these requirements. This group includes children who:

(1) Marry before reaching age 22.

(2) Lose coverage because they reach age 22.

(3) Lose their status as stepchildren or foster children.

(4) No longer meet coverage requirements as recognized natural children.

(5) Are disabled, age 22 and older, and who marry, recover from their disability, or become able to support themselves.

d. Former spouses who are enrolled as family members in FEHB sometime during the 18 months prior to the end of the marriage, but who are not entitled to coverage under the Spouse Equity Act (see 521.611) or who are awaiting approval or disapproval from OPM of entitlement to coverage under the Spouse Equity Act.

521.712 Ineligible for Coverage

Family members are not eligible to continue coverage beyond the 31-day extension period if loss of coverage is due to any of the following:

a. Employee changes to Self Only or cancels coverage.

b. Employee serves 12 months in nonpay status.

c. Annuity is terminated.

d. OWCP benefits are terminated.

e. Employee transfers to a position excluded from FEHB.

f. Widows and/or children do not qualify for survivor benefits.

g. Survivor annuity or children's benefits are terminated.

521.72 Agency Responsibilities

521.721 Office of Personnel Management Responsibility

OPM has contracted with the National Finance Center (NFC) to act as the central processing office for the collection of FEHB premiums under the TCC program.

521.722 National Finance Center Responsibility

The NFC:

a. Establishes and maintain accounts.

b. Performs billing and collection functions.

c. Handles FEHB Open Season for TCC enrollees.

521.723 Employing Office Responsibility

The employing office:

a. Notifies separating employees of conversion rights.

b. Notifies children and former spouses of conversion rights.

c. Assists in enrollment in the TCC program.

d. Forwards enrollment information to the NFC.

e. Maintains copies of documents regarding TCC enrollment.

f. Responds to NFC inquiries.

The local personnel office must collect, review, and approve all SF 2809 forms before forwarding the appropriate copies to the NFC for processing.

521.73 Time Limitations for Enrollment

SF 2809 forms to enroll in the TCC program must be received by the local personnel office within the specific time frames noted below:

a. *Former Employees.* Forms must be received within 60 days after the later of the date of separation or the date the SF2810 is received from the Postal Service.

b. *Children — employing office notified by the employee within 60 days of the event causing the loss of coverage.* Forms must be received within 60 days after the later of the date of the qualifying event (birthday, marriage date, etc.) or the date the notice is received from the Postal Service.

c. *Children — employing office not notified by the employee within 60 days of the event causing the loss of coverage.* Forms must be received within 60 days after the date of the qualifying event.

d. *Former Spouses.* Forms must be received within 60 days of the later of the date of the qualifying event or the date coverage is lost under the Spouse Equity Act, or, if the employee or spouse notifies the agency within 60 days of the date of the event, the date notice is received from the Postal Service.

521.74 Length of Coverage

Generally, coverage begins on the thirty-second day after the qualifying event that terminates enrollment for children and former spouses, allowing for the free 31-day extension of coverage.

Former employees may continue coverage for up to 18 months from the separation date; children and former spouses may continue coverage for up to 36 months from the date of the qualifying event. Coverage may end sooner if the individual fails to pay premiums, voluntarily cancels coverage, or again acquires coverage under the regular FEHB provisions.

521.75 Premiums

TCC enrollees pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge. All premiums are made by coupon payment and in accordance with a schedule as directed by NFC.

522 Health Insurance Plans Available

Reference Note:
For additional material concerning the subject matter found in 522, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-3.

522.1 Types of Participating Plans

522.11 Service Benefit Plan

The Service Benefit Plan is a government wide plan available to all eligible Postal Service employees no matter where they reside. It is sponsored and administered by the national Blue Cross-Blue Shield organization. Generally, it provides benefits through direct payments to doctors and hospitals.

522.12 Employee Organization Plans

Employee organization plans are sponsored by an employee organization (or union) and are available only to employees who are, or who become, members of the particular sponsoring organization. Generally, they provide benefits by cash reimbursement to either the employee or, at the employee's request, directly to doctors and hospitals. Information concerning membership is obtained from the local representative or directly from the headquarters office of the employee organization (or union).

522.13 Comprehensive Medical Plans

Comprehensive medical plans are available to employees in certain geographic localities only. This plan is either a group-practice plan that provides benefits in the form of medical services by teams of doctors and technicians practicing in their own medical centers, or it is an individual-practice plan that provides direct payments to doctors with whom the plan has an agreement. These plans also provide hospital benefits. The enrollment area for each plan is stated in its brochures.

522.2 Description of Participating Plans

Each plan has a brochure that fully describes the benefits, maximums, limitations, exclusions, and other provisions of the respective plan.

523 Registration

Reference Note:
For additional material concerning the subject matter found in 523 through 523.33, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-5.

523.1 Initial

All employees who initially become eligible must register either to enroll or not to enroll in a plan by completing a *PostalEASE* FEHB Worksheet. An employee registering not to enroll is thereafter precluded from enrolling until the occurrence of an event permitting enrollment as stated in 524.52. Except as stated in 523.3, employees must register within 60 days after they become eligible. Each installation has a follow-up system to remind employees of the 60-day deadline for enrolling and to insure that all employees register on a timely basis. See 524.64 for effective date of coverage.

523.2 Employee Declines to Enroll

When an employee declines to register or waives enrollment, the employing installation contacts the employee and verifies the employee's intentions within the 60-day enrollment period, if practicable. If the employee refuses to enroll, the employing installation fills out a *PostalEASE* FEHB Worksheet with the employee's name, employee identification number, etc. A notation is made in the Remarks section that the employee was contacted but declined to enroll.

523.3 Late Enrollment or Change in Enrollment

523.31 Accepting Late Enrollment

If an employing office determines that an employee was unable, for causes beyond control, to enroll or to change enrollment within the prescribed time limits, it may accept the enrollment within 60 days after notifying the employee of its determination. The employing office must decide whether or not the employee's reason for not enrolling on time was "cause beyond control." See 523.32 for examples of causes beyond an employee's control.

523.32 Causes Beyond Employee's Control

An employee's failure to enroll on time because of an error in judgment or because of failure to read informational material is not considered a cause

beyond the employee's control. Some examples of causes beyond an employee's control are:

a. Employee was on extended leave away from home, or detached service in another locality, during the time employee would ordinarily have been able to enroll.

b. Employing installation failed to give new employee information concerning health benefits coverage.

c. Employing installation officials previously advised the employee that he or she was not eligible to enroll.

d. Employee formerly covered under someone else's enrollment was not notified of the termination of coverage in a timely manner.

523.33 Procedures for Documenting Late Enrollment

When an employing office accepts a late enrollment or change in enrollment, it should record in the Remarks section of the *PostalEASE* FEHB Worksheet its determination that the employee was unable to enroll in a timely manner or to change enrollment due to causes beyond the employee's control, giving the date the employee was notified of the determination. In the case of an employee who is enrolling, it is especially important that this information is documented on the FEHB Worksheet for purposes of meeting the "enrolled from first opportunity or last 5 years" requirement for continuing enrollment after retirement. The employee's reason for failing to enroll on time need not be stated on the FEHB Worksheet; however, a memo stating the reason should be attached to the OPF copy of the form.

When enrolling for an employee, the representative signs his or her own name on the FEHB Worksheet and adds after it "For [__*name of employee*__]." The employing office attaches the written authorization to the official personnel folder copy of the FEHB Worksheet and writes "Authorization attached" in the Remarks section of the form.

523.34 Effective Date of Late Enrollment

Reference Note:
For additional material concerning the subject matter found in 523.34, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

523.341 Belated FEHB Open Season Enrollment

FEHB Open Season enrollments or enrollment changes that are filed late due to circumstances beyond an employee's control take effect retroactive to the effective date of the open season change. See 524.61 for information concerning effective date of an open season enrollment or enrollment change.

523.342 Late Enrollment Other Than FEHB Open Season

A late enrollment (other than open season) may not be made retroactively. When an employing office determines an employee was unable, for causes beyond the employee's control, to enroll or to change an enrollment within the time limit prescribed, the employing office accepts the employee's

enrollment within 60 days after notifying the employee of the determination. For effective date see 524.64.

523.4 Enrollment by Proxy

Reference Note:
For additional material concerning the subject matter found in 523.4 through 523.5, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-5.

An employing office may permit a representative of an employee to enroll for the employee if the representative has written authorization to do so. Enrollment by proxy is appropriate when an employee is unable to enroll on time (e.g., it is very difficult to reach the employee, or the employee expects to be hospitalized when the next enrollment opportunity occurs).

When enrolling for an employee, the representative signs his or her own name on the SF 2809 and adds after it "For [__*name of employee*__]." The employing office attaches the written authorization to the official personnel folder copy of the SF 2809 and writes "Authorization attached" in the Remarks section of the form.

523.5 Enrollment in an Employee Organization Plan

Employees who are not members of employee organizations may enroll in a plan sponsored by an employee organization if they promptly take steps to become members. The employing office need not ascertain whether or not an employee is a member of an organization when accepting the enrollment form to enroll in the organization plan. The organization verifies membership. However, the employing office ascertains that the employee understands that membership in the organization that sponsors the plan is required.

523.6 Enrollment by a Former Spouse

Reference Note:
For additional material concerning the subject matter found in 523.6, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-17.

523.61 Enrollment Form

Former spouses eligible to enroll for health benefits coverage under the FEHB program must enroll for coverage by completing SF 2809. Former spouses complete Part A of the form using their own name, date of birth, and Social Security number.

The employing office enters the name, date of birth, and employee identification number of the employee in the Remarks section of the SF 2809. The following statement is also included in the Remarks section: "Former spouse is eligible to enroll by authority of the CSR Spouse Equity Act (Public Law 98-615)." An event number is not required in Part C.

All SFs 2809 for former spouses are forwarded to the NFC at the following address:

DPRS BILLING UNIT
NATIONAL FINANCE CENTER
PO BOX 61760
NEW ORLEANS LA 70161-1760

523.62 Statement Signed by Former Spouse

Former spouses enrolling for health benefits coverage are required to sign a statement certifying that the employing office will be notified within 31 days of any event that will terminate eligibility for health benefits coverage. Exhibit 523.62 is used for this purpose.

523.63 Employing Office Records on Former Spouse

523.631 Establishing File

The employing office establishes and maintains a health benefits file for the former spouse. The file is kept separate from the personnel records of the employee. The file is established in the name of the former spouse. The name and date of birth of the employee on whose service the former spouse's benefits are based are also noted on the front cover of the file established for the former spouse.

523.632 Contents of File

The following documents are kept in the former spouse's health benefits file:

a. The former spouse's letter (the application) to the employing office requesting enrollment (if the former spouse does not apply in person). If the former spouse applies in person, the employing office keeps a record that the former spouse applied within the 60-day time limit. This can be in the form of a brief statement signed by the former spouse with the receipt date noted by the employing office.

b. A copy of the court order or divorce decree used by OPM to determine eligibility.

c. A copy of OPM's written notification to the former spouse verifying the acceptability of the court order.

d. The employing office's copy of the SF 2809 or *PostalEASE* FEHB Worksheet documenting the former spouse's enrollment, enrollment changes, or cancellation.

e. The employing office's copy of the SF 2810 terminating or transferring the enrollment.

f. Copies of all correspondence relating to the former spouse's enrollment, e.g.:

(1) The employing office's letter approving or denying eligibility for health benefits coverage along with documents on which the agency's eligibility decision is based.

(2) The former spouse's agreement (Exhibit 523.62) to notify the employing office within 31 days of an event that terminates eligibility.

(3) The NFC letter requesting payment of overdue premiums prior to terminating coverage.

(4) Documents pertaining to a child's physical disability before age 22.

(5) Court order terminating entitlement to survivor annuity or a portion of a retirement annuity.

(6) Letter from the former spouse canceling the enrollment; and OPM's notice that a refund has been made to a former employee or that the former employee has died and no survivor annuity is payable.

523.633 **Access to File**

Disclosure of the contents of the former spouse's file must be consistent with the provisions of the Privacy Act.

523.634 **Disposition of File**

The employing office maintains the former spouse's health benefits file for as long as the NFC maintains the enrollment. The file is transferred to OPM upon the occurrence of one of the following events:

a. The former spouse cancels the enrollment.

b. The employing office terminates the enrollment.

c. The former spouse begins receiving an annuity payment (a portion of the employee's retirement annuity or a survivor annuity).

If the former spouse does not qualify for coverage under the Spouse Equity Act provisions, the personnel office must keep a file containing the records for at least 1 year from the date of notice stating that he or she did not qualify. Then the contents of the file may either be destroyed or returned to the former spouse.

Exhibit 523.62
Statement by Former Spouse Regarding FEHB Coverage Under the Spouse Equity Act

UNITED STATES POSTAL SERVICE

Statement by Former Spouse
Regarding FEHB Coverage Under the Spouse Equity Act

I understand that I must notify the office maintaining my health benefits enrollment within 31 days of one or more of the following events and that the occurrence of any one of the events will result in termination of my coverage under the Federal Employees Health Benefits Program:

1. The court order ceases to provide entitlement to survivor annuity or portion of retirement annuity under a retirement system for federal or Postal Service employees.
2. I remarry before age 55.
3. I remarry the employee, separated employee, or annuitant on whose service my benefits are based.
4. Employee on whose service the benefits are based dies and no survivor annuity is payable.
5. Separated employee on whose service the benefits are based dies before the requirements for deferred annuity have been met.
6. Employee on whose service benefits are based leaves federal or postal service before establishing title to deferred annuity.
7. Refund of retirement monies is paid to the separated employee on whose service the health benefits are based.

[__*signature of former spouse*__]
[__*date*__]

524 Enrollment

Reference Note:
For additional material concerning the subject matter found in 524 through 524.4, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-6.

524.1 Types of Enrollment

524.11 Self Only

A Self Only enrollment provides benefits only for the enrolled employee. An eligible employee may enroll for Self Only even though the employee has a family.

524.12 Self and Family

A Self and Family enrollment provides benefits for the enrolled employee and eligible family members. It automatically covers all eligible family members even if they are not listed on the *PostalEASE* FEHB Worksheet and even if the enrolled employee may wish to exclude some of them. An employee's failure to list an eligible family member does not deprive the member of the right to benefits under a family enrollment.

Notes:

a. Eligible employees may enroll for Self and Family even though it appears they have no family members.

b. The listing on the FEHB Worksheet of a person who is not a family member does not entitle that person to benefits.

c. If an employee lists on the FEHB Worksheet a person who is not an eligible family member, the employing office explains to the employee that the person is not eligible for coverage. The ineligible person's name is deleted from the FEHB Worksheet.

524.2 Husband and Wife Both Eligible to Enroll

No person may be covered by two enrollments. Thus, if both husband and wife are federal or Postal Service employees and are eligible to enroll, one or the other may enroll for Self and Family, or each may enroll for Self Only in the same or different plans.

524.3 Dual Coverage Restriction

524.31 General

The law prohibits an individual from being enrolled under his or her own name while covered as a family member of another person enrolled either under this program or under the Retired Federal Employees Health Benefits Program.

524.32 Procedures to Be Followed by Employing Office

To avoid illegal dual enrollments, the employing office checks each enrollment to make sure an employee is not covered under two enrollments.

If there is a dual enrollment, arrangements are made to terminate one of the enrollments as soon as possible. If the employees involved cannot agree on which enrollment will continue, the employing office or offices make(s) the decision in accordance with the following principles:

a. Coverage of any children who are eligible family members is protected.

b. A family enrollment takes precedence over a Self Only enrollment.

If the person whose enrollment must be terminated in order to avoid or eliminate dual coverage refuses to cancel, the employing office cancels the enrollment, identifying the action on the *PostalEASE* FEHB Worksheet as an agency action, and explains the reason for the cancellation.

When an enrollment is voided or cancelled in order to eliminate illegal dual coverage, the health benefits premiums deducted from the employee's pay during the illegal enrollment are refunded.

524.4 Correction of Erroneous Enrollment

The enrollment of a person who is excluded from participation in the health benefits program because of the nature of employment, but who was permitted to enroll through error, is terminated or voided (as appropriate) by the employing office as soon as the error is discovered. The employing office makes sure that all employees whose erroneous enrollments are so terminated or voided understand what action has been taken regarding their enrollments, the reasons for, and effect of, such action as the following:

a. *Terminated Enrollments.* Enrollments are terminated if withholdings and contributions were made during the period of erroneous enrollment. Termination is effective at the end of the pay period in which the action to terminate is taken. No adjustments are made for contributions and withholdings that have already been made and the employee, and covered family members are entitled to the full benefits of the plan during the time the employee was erroneously enrolled. The employee is entitled to convert to a nongroup contract, the same as any other employee whose enrollment is terminated.

b. *Voided Enrollments.* If no withholding or contributions were made before the erroneous enrollment was discovered, the enrollment is voided. The employee is responsible for any benefits provided, and the carrier is responsible for recoupment of any claims expense incurred during this period.

524.5 Enrollment or Change in Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.5 through 524.537, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

524.51 General

An employee is given the opportunity to enroll or to make changes in enrollment only as specified herein. The determination of an employee's

eligibility to enroll or change enrollment under the FEHB Program is made by the employing office. Therefore, employees are required to provide the employing office with sufficient evidence to justify a request to enroll or change enrollment under the Program.

524.52 Events Permitting

524.521 New Appointment

A new employee eligible for coverage may enroll within 60 days after date of appointment in any available plan, option, and type of enrollment.

524.522 Change in Employment Status

Employees who have been employed under conditions excluding them from coverage but whose employment later changes so that they are no longer excluded, may enroll in a plan of their choice within 60 days after the change.

524.523 FEHB Open Season

During FEHB Open Season, eligible employees who are not enrolled may be enrolled, and enrolled employees may change enrollment from one plan or option to another, or from Self Only to Self and Family, or both.

524.524 Reemployment After Break in Service of More Than 3 Days

An eligible employee who is reemployed after a break in service of more than 3 days may enroll or not to enroll within 60 days after date of new appointment as though a new employee.

524.525 Return to Duty After 365 Days in Nonpay Status

An employee whose enrollment is terminated because the employee has been in a nonpay status for 365 days may enroll within 60 days after return to pay status. The employee may enroll in any plan, option, and type of enrollment as though a new employee. An eligible employee who was not enrolled when nonpay status began is not permitted to enroll upon return to pay status. However, if an event occurred that would have permitted enrollment while in nonpay status (e.g., marriage or FEHB Open Season), the employee's enrollment is accepted as a late enrollment due to cause beyond the employee's control (see 523.3).

524.526 Return From Military Service

The following provisions apply:

a. A nonenrolled employee who entered the military for service not limited to 30 days or less may enroll in either option of any plan available within 60 days after return to civilian duty.

b. An enrolled employee whose enrollment ended on entry into military service has the same enrollment reinstated, effective the day of restoration to duty in a civilian position, in the exercise of reemployment rights.

c. The restored employee whose enrollment is reinstated may change enrollment from Self Only to Self and Family or the reverse, or from one option or plan to another, or a combination of these changes, within 60 days after restoration to duty in a civilian position.

524.527 Loss of Coverage Under Federal Programs

An employee who loses coverage under any federally-sponsored health benefits program or under the Retired Federal Employees Health Benefits

Program may enroll under the FEHB within 60 days after termination of coverage for any reason.

524.528 **Eligible for Medicare**

An employee may change enrollment from one option to another of any available plan at any time beginning on the 30th day before the employee becomes eligible for Medicare.

524.529 **Change to Self Only**

The option to change from Self and Family to Self Only at any time during the year is available only to those employees whose health premiums are being paid on an after-tax basis. For those employees with health benefit premiums being paid on a pre-tax basis, a change to Self Only may only be processed during FEHB Open Season or following a qualified life status change. Requests due to qualified life status changes must be received in the local personnel office from the employee within 60 days of the qualifying change. The following list of qualified life status changes is published in RI 70-2, *Guide to Federal Employees Health Benefits Plans:*

a. The employee marries (including a valid common law marriage, in accordance with applicable state law), divorces, or legally separates, or his or her marriage is annulled.

b. The employee adds a qualified dependent (for example, the employee or his or her spouse gives birth to a child, the employee adopts a child, or the employee's dependent now satisfies eligibility requirements).

c. The employee loses a qualified dependent (for example, the employee or his or her spouse or dependent dies, the employee's child is placed for adoption, or his or her dependent now ceases to satisfy eligibility requirements).

d. The employee or his or her spouse or dependent has a change in work site or residence.

e. The employee's spouse or dependent starts or ends employment, an unpaid leave of absence, or a strike or lockout; or has a change in employment status making that person eligible or ineligible for a benefit plan.

f. A court order, judgment, or decree (resulting from a change in marital status or legal custody) requires the employee to begin providing coverage for his or her child or requires another person to do so.

g. The employee or his or her spouse or dependent becomes or ceases to be eligible for Medicare, Medicaid, or TRICARE.

h. The employee begins or ends an unpaid leave of absence.

i. The employee's spouse or dependent elects to change health coverage under another employer's plan, either based upon a qualified life status change or for a period of coverage that is different from that of the Postal Service, qualifying the employee to eliminate any duplicate coverage.

For information on effective dates, see 524.6.

524.53 Family Changes Affecting Enrollment

524.531 Change in Marital Status

The following provisions apply:

a. *Criteria.* A change in marital status is any one of the following:

(1) Marriage (including a valid common law marriage, in accordance with applicable state law).

(2) Divorce.

(3) Annulment.

(4) Death of spouse.

b. *Options.* As a result of a change in marital status, an employee may enroll or, if already enrolled, may change the enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before a change in marital status and ending 60 days after the change. If an enrollment or change of enrollment becomes effective before the anticipated date of change in marital status and the change in marital status does not occur, the action taken is voided.

c. *Coverage for New Spouse.* An employee may provide immediate coverage for the new spouse by filing SF 2809 during the pay period before the anticipated date of the marriage. If the effective date of the change is before the marriage, the new spouse is not eligible for coverage until the actual day of the marriage.

d. *Name Change.* A female employee who enrolls on this basis before the date of her marriage enters her name in Part A of SF 2809 as "Now: [__*former name*__] will be: [__*married name*__]." An enrolled female employee who changes her enrollment also enters her former name and her new married name. The reason for the change and the date of the marriage is given in Part C of SF 2809.

524.532 Change in Family Status

The following provisions apply:

a. *Criteria.* Generally, a change in family status is an event that adds or decreases the number of family members. Specifically, any of the following events is a change in family status for health benefits purposes:

(1) Birth of a child.

(2) Legal adoption by the enrollee of a child under age 22 or the acquisition of a foster child under age 22.

(3) Entry into, or discharge from, military service of a spouse or of a child under age 22.

(4) Issuance or termination of a court order granting to the enrollee or spouse interlocutory divorce, limited divorce, legal separation, or separate maintenance. Another court order that is considered a change in family status is an order specifically requiring an employee to enroll for his or her children or to provide health benefits protection for them.

b. *Options.* An enrolled employee who has a change in family status (other than a change in marital status) may change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before a change in family status and ending 60 days after the change. If husband and wife are each enrolled for Self Only and wish to have a Self and Family enrollment because of a change in family status, one may change to a Self and Family enrollment if the other cancels the Self Only enrollment.

524.533 **Change in Spouse's Employment Status**

The following provisions apply:

a. *General Rule.* When both wife and husband are covered under the FEHB in Self Only enrollment and a change in enrollment status results in one of them losing eligibility for health benefits, the eligible employee may change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days and ending 60 days after the date of loss of coverage.

b. *Spouse Involuntarily Separated.* An employee who loses coverage under a spouse's nonfederal enrollment for any reason may enroll under the FEHB or change an enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before and ending 60 days after the date of loss of coverage.

c. *Spouse Ends Job to Accompany Reassigned Employee.* An employee whose reassignment is directed out of the commuting area and who loses coverage under a spouse's nonfederal enrollment because the spouse terminates employment to accompany the employee may enroll under the FEHB or change an enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before the date the employment terminates in the old commuting area and ending 180 days after entry on duty at the place of employment in the new commuting area.

524.534 **Employee Loses Coverage as Family Member**

The following provisions apply:

a. *Change to Self Only or Voluntary Cancellation.* An employee enrolled for Self and Family may change enrollment to Self Only or cancel coverage as outlined in 524.529 and 524.71. This action may cause an employee listed as a family member of another employee to lose coverage. If this occurs, the losing employee may enroll for Self Only or Self and Family in either option of any plan, during the period beginning 31 days before and ending 60 days after the change to Self Only or cancellation has been filed.

b. *Other Than Change to Self-Only or Cancellation.* If an employee loses coverage as a family member for any reason other than cancellation or change in the covering enrollment to Self Only, the employee may enroll for Self Only, or for Self and Family, in either option of any plan available beginning 31 days before and ending 60 days after termination of the covering enrollment. This may occur when (1) enrolled spouse or parent enters military service or separates from

federal or Postal Service rolls, or (2) employee covered by parent's enrollment becomes 22 or marries.

c. *Death.* If the covering enrollment terminates because of the death of the enrolled spouse or parent, the surviving employee has 60 days in which to enroll. If the employee also becomes a survivor annuitant, the enrollment may continue as that of a survivor annuitant, or the employee may enroll in any plan for which eligible as an employee whose marital status has changed. If the employee elects to enroll as an employee and later is separated, or the employee status otherwise changes so that enrollment must be terminated, the employee may continue the enrollment as a survivor annuitant. In this event, the employing office terminates the enrollment on SF 2810 and advises the survivor annuitant to apply to the Office of Personnel Management for continuation of enrollment as an annuitant.

524.535 **Loss of Coverage Under Parent's Nonfederal Plan**

An employee who loses coverage under a parent's nonfederal health plan may enroll under the FEHB within 31 days after losing coverage under the parent's nonfederal plan for any reason.

524.536 **Loss of Dependent Coverage Under Spouse or Other Parent's Nonfederal Plan**

An employee whose children lose coverage under the other parent's nonfederal health plan may enroll or change enrollment from Self Only to Self and Family, or from one plan or option to another, or both during the period beginning 31 days before and ending 60 days after the children's loss of coverage.

524.537 **Employee Reaches Age 19**

An employee who is not enrolled may enroll in either option of any plan available within 60 days after becoming 19.

524.54 Family Changes Not Affecting Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.54, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-11.

524.541 **General**

If a change in the employee's family does not affect enrollment, it is not necessary to report such change to the employing office for health benefits purposes. However, the employee's plan may request this information including evidence of family relationship. Examples of changes that will not affect enrollment are:

a. Birth of a child when the parent already has a family enrollment.

b. Death of the employee's spouse when there are surviving children and the employee has a family enrollment.

c. Attainment of age 22 or marriage of a child of an employee when there are other children or a spouse still covered under the family enrollment.

524.542 **Name Change**

If an employee's name changes for any reason, the employing office reports the change to the health benefits plan.

Example: An employee legally changes names or a female enrolled for Self Only marries but retains her Self Only enrollment. If no other changes are involved, the employing office reports the name change on SF 2810.

If a female employee with a Self Only enrollment reports a name change due to marriage, the employing office reminds her of the opportunity to change her enrollment. If she decides to change her enrollment, no SF 2810 is required, but a *PostalEASE* FEHB Worksheet is submitted in accordance with 524.531d.

524.6 Effective Date of Enrollment or Enrollment Change

Reference Note:
For additional material concerning the subject matter found in 524.6, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

524.61 FEHB Open Season

524.611 **New Enrollment**

A new enrollment during FEHB Open Season becomes effective the first day of the first pay period that begins in the following year and that follows a pay period during any part of which the employee is in a pay status.

524.612 **Change of Enrollment**

A change of enrollment during FEHB Open Season becomes effective the first day of the first pay period that begins after January 1 of the following year.

524.62 Change to Self Only

If a request is submitted to change from Self and Family enrollment to Self Only, and the request meets the requirements as identified in 524.51, the effective date is determined as follows:

a. If health premiums are paid on an after-tax basis, a change to Self Only may be made at any time. The effective date of the change is the first day of the pay period that begins after the completed *PostalEASE* FEHB Worksheet is received in the employing office. However, a retroactive change may be approved to the first day of the pay period following the one in which there were no family members eligible for coverage if the employee is able to satisfy the agency of that fact.

b. If health premiums are paid on a pre-tax basis, the employee must provide the local personnel office with documentation showing that he or she had a qualified life status change occur within the past 60 days. The effective date of the change is the first day of the pay period that begins after the completed FEHB Worksheet is received in the employing office.

524.63 Change to Self and Family to Provide Coverage to Child

The effective date of a change in enrollment made in conjunction with the birth of a child, or the addition of a child as a new family member in some other manner, is the first day of the pay period in which the child is born or becomes an eligible family member. There is no requirement that the enrollee return to pay status before the enrollment change can become effective.

524.64 All Other Enrollments or Changes in Enrollment

All other enrollments or changes in enrollment become effective the first day of the first pay period that begins after the *PostalEASE* FEHB Worksheet is received by the employing office and that follows a pay period during any part of which the employee is in pay status.

524.7 Termination of Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.7, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-9.

524.71 Cancellation by Employee

The option to cancel enrollment at any time during the year is available only to those employees whose health benefit premiums are paid on an after-tax basis. For those employees with health premiums paid on a pre-tax basis, a cancellation of coverage may only be processed during FEHB Open Season or following a qualified life status change as identified in 524.529. Requests due to qualified life status changes must be received in the local personnel office within 60 days of the life status change. The *PostalEASE* FEHB Worksheet used to cancel enrollment due to a life status change becomes effective the last day of the pay period in which the FEHB Worksheet is received. For information on effective dates, see 524.6.

524.72 Discontinuance of Plan or Part

524.721 Because of Service Limitations

An employee whose enrollment is terminated because of the discontinuance of the plan or option because of new limitations on the service area of, or the geographic area served by, a comprehensive plan may change to either option of any other plan for which eligible and from Self Only to Self and Family. If a plan, or part of it, is terminated, OPM gives special instructions to enrollees regarding their rights and the procedures to be followed.

524.722 Because of Leave Without Pay

The health benefits enrollment of an employee who completes 365 days LWOP (26 pay periods) is terminated by the Eagan ASC. The Eagan ASC issues an SF 2810, terminating the coverage; retains Eagan ASC and carrier copies; and forwards employee and agency copies to the district. If it is determined a termination was improper, the district must promptly take corrective action.

524.73 Membership Termination in Employee Organization

If an employee who is enrolled in an employee organization plan ceases to be a member of the organization, the plan may instruct the employing office to terminate the enrollment, subject to a 31-day temporary extension of coverage. Action to terminate the enrollment for this reason can be initiated only by the plan, not by the employee. The plan sends a copy of its notice to the employee:

a. On the basis of either the original or the copy of the notice, the employing office terminates the enrollment on SF 2810 with a note in *Remarks* similar to the following:

> Your enrollment was terminated by the plan because you are no longer a member of the sponsoring employee organization. You may enroll in another plan within the period beginning 31 days before and ending 60 days after the date in Part A, Item 8.

b. The date in Item 8A is the last day of the pay period in which the plan's notice of termination is received by the employing office.

An employee whose enrollment is so terminated may enroll for Self Only or Self and Family in either option of any available plan during the period beginning 31 days before and ending 60 days after the effective date of termination.

An employee who enrolls within this 90-day period for purposes of continuing enrollment after retirement is considered as having been continuously enrolled.

524.74 Effective Termination Dates of Employee Enrollment

An employee's enrollment terminates, subject to a 31-day temporary extension of coverage for conversion to a nongroup contract, on the earliest of the following dates:

a. The last day of the pay period in which the employee is separated, other than for transfer or retirement, or because of a compensable disability under conditions entitling the employee to continue the enrollment.

b. The last day of the pay period in which employment status changes so as to exclude the employee from coverage.

c. The last day of the pay period in which the employee dies unless survived by a member of the family entitled to continue enrollment as a survivor annuitant.

d. The last day of the pay period that includes day 365 of continuous nonpay status or, if the employee is not entitled to any further continuation because of having less than 4 consecutive months of pay status since exhausting the 365 days continuation of coverage in nonpay status, the last day of the employee's last pay period in pay status.

e. The day the employee is separated or placed on a leave of absence to enter military service for a period not limited to 30 days or less.

524.75 Effective Termination Dates of Family Member Coverage

The coverage of a member of the family of an employee terminates on the earlier of the following dates:

a. The date on which the enrollment covering the family member is cancelled, changed to Self Only, or terminates (unless the employee dies and there is a survivor annuitant eligible to continue the enrollment).

b. The date on which the family member is no longer considered to be a member of the family for purposes of health benefit coverage.

Example: Coverage of an employee's child terminates on the day the child marries or reaches age 22.

524.76 Temporary Extension of Coverage

524.761 For Enrolled Employee

Coverage for an enrolled employee continues temporarily without cost for 31 days after the enrollment terminates for any reason except voluntary cancellation.

524.762 For Family Member

Coverage for any family member who loses coverage other than by the employee's voluntary cancellation, or by the employee's enrollment change from Self and Family to Self Only, continues for 31 days. (A change to Self Only is considered a cancellation for the family members who were covered under the enrollment, and they are not entitled to temporary extension of coverage for conversion.)

524.763 For Confined Employee or Family Member

An employee or family member who has been granted a 31-day extension of coverage and who is confined to a hospital or other institution for care or treatment on day 31 of the temporary extension of coverage, is entitled to continuation of benefits of the plan during continuance of the confinement up to a maximum of 60 days after the end of the temporary extension.

524.77 Conversion Rights

524.771 Employee's and Family Member's Right to Convert

If an employee's enrollment ends for any reason other than voluntary cancellation, or if the coverage of a family member ends for any reason other than the employee's cancellation or change to a Self Only enrollment, the person whose enrollment or coverage is ended has a right to convert, without evidence of insurability, to a nongroup health benefits contract offered by the health benefits plan. A family member who loses coverage because of the employee's cancellation or change to Self Only enrollment does not have a conversion right.

524.772 Employing Office Responsibility

If an employee's coverage is terminated, the employing office issues SF 2810 as promptly as possible, but no later than 60 days after the date the enrollment terminates due to the limited time allotted for conversion. The employing office is not expected to monitor conversion rights of family members. It is the responsibility of an employee (or the person who loses status as a family member) to apply in a timely manner for a conversion

contract. However, from time to time, employing offices should publish reminders of a family member's right to convert. These reminders can be in the form of bulletins, letters, memos, etc.

524.773 **Application for Conversion**

Application for conversion (by letter in the case of family members or on the back of the enrollee's copy of SF 2810 in the case of employees) is made directly to the nearest office of the plan. The application must be submitted within 31 days of the termination of enrollment. If the notice to the employee on SF 2810 is delayed, the employee has 31 days from the date of the notice, but no later than 91 days from the termination date, to apply for conversion.

524.774 **Late Conversion**

If notice is not given within 60 days of termination or the request for conversion cannot be made for reasons beyond the employee's control, the employee can request a late conversion by writing directly to the carrier of the plan. This request must be made within 6 months of the enrollment termination date and must include:

a. Documentation that the enrollment has terminated (for example, and SF 50 showing separation from service).

b. Proof that the employee was not notified of the enrollment termination and the right to convert (for example, a letter from the employing office confirming that it did not provide timely notice of the conversion option), and that he or she was not otherwise aware of it.

c. Proof that the employee was not able to convert because of reasons beyond his or her control.

524.775 **Effective Date of Conversion**

A converted contract becomes effective at the end of the 31-day period of temporary extension of coverage even though the employee or a family member may be confined in a hospital on day 31 and, therefore, entitled to a further extension of coverage.

524.776 **Benefits and Costs of Conversion Contract**

Many plans do not provide the same benefits under the converted nongroup contract as are provided under federal employee group plans. The premium rates are relatively higher, and there is no Postal Service or government contribution to the cost of the nongroup conversion contract. An employee interested in converting is advised to contact the local office of the plan for information about the benefits and cost of its conversion contract.

524.78 Reinstatement of Enrollment After Conversion

524.781 **Refund of Premiums**

If, on termination of enrollment, an employee obtains a conversion contract and the enrollment later is reinstated retroactive to the effective date of the termination, the employee may obtain a refund of all premiums paid on the conversion contract.

Example: The case of an employee who is removed and later is ordered to duty with full restitution of back pay, or an employee whose application for disability retirement is retroactively allowed. The employee applies in writing to the plan for the refund.

524.782 **Adjustment of Difference in Benefits**

If the employee receives benefits during the time the conversion contract is in effect, the employee is entitled to an adjustment of the difference between the benefits paid by the carrier under the conversion contract and benefits payable under the enrollment in this program.

524.8 Cost of Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.8 through 524.966, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-20.

524.81 Postal Service Contribution

Postal Service contribution for health benefits is adjusted, as required, on the first day of the first pay period of each calendar year and on dates set by the National Agreement or management decision.

524.82 Employee Withholding

The employee's share of the cost for health benefits is the difference between the Postal Service contribution and the total health benefits premium for the plan, option, and type of enrollment selected by the employee. Employees' shares are withheld from their pay each pay period. If the amount of salary for a pay period is not enough to cover the full withholding, no withholding (or Postal Service contribution) is made for that particular pay period. Employees who do not have health benefit premiums withheld as a result of insufficient pay or partial LWOP, however, will have their past-due premiums withheld from their next available pay. Deductions for retirement, FICA, and federal income tax have priority over health benefits withholdings.

524.83 Pre-Tax and After-Tax Premiums

524.831 **Tax Benefits**

The Postal Service has established the pre-tax payment of health insurance premium contributions as a tax-saving benefit feature for its employees. FEHB premiums paid on a pre-tax basis are not included in an employee's gross income. This practice reduces the taxable income figure reported and reduces income and Social Security and Medicare taxes paid by employees.

524.832 **Career Employees**

Career employees have their portion of health benefit premiums automatically paid on a pre-tax basis unless a waiver is submitted by the employee. PS Form 8201*, Pre-Tax Health Insurance Premium Waiver/ Restoration,* is accepted during an employee's first opportunity to enroll in health benefits, during the annual FEHB Open Season period, or upon the occurrence of a qualified life status change (see 524.529). Once a waiver is processed and deductions are being made on an after-tax basis, a return to a pre-tax basis requires the completion of a second PS Form 8201 to cancel the waiver and restore the pre-tax status. Requests to cancel pre-tax waivers

are accepted during FEHB Open Season periods or upon the occurrence of a qualified life status change (see 524.529).

524.833 **Certain Noncareer and Transitional Employees**

Generally, noncareer employee health benefit premiums are withheld on an after-tax basis. However, noncareer employees in the Rural Carrier craft and transitional employees covered by the APWU contract may elect to have premiums paid on a pre-tax basis by completing PS Form 8202, *Pre-Tax Health Insurance Premium Election/Waiver Form for Noncareer Employees,* at their first opportunity to enroll in health benefits, during the annual FEHB Open Season periods, or upon the occurrence of a qualified life status change (see ELM 524.529).

524.834 **Further Information**

Complete information on pre-tax and after-tax premiums is available at local personnel offices.

524.84 Health Benefits Schedule

Publication 12, *Health Benefits Open Season Administrative and Processing Information,* is published annually during FEHB Open Season and is available for employee review on the Human Resources Web site at *blue.usps.gov/cpim/ftp/pubs/pub12.pdf*. The publication provides plan change information for all participating health plans under the FEHB.

524.9 Enrollments for Former Spouses

524.91 Type of Enrollment

A former spouse eligible to enroll in the FEHB program may elect coverage for Self Only or for Self and Family. A family enrollment covers the former spouse only and any unmarried dependent natural or adopted child of the former spouse and the employee provided the child is not also covered by another FEHB enrollment. An unmarried child must be under age 22 or incapable of self-support because of a mental or physical disability that existed before age 22 (see 526).

524.92 Effective Date of Enrollment

524.921 **New Enrollment**

The effective date of a new enrollment for a former spouse is the first day of the pay period after the employing office receives the properly completed SF 2809 and OPM's approval of eligibility or at a future date (at the beginning of a pay period) requested by the former spouse.

If the former spouse requests immediate coverage and both the SF 2809 and proof of eligibility are received within 60 days of the date of divorce, the enrollment may be made effective the same day that Temporary Continuation of Coverage (TCC) would otherwise take effect.

524.922 **Change in Enrollment**

The effective date of a change in enrollment is the first day of the pay period after the date the NFC receives the properly completed SF 2809.

524.93 Payment of Premiums

The former spouse is responsible for the total health benefits premium (employee and employer share) for every pay period during which the enrollment continues.

The former spouse is billed in accordance with a schedule established by the NFC.

If payment is not received by the due date established by the NFC, the former spouse is notified by certified mail, return receipt requested, that continuation of coverage rests upon payment being made within 15 days after receipt of the notice. The enrollment of a former spouse who fails to remit payment within the specified time frame is terminated. (See 524.963 for effective date of termination.)

524.94 Opportunities to Change Enrollment

524.941 Change to Self Only

A former spouse may change an enrollment to Self Only at any time. Family members who lose coverage as a result of this change in enrollment are entitled to the temporary extension of coverage for conversion.

524.942 FEHB Open Season

During FEHB Open Season, the former spouse may change to another plan, another option, or from Self Only to Self and Family, or may make any combination of these changes. (See 524.91 for eligible family members under a Self and Family enrollment.)

524.943 Other Events That Permit Changes in Enrollment

The former spouse may make an enrollment change upon the occurrence of any one of the following events:

a. Birth or acquisition of a child. (An enrolled former spouse may change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, within the period beginning 31 days before and ending 60 days after the birth or acquisition of a child who is a qualified family member under 524.91.)

b. Move from an area served by a comprehensive medical plan.

c. Termination by an employee organization plan.

d. Termination of plan in which enrolled.

e. Becoming eligible for Medicare.

f. End of child's coverage. A former spouse may change enrollment from Self Only to Self and Family within the period beginning 31 days before and ending 60 days after an eligible child loses coverage under another FEHB enrollment. (See 524.91 for definition of eligible child.)

524.95 Cancellation of Enrollment

A former spouse may cancel enrollment at any time by filing with the NFC a properly completed SF 2809. If a former spouse cancels enrollment, the cancellation becomes effective the last day of the pay period that the health benefits form canceling the enrollment is received by the NFC. The former spouse and family members, if any, are not entitled to the temporary

extension of coverage or the right to convert to an individual contract. A former spouse who cancels an enrollment may not later reenroll.

If a former spouse submits documentation that the cancellation is for the purpose of enrolling in a Medicare-sponsored prepaid health plan under the Social Security Act, section 1833 or 1876, the cancellation becomes effective the day before the enrollment under the prepaid health plan takes effect. Documentation must be submitted to the employing office during the period beginning 31 days before and ending 31 days after the prepaid health plan enrollment takes effect. A former spouse who cancels his or her enrollment for this purpose may reenroll in any available plan at any time during the period beginning 31 days before and ending 60 days after disenrollment from the Medicare-sponsored prepaid plan.

524.96 Termination of Enrollment

524.961 Events Terminating Coverage

A former spouse's enrollment terminates, subject to the temporary extension of coverage for conversion, at midnight of the last day of the pay period in which the earliest of the following events occurs:

a. Court order ceases to provide entitlement to survivor annuity or portion of retirement annuity under a retirement system for federal or Postal Service employees.

b. Former spouse remarries before age 55.

c. Former spouse dies.

d. Employee on whose service benefits are based dies and no survivor annuity is payable.

e. Separated employee on whose service the benefits are based dies before the requirements for deferred annuity have been met.

f. Employee on whose service benefits are based leaves federal or postal service before establishing title to an immediate annuity or a deferred annuity.

g. Refund of retirement money is paid to the separated employee on whose service the health benefits are based.

524.962 Temporary Extension of Coverage

OPM may authorize a longer time frame for the temporary extension of coverage for conversion than the 31 days provided if in OPM's judgment the former spouse could not have known either of the following:

a. The employee on whose service benefits are based left the federal or postal service before establishing title to an immediate or deferred annuity.

b. The separated employee on whose service the benefits are based died before the requirements for deferred annuity were met. In such cases, the right of conversion may be exercised up to 31 days after the employing office's notice of termination (SF 2810). The former spouse must pay the full premium (employee and employer share) during the extended period exclusive of the 31-day period following the notice.

524.963 **Termination Due to Failure to Pay Premiums**

Failure to pay premiums by a former spouse will result in termination of enrollment. The effective date of a termination due to failure to pay premiums is retroactive to the end of the last pay period for which payment has been timely received. A former spouse whose enrollment is terminated due to failure to pay premiums may not reenroll and will not be entitled to the temporary extension of coverage for conversion.

524.964 **Termination of Coverage for Family Members**

The coverage of a family member of a former spouse terminates, subject to the temporary extension of coverage for conversion, at midnight of the earlier of the following dates:

a. The day on which the individual ceases to be an eligible family member.

b. The day the former spouse ceases to be enrolled unless the family member is entitled as a survivor annuitant to continued coverage under the enrollment of another.

524.965 **Former Spouse Responsibility**

The former spouse is responsible for notifying the NFC, which maintains health benefits enrollment, of any event that will terminate eligibility for coverage. (See 523.62.)

524.966 **National Finance Center Responsibility**

The NFC acts as follows:

a. As soon as the former spouse submits proper notification indicating an event that will require termination, the NFC prepares an SF 2810 terminating the enrollment and provides appropriate copies of the SF 2810 to the former spouse. This enables the former spouse to convert to individual coverage within the 31-day time limit.

b. In cases where OPM is establishing a survivor benefit for the former spouse, the NFC prepares a “transfer out” to OPM of the health benefits enrollment. The effective date of the transfer is the day prior to the commencement date of the annuity.

525 Special Circumstances Affecting Health Insurance Coverage

Reference Note:

For additional material concerning the subject matter found in 525.1, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-18.

525.1 Office of Workers' Compensation Programs

525.11 Requirements to Continue Enrollment

525.111 Employee

An employee's enrollment (and coverage of family members under a family enrollment), as well as enrollment of surviving beneficiaries, continues when the employee enters on the compensation rolls of the OWCP provided the employee meets the following requirements:

a. The employee was enrolled (or covered as a family member) in a plan under the health benefits program during one of these periods:

(1) During the 5 years of service (service in which the employee was eligible to be enrolled) preceding the start of compensation.

(2) During all service since the first opportunity to enroll.

(3) Continuously for the full period or periods of service beginning with the enrollment that became effective no later than December 31, 1964. Service means service in which the employee was eligible to be enrolled. The employee is not required to have been an enrollee continuously, but to have been continuously covered by an enrollment.

Example: Enrollee was for a time covered as a family member under the Uniformed Services Health Benefits Program.

Example: An employee who belatedly enrolled within 60 days after the employing office determined he or she was unable to enroll on time for reasons beyond his or her control may be considered as having been enrolled since the first opportunity (employing office determination).

b. The employee is receiving compensation (OWCP determination).

c. The Labor Department determines that the employee is unable to return to duty (OWCP determination).

525.112 Survivor

Enrollment of a deceased employee continues for surviving family members of a deceased employee if the following requirements are met:

a. Deceased employee was enrolled for Self and Family at the time of death.

b. At least one of the covered family members received compensation as a surviving beneficiary under the Federal Employees' Compensation Act.

525.12 Transfer of Enrollment

525.121 Transfer to OWCP

When OWCP expects to compensate an employee for 6 months or longer, and the employee meets the requirements for continuing enrollment as an OWCP recipient, the enrollment is transferred to OWCP. Until transfer of the enrollment, an employee receiving compensation but no salary is treated for health benefits purposes as any other employee in nonpay status. Enrollment continues for up to 365 days, at which time enrollment is terminated if the employee is not eligible to be transferred to OWCP.

525.122 **Transfer Back to Employing Office**

The enrollment of an employee who was transferred to OWCP is transferred back to the employing office when the employee returns to duty and pay status even if the employee still receives reduced compensation from OWCP, provided the employee is eligible for continued coverage. If the employee is not eligible for continued coverage, enrollment is terminated.

525.13 Withholding and Contribution by OWCP

525.131 **Effective Dates**

Whether or not OWCP requests transfer of the enrollment, it makes health benefits withholdings and contributions from the date compensation began, or the date following that on which the employing office withholdings and contributions ceased, whichever is later. No withholdings or contributions are made by OWCP when an employee receives compensation for less than 29 days. The employee, however, is still responsible for payment of the premiums. Withholdings and contributions cease when an enrollment is terminated because the person has been in nonpay status for 365 days and is not otherwise eligible to continue the enrollment.

525.132 **Health Benefits Refund Program**

The following provisions apply:

a. *Explanation.* This program is designed to reimburse injured employees for an overdeduction of health benefits premiums by the OWCP. For the first year of compensable disability, OWCP deducts health benefits premiums at the Postal Service rate. Thereafter, the deduction is made at the standard rate applied by the OPM for federal employees. The OPM premium rate is higher than the Postal Service rate. Therefore, Postal Service employees enrolled in a health benefits plan who are in an LWOP status for over 1 year and who are also receiving OWCP compensation may be due a refund for overdeduction of health benefits premiums.

b. *Eligibility for Refund.* In order to be eligible for a health benefits refund, *all of the following criteria must be met for the period of compensable disability:*

   (1) Employee must be in an LWOP/injury on duty status. Employees who are separated from the Postal Service are not eligible.

   (2) Employee must receive OWCP compensation payments with health benefits premiums deducted at the OPM rate.

   (3) A period of a least 1 year must have elapsed since the employee was initially placed on OWCP compensation.

c. *Verification of Eligibility.* The Injury Compensation Performance Analysis System Health Benefits Report is to be used to verify information found on PS Form 202, *Health Benefits Refund Payment Authorization.*

d. *Refunds.* After verifying an employee's eligibility, health and resource management personnel must take the following steps to process the refund:

(1) Initiate PS Form 202, *Health Benefits Refund Payment Authorization,* on a quarterly basis (see Exhibit 525.132). In calculating the amount of refund to be paid, subtract the difference between the OPM health benefits premium rate and the Postal Service rate of the health benefits plan chosen by the employee.

(2) Upon completion of PS Form 202, obtain approval of the district manager or designee.

(3) Complete PS Form 8230, *Authorization for Payment,* and submit it for payment, with the refund authorization as support, to the Scanning and Imaging Center, using General Ledger Account (GLA) 51209, H.B. Premiums — Workers Comp Claimants.

(4) File the original PS Form 202 in the employee's injury compensation file and send one copy to the employee.

Eagan Accounting Services will forward the refund to the employee.

Exhibit 525.132
PS Form 202, Health Benefits Refund Payment Authorization

54772

UNITED STATES POSTAL SERVICE™

Health Benefits Refund Payment Authorization

Instructions

This is to authorize payment to this employee for refund due on excess withholdings on health benefits premium from the OWCP compensation payments.

Name *(Employee/Applicant)*	Social Security Number
Address *(City, State, ZIP + 4)*	MSC Name
Health Benefits Code	Finance Number
Periods Covered	Amount to Be Paid
(Office Use Only)	Signature of Authorizing Official
	Approval by MSC Manager or Designee

PS Form **202**, October 1984

1 - Injury Compensation

525.14 Procedures for Continuation of Enrollment

525.141 Reporting to OWCP

When reporting the compensable injury or illness to OWCP, if the employee has been enrolled (a) since the first opportunity, (b) for the 5 years immediately preceding the start of compensation, or (c) from on or before December 31, 1964, injury compensation personnel certify to this effect by noting the Remarks items of OWCP Form CA-7/20, *Claim for Compensation on Account of Traumatic Injury or Occupational Disease/Attending Physician's Report,* to show the enrollment code number and the beginning and ending dates of the pay period in which the employee's pay ceased. No documentation of this certification is required to accompany the CA-7/20.

525.142 Eligibility for Transfer

If OWCP determines that the employee is in receipt of compensation for at least 6 months, and the eligibility requirements for continuation are met, the enrollment must be transferred. Transfer is accomplished by issuance of Transfer of FEHB Enrollment to OWCP (see Exhibit 525.142).

525.143 Pending OWCP's Request for Transfer

If the total period of disability is less than 29 days, no action need be taken on the enrollment. When the total period of disability is more than 29 days, whichever of the following actions is necessary and appropriate is taken:

a. If the employee is separated, documentation must be obtained from OWCP to verify that compensation will be received for at least 6 months. If so, the transfer is made by issuance of Transfer of FEHB Enrollment.

b. If the employee makes any permissible change in enrollment, OWCP must be notified by letter as soon as possible of the change and its effective date.

c. If the enrollment has been transferred to OWCP and the employee subsequently is separated, OWCP must be notified by letter of the separation so that OWCP knows how to dispose of the enrollment if compensation payments cease.

525.144 Employee Not Eligible to Continue

For an employee who is enrolled but is not eligible to continue the enrollment with OWCP, whichever of the following actions is necessary and appropriate is taken:

a. A notation is placed in the Remarks item of OWCP Form CA-7/20 that the employee is "Not Eligible to Continue Health Benefits." (OWCP does not require documentation of this notation on the CA-7/20 and handles the compensation claim as usual.)

b. If the employee is separated, the enrollment is terminated on SF 2810.

c. If the employee remains on the rolls of the agency in nonpay status, the employee is carried up to 365 days (OWCP makes deductions as stated in 525.13). At the end of the 365 days in continuous nonpay status, the Eagan ASC issues SF 2810.

When an employee not enrolled for health benefits applies for compensation, a notation is placed in the Remarks item of OWCP Form CA-7/20 that the employee is "Not enrolled for health benefits," and the compensation claim is processed as usual.

Exhibit 525.142
Transfer of FEHB Enrollment to OWCP

UNITED STATES POSTAL SERVICE®

Transfer of FEHB Enrollment to OWCP

[__*OWCP district office name*__]
[__*address*__]

Date of Request:
OWCP File Number:
Employee's Name:
Social Security Number:
Effective Date of Transfer:

The above-named employee is receiving compensation under the Federal Employees' Compensation Act, and OWCP is withholding premiums for the employee's Federal Health Benefits (FEHB) Program enrollment from the employee's compensation.

Attached are the employee's health benefits enrollment documents that this agency is forwarding to OWCP as specified in the Federal Employees Health Benefits Handbook (formerly Supplement 890-1 of the *Federal Employees Personnel Manual).* The documents include the copies of every SF 2809 and SF 2810 in the employee's official personnel folder, beginning with the date of his or her initial enrollment in the FEHB Program, together with any related documentation (such as medical documentation for a disabled child over age 22) and the *PostalEASE* FEHB History Report for the employee. As of the effective date shown above, OWCP is the employing office for this employee.

The reason for this action is:

[ ] This employee is separating (or has separated) on [__*date*__]
[ ] This employee will complete 365 days in nonpay status on [__*date*__]

If you have any questions concerning this transfer, you may contact:

[__*name of contact*__]
[__*telephone number*__]

Sincerely,

[__*signature*__]
[__*name and title of personnel official*__]

525.145 **OWCP Determines Not Eligible**

If OWCP determines that an employee is not eligible to continue health benefits, OWCP notifies the employing office. If the employee remains on the agency rolls in nonpay status, the enrollment continues up to 365 days. (OWCP makes the deductions for the period.) If the employee continues in nonpay status after day 365, the Eagan ASC issues SF 2810.

525.146 **On LWOP Ten Months, But Enrollment Not Transferred**

The following provisions apply:

a. If an employee has been carried in nonpay status for 10 months, the appropriate OWCP office is contacted to determine what action should be taken on the enrollment before day 365 of the employee's continuous nonpay status.

b. If OWCP determines that the employee is not eligible to continue enrollment, the Eagan ASC issues SF 2810, effective the last day of the pay period that includes day 365 of continuous nonpay status.

c. If OWCP has been making withholdings and does not expect to terminate compensation before day 365 of continuous nonpay status, the enrollment is transferred by issuance of Transfer of FEHB Enrollment to OWCP (see Exhibit 525.142).

d. If OWCP has been making withholdings but expects to terminate compensation before day 365 of continuous nonpay status, no health benefits action need be taken at that time. The case must be checked on again, however, before day 365 of continuous nonpay status and, if compensation will not be terminated by day 365 as OWCP anticipated, the enrollment is transferred to OWCP by issuance of Transfer of FEHB Enrollment.

525.147 **OWCP Terminates Compensation**

If OWCP terminates compensation of an employee who meets the requirements in 525.111 but who does not return to pay status, the 365 days on nonpay status for health benefits purposes begin on the day after compensation terminates even though the employee may have been previously carried in a nonpay status while on OWCP rolls. In such cases, OWCP transfers the enrollment back to the employing office, effective the day after compensation terminates if the enrollment had previously been transferred.

525.148 **Employee Returns to Duty**

The following provisions apply:

a. If an employee receiving compensation returns to duty, the beginning and ending dates of the pay period in which the employee returns to work are noted in the Remarks Item on OWCP Form CA-3, *Report of Termination of Disability and/or Payment.* (If the report is made by telegram instead of CA-3, these dates are included in the telegram.)

b. If the enrollment was not transferred to OWCP, OWCP discontinues withholdings and contributions at the beginning of the pay period in which the employee returned to work. Withholdings and contributions are resumed beginning that date.

c. If the enrollment was transferred to OWCP, OWCP transfers the enrollment back to the employing office.

525.149 **Employee Elects Retirement**

If an employee whose enrollment has been transferred to OWCP elects to retire and to receive annuity in lieu of compensation, the Civil Service Retirement System, Office of Personnel Management, requests OWCP to transfer the enrollment. If the employee still is carried on the agency's rolls in a nonpay status, the Eagan ASC notes in Remarks of SF 2806, *Individual Retirement Record,* "Health benefits enrollment transferred to OWCP," and sends the form to the Civil Service Retirement System as usual.

OWCP determines whether there are survivors who are eligible and who wish to continue the enrollment and continues, or terminates, the enrollment as appropriate. If the survivors elect to receive survivor annuity in lieu of compensation, OWCP transfers the enrollment to the Civil Service Retirement System.

525.2 Employees in Nonpay Status

Reference Note:
For additional material concerning the subject matter found in 525.2, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-8.

525.21 Three Hundred Sixty-Five-Day Enrollment Limitation

The enrollment of an employee (who elects to continue the enrollment) continues while in a nonpay status for up to 365 days except as provided in 525.23. This limitation applies to suspended employees awaiting decision of an appeal of a removal action as well as employees awaiting an OPM decision on an application for disability retirement. If an employee returns to a pay status for at least 4 consecutive months (any 4-month period during which the employee is in pay status for at least part of each pay period) after a period of nonpay status, the employee is entitled to begin a new 365-day period of continued enrollment.

525.22 Payment Required for Periods of Nonpay Status

525.221 **Responsibility**

If an employee is in a nonpay status for an entire pay period, or if available pay during a pay period does not cover the full amount of the employee's share for the cost of the health benefits enrollment, the employee is responsible for payment of the amount that would have been withheld. If the employee consents to the continuation of the enrollment for a period of time without such withholding from salary, the employee is consenting to the recovery of the full amount due.

525.222 **Procedures to Be Followed by Employing Office**

The employing office acts as follows:

a. As soon as it is determined that an employee will be in a nonpay status, the employing office notifies the employee of the option to continue or terminate the FEHB coverage. PS Form 3111*, Federal Employees Health Benefits (FEHB) Coverage or Termination While in Leave Without Pay (LWOP) Status,* is used for this purpose. This form may be found on the Postal Service Intranet.

b. If the notice and return envelope are mailed, they are deemed to be received by the employee 5 days after the date of the notice. A dated copy of the notice is kept in the employee's official personnel folder. When the employee returns the notice with the signature as requested, the signed notice is filed as a permanent record in the OPF. The date of the postmark is deemed to be the date the notice is returned to the employing office.

c. If the employee requests additional information or requests to cancel the enrollment, the employing office must insure that the employee is provided with an FEHB Guide and an SF 2809 as soon as possible.

d. If the employee elects to terminate the enrollment, the employing office must prepare an SF 2810 to terminate the enrollment. The following statement is to be included in the remarks section: "Employee elected to terminate the enrollment during a period of nonpay status."

e. If the employee fails to sign and return the written notice, the enrollment is continued and the employee is expected to pay his or her portion of the premiums due.

525.223 **Procedures to Be Followed by Employee**

The employee acts as follows:

a. The employee acknowledges receipt of PS Form 3111, completes, signs, and returns the form to the employing office.

b. If the employee does not wish to incur an indebtedness or liability for the health benefits premiums, the employee chooses to cancel or terminate the enrollment.

525.23 Employee Granted LWOP to Serve in Employee Organization

525.231 **Policy**

An employee granted leave without pay to serve as a full-time officer or employee of an employee organization composed primarily of federal or Postal Service employees may elect, within 60 days, to continue health benefits coverage for as long as the employee is in this LWOP status. The election is filed with the installation head within 60 days after the LWOP begins.

525.232 **Procedures to Be Followed by Employing Office**

The employing office acts as follows:

a. As soon as LWOP is authorized, the installation head notifies the employee of the right to elect to continue or discontinue health coverage. The employee's election must be in writing.

b. The installation head sets up a follow-up system to remind employees that an election must be filed within the 60-day time limit.

c. If an employee declines to make the election, the employing office contacts the employee, if possible, to urge that an election be made.

d. If, after being contacted, the employee continues to refuse to make the election, documentation is made of all action taken. Failure to make an election is considered an election to not continue the insurance. A copy of the election (or installation head's documentation) is filed in the employee's official personnel folder.

525.233 **Procedures to Be Followed by Employee**

The employee acts as follows:

a. If the employee elects to continue health insurance coverage, the employee files the election with the installation head within 60 days after LWOP begins. The employee pays (or arranges to have paid) on a current basis both the employee withholding and the Postal Service contributions from the beginning of the LWOP period.

b. If an employee elects not to continue health benefits coverage, enrollment is cancelled by requiring the employee to initiate an SF 2809.

525.24 Enrolled Employee in Nonpay Status Accepts Temporary Appointment

If an employee whose enrollment is being continued because he or she is on LWOP from his or her position accepts a temporary position, his or her first employing office transfers the enrollment to the second employing office. If the employee is still carried in the first position in an LWOP status when the employment in the second position terminates, the enrollment is transferred back to the first employing office. The first employing office then follows the rules in 525.21 to determine the remaining length of time that the employee is entitled to continued coverage while in nonpay status. If, when the second appointment expires, the employee is not then being carried in the first position as an employee, the second employing office terminates the enrollment.

The two employing offices concerned coordinate these actions to ensure timely withholdings and contributions. If appropriate, the employing office that first becomes aware of such a situation contacts the other employing office and arranges for transfer of the enrollment.

525.25 Employee in Nonpay Status Pending Removal

The enrollment of an employee who is placed in nonpay status pending a decision of an appeal of a removal action continues for up to 365 days provided the employee agrees to pay the required premiums. See 525.22.

525.251 **Removal Upheld**

If the removal is upheld by the appeal process, the enrollment is terminated at the end of the pay period in which the decision is rendered or at the end of the 365 days, whichever event occurs first.

525.252 **Restored to Duty**

If the employee's enrollment is terminated, due either to cancellation or after 365 days of nonpay status, and the employee is subsequently ordered restored to duty on the grounds that the removal was unwarranted or unjustified, the employee may elect either to have the prior enrollment reinstated retroactive to the date it was terminated or to enroll in the plan and option of the employee's choice, the same as a new employee:

a. *Reinstatement of Enrollment.* If the employee elects to have the prior enrollment reinstated retroactively, withholdings and contributions are also made retroactively just as though the erroneous removal had not taken place. The employee's health benefits coverage is considered to

have been continuously in effect, and the employee and any covered family members are retroactively entitled to the full benefits of the plan.

b. *New Enrollment.* If the employee elects a new enrollment instead of having the prior enrollment reinstated, the enrollment is effective as stated in 524.64. The employee is not retroactively entitled to benefits from the plan, and no retroactive withholdings or contributions are made. If the employee elects a new enrollment, the period of removal during which the enrollment was not in effect is *not* considered as an interruption to continuous enrollment for purposes of continuing enrollment after retirement provided the employee enrolls within 60 days after the date ordered restored to duty.

525.3 Military Service

Reference Note:
For additional material concerning the subject matter found in 525.3, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-10.

525.31 Entry Into Military Service

525.311 Thirty Days or Less

If an employee enters one of the uniformed services for a period limited to 30 days or less, the enrollment continues without change. Salary deductions and Postal Service contributions also continue as long as the employee is in pay status. The employee is responsible for payment of premiums while in a nonpay status (see 525.22).

525.312 More Than Thirty Days

If an enrollee enters on active duty, or active duty for training, in one of the uniformed services for a period not limited to 30 days, the enrollment may continue for up to 12 months unless the enrollee elects, in writing, to have the enrollment terminated as of the day before entering active duty. The employee is responsible for the full cost of the employee's share for the cost of the health benefits enrollment. If the employee elects to terminate the enrollment, the employee and the covered family members are entitled to a 31-day temporary extension of coverage during which they may convert.

525.32 Return From Military Service

525.321 Return Not in Exercise of Reemployment Rights

An employee who returns from military duty but not in the exercise of reemployment rights, if eligible for coverage, enrolls within 31 days after returning to the Postal Service, the same as a new employee. The employee may enroll for Self Only or for Self and Family in either option of any plan available.

525.322 Return in Exercise of Reemployment Rights

The enrollment of an employee who exercises reemployment rights on return from military duty is reinstated on SF 2810 effective the day the employee returns to duty in the Postal Service. The reinstating SF 2810 shows in

Remarks that a previously terminated enrollment is being reinstated because of the employee's return from military service. Note that:

a. An employee who returns to civilian duty in the exercise of reemployment rights may change the reinstated enrollment from Self Only to Self and Family, and to either option of any plan available within 31 days after returning to civilian service.

b. Also, if the employee was not enrolled upon entering military duty, the employee may enroll within 31 days after returning to civilian service. The enrollment becomes effective the first day of the pay period that begins after the completed *PostalEASE* FEHB Worksheet is received in the employing office and that follows a pay period during any part of which the employee was in pay status.

525.33 Death During Military Service

If an employee whose Self and Family enrollment was terminated (or suspended in accordance with previous instructions) upon entry into military service for a period not limited to 30 days or less dies and leaves a family member entitled to annuity, the family member may have the enrollment reinstated effective the day survivor annuity begins. The survivor also may change the enrollment the same as though the employee were returning to civilian duty in the exercise of reemployment rights.

525.34 Loss of Coverage Under the Uniformed Services Health Benefits Program

An employee who is covered as a spouse or child under the Uniformed Services Health Benefits Program for dependents of military personnel may enroll within the period beginning 31 days before and ending 60 days after termination of this coverage.

525.35 Continuous Enrollment

For purposes of eligibility to continue enrollment after retirement, an employee whose enrollment was terminated for military service is not considered to have had an interruption in enrollment if it is reinstated when the employee returns to civilian duty or reenrolls within 60 days after returning to civilian duty.

525.4 Coverage Into Retirement

Reference Note:
For additional material concerning the subject matter found in 525.4 see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-14.

525.41 Employee Requirements for Continuation

An employee must meet the following requirements to continue enrollment into retirement:

a. The employee retires on an immediate annuity (i.e., an annuity that begins to accrue no later than 1 month after the date of final separation).

b. The employee has been enrolled (or covered as a family member) in a plan under the health benefits program for either of these periods:

(1) For the 5 years of service immediately preceding retirement.

(2) If less than 5 years, for all service since the first opportunity to enroll.

525.42 Procedures to Be Followed by Employing Office

525.421 Determining Eligibility for Continued Enrollment

At the employee's retirement, the employing office tentatively determines an employee's eligibility for continued enrollment. OPM makes the final determination of the retiring employee's eligibility to continue enrollment.

525.422 Transferring Enrollment to OPM

When employees retire under conditions that entitle them to continued enrollment as described in 525.41, the enrollment is transferred on *Memorandum About FEHB Enrollment* to:

RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
1900 E ST NW
WASHINGTON DC 20415-0001

It is automatically continued (see Exhibit 525.422).

All SFs 2809 and SFs 2810 in the employee's official personnel folder together with the *PostalEASE* FEHB History Report are sent to the Eagan Accounting Service Center (ASC) with the completed memorandum and any related medical certificates for submission to OPM.

Exhibit 525.422
Memorandum About FEHB Enrollment

UNITED STATES POSTAL SERVICE®

Memorandum About FEHB Enrollment

Date:
To:

Employee's Name:
Social Security Number:
Plan Name and Code:
Effective Date of Action:

The Federal Employees Health Benefits (FEHB) Program enrollment of the above-named employee is being transferred, based on the following circumstance:

[ ] Employment with another agency.
[ ] Retirement.
[ ] Death.
[ ] Receiving OWCP benefits.

As specified in the *Federal Employees Health Benefits Handbook* (formerly Supplement 890-1 of the *Federal Employees Personnel Manual),* attached are copies of every SF 2809 and SF 2810 kept in the employee's official personnel folder, beginning with the date of his or her initial enrollment in the FEHB Program together with any related documentation (such as medical documentation for a disabled child over age 22) and the *PostalEASE* FEHB History Report for the employee. The Remarks section at the end of this memorandum shows pertinent information about the enrollment that is not readily apparent in the FEHB forms documentation.

If you require additional information about this transfer, you may contact:

[__*name of contact*__]
[__*telephone number*__]

[__*signature*__]
[__*name and title of personnel official*__]

cc: OPF

REMARKS:

_____
_____
_____
_____

525.423 **Reinstating Terminated Enrollments**

Enrollments terminated as a result of 365 days in nonpay status are reinstated if the retirement application is approved with annuity commencing before the expiration of the 365 days of nonpay and if the employee meets the requirements to continue the enrollment as stated in 525.41.

If the retirement application was filed, as in the case of a disability retirement, and the enrollment was so terminated, the SF 2810 that terminated the enrollment is sent along with all the SFs 2809 and SFs 2810 in the employee's official personnel folder to OPM through the Retirement Branch, Eagan ASC.

525.43 Benefits and Cost

If the enrollment continues, the annuitant is entitled to the same benefits as active employees enrolled in the same plan. The government contribution for Postal Service annuitants is the same as that for annuitants of other government agencies covered by this program. The annuitant's share of the enrollment cost is deducted from annuity payments. If the annuity is insufficient for the plan withholdings, enrollees may elect a lower cost plan. OPM bills enrollees for the health benefits premium if they elect not to choose a lower cost plan.

Withholdings are not required for the period between the end of the pay period in which an employee separates from service and the starting date of an immediate annuity, if later.

525.44 Employee Separates and Subsequently Retires

525.441 **Terminating Enrollment**

If an enrolled employee who is eligible to retire on an immediate annuity is separated and has not filed an application for retirement with the employing office by the time an SF 2810 is to be prepared, the employing office terminates the enrollment.

Enrollment is terminated when an employee is separated while application for retirement, such as for disability, is pending in OPM.

525.442 **Encouraging Conversion to Individual Contract**

Employees whose enrollments are terminated are encouraged to convert to an individual contract even though they intend to apply for retirement later or have an application for disability retirement pending. If the retirement application is later approved, the enrollment is reinstated by OPM retroactive to the beginning date of annuity, provided the employees meet all requirements to continue the enrollment, and the carrier of the plan refunds the premium paid for the converted policy based on a written request. An adjustment is made for any benefits received or paid while employees are covered under the conversion contract.

525.45 Reemployed Annuitant

Reference Note:
For additional material concerning the subject matter found in 525.45, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-15.

525.451 Enrolled

The following provisions apply:

a. If an annuitant who is already enrolled under this program is reemployed under conditions that terminate title to annuity, the employing office determines eligibility for continued enrollment during the reemployment under the same criteria that apply to any other employee who transfers enrollment from another payroll office and accepts transfer of, and continues or terminates, the enrollment, as appropriate.

b. On separation from the reemployment service, the same procedures that apply to other employees being separated or retired are followed, and the enrollment is transferred to OPM or terminated, as appropriate.

c. If an annuitant who is already enrolled under this program is reemployed under conditions that do not terminate title to annuity, the enrollment as an annuitant continues and is not affected by reemployment.

525.452 Nonenrolled

Annuitants who are not enrolled and are reemployed under conditions that permit coverage enroll the same as other new employees. If the annuitants enroll, they are eligible to continue enrollment on separation from reemployment if they meet all the requirements (including that of retiring on an immediate annuity) that other retiring employees must meet. The immediate annuity requirement is met if annuitants receive a supplemental annuity when separated from the reemployment.

525.453 Reemployed Without Break in Service

The health benefits enrollment of an employee who retires but is immediately reemployed is transferred to OPM even if there is no break between separation and the new appointment.

525.454 FEHB Open Season Opportunities for Reemployed Annuitant

A reemployed annuitant who is not enrolled for health benefits may enroll during an FEHB Open Season, the same as any eligible employee. A reemployed annuitant who is enrolled may, in an FEHB Open Season, change enrollment regardless of the type of appointment under which serving. A reemployed annuitant making a change during FEHB Open Season submits SF 2809 to OPM with a letter stating where he or she is employed.

525.5 Death of an Employee

Reference Note:
For additional material concerning the subject matter found in 525.5, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-16.

525.51 Transfer of Enrollment to Eligible Survivor

525.511 Requirements

The enrollment of an employee who dies in service is automatically transferred to eligible survivors provided:

a. The deceased employee was enrolled for Self and Family at the time of death.

b. At least one family member is entitled to an annuity as survivor of the deceased employee. Coverage for all eligible family members continues as long as any of them receives a survivor annuity. If a survivor annuitant is the sole survivor, the Civil Service Retirement System automatically changes the enrollment to Self Only.

525.512 Procedures to Be Followed by Employing Office

Upon the employee's death, the employing office makes a tentative determination of the survivor's eligibility to continue the enrollment (see 525.511).

a. *Eligible to Continue Enrollment.* If the survivor is eligible to continue the enrollment, the employing office transfers the enrollment to OPM on Memorandum About FEHB Enrollment.

b. *Not Eligible to Continue Enrollment.* If the survivor is not eligible to continue the enrollment, the employing office terminates the enrollment on SF 2810. Remarks on the SF 2810 should read: "Enrollee died [__*date*__]. No survivors eligible to continue health benefits enrollment."

525.513 Benefits and Cost

If the enrollment continues, the eligible survivors are entitled to the same benefits offered by the plan as active employees enrolled in the same plan. The survivor annuitants' share of the enrollment cost is deducted from their annuity payments. Survivors of FERS employees are billed by OPM if applicable.

525.52 Enrollment Eligibility Both as an Employee and as a Survivor Annuitant

An eligible employee who has been covered under the family enrollment of a spouse and who, due to the spouse's death, is eligible to continue the enrollment as a survivor annuitant may cancel the enrollment as an annuitant and enroll as an employee on the basis of a change in marital status (e.g., death of spouse). However, if the surviving spouse enrolls as an employee on this basis and later is separated under conditions not entitling the surviving spouse to continue enrollment, the enrollment is terminated by the employing office. In this event, if still a survivor annuitant, the surviving spouse may apply to OPM for reinstatement of the annuitant- or

survivor-acquired enrollment and request that health benefits deductions be made from the annuity.

If the reinstatement application is received by the Civil Service Retirement System:

a. Within 60 days after separation from employment, the enrollment is reinstated retroactive to the day after it was terminated by the employing office.

b. More than 60 days after the separation, the enrollment is reinstated effective the first day of the month after the month in which the application is received.

525.6 Transfer to or From Overseas Post of Duty

Reference Note:
For additional material concerning the subject matter found in 525.6 through 525.82, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S7-3.

An employee who is transferred from a post of duty within the United States (including the District of Columbia) to a post of duty outside the United States, or the reverse, may enroll or change enrollment. Change of enrollment may be from Self Only to Self and Family or from one plan or option to another, or both, within the period beginning 31 days before leaving the old post of duty and ending 60 days after arriving at the new post of duty.

525.7 Move Outside Service Area of a Comprehensive Plan

An employee enrolled in a comprehensive plan (group or individual practice prepayment plan) that moves outside the service area of that plan may change to any other plan available in the area to which he or she is moving and may change options from Self Only to Self and Family. An employee already living outside the service area of the plan that moves farther from the nearest office of the plan in which enrolled may similarly change enrollment. Such a change may be made at any time after the move. The change takes effect on the first day of the pay period after the *PostalEASE* FEHB Worksheet is received by the employing office.

525.8 Employment Transfer

525.81 Within Postal Service or to Another Federal Agency

With the exception noted in 525.7, the enrollment of an employee who moves from one Postal Service installation to another within the Postal Service or to an employing office in a federal agency, whether the personnel action is designated as a transfer or not, continues without interruption provided there is not a break in service of more than 3 days.

An employee enrolled in an employee organization plan who transfers to another agency continues to be enrolled in the plan until either a regular opportunity to change plans (as during an FEHB Open Season) occurs, or

until the enrollment is terminated at the plan's request because the employee no longer is a member of the organization.

525.82 Outside Comprehensive Area

If an employee who is enrolled in a comprehensive plan transfers outside the area serviced by the plan, the provisions in 525.7 apply.

525.83 Congressional Office

Reference Note:
For additional material concerning the subject matter found in 525.83, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-8.

525.831 From Postal Service to Senate or House

If an enrolled employee leaves the Postal Service and is employed by the Senate or House of Representatives without a break in service of more than 3 days, the health benefits enrollment is transferred as usual.

525.832 From Senate or House to Postal Service

If an enrolled employee of the Senate or House is employed in the Postal Service without a break in service of more than 3 days, the enrollment is terminated at the end of the month in which the separation from the Senate or House occurs. The Postal Service verifies entitlement to continued benefits and reinstates the enrollment on the first day of the following month.

526 Self-Support Determinations

Reference Note:
For additional material concerning the subject matter found in 526 through 526.4, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-12.

526.1 Physical and Mental Incapacity Requirement

526.11 Incapable of Self-Support

An employee's Self and Family enrollment includes unmarried children over age 22 who are incapable of self-support because of physical or mental incapacity that existed before they reached age 22. A child over 22 years of age is classified as incapable of self-support only if (a) the incapacity can be expected to continue for at least 1 year (b) and the child is not capable, because of the disability, of working at a self-supporting job.

526.12 Capable of Self-Support

A disability such as total blindness or deafness is not in itself qualifying; although it may preclude employment in certain occupations, it does not preclude employment in all occupations or necessarily make a person incapable of self-support.

The onset of a disease before age 22 that does not result in incapacity for self-support until after age 22 does not bring a child within the definition of an eligible family member.

526.2 Financial Dependency

526.21 Dependency Requirement

A child incapable of self-support because of mental or physical disability that existed before age 22 must be dependent upon the employee to qualify for health benefits coverage. In addition, a stepchild or foster child incapable of self-support as described above must also live with the employee in a regular parent-child relationship to qualify. The employing office is responsible for determining whether or not financial dependency has been established for health benefits purposes.

526.22 Automatic Dependency

A child is automatically considered to be financially dependent upon the employee if the child is a legitimate child, an adopted child, a stepchild, a foster child, a recognized natural child who lives with the employee in a regular parent-child relationship, or a recognized natural child for whom a judicial determination of support has been obtained.

526.23 Proof of Dependency

An employee who wishes to provide coverage for a recognized natural child who neither lives with the employee in a regular parent-child relationship nor is protected by a court determination of support submits proof of the recognized natural child's dependency. Evidence that the employee makes regular and substantial contributions to the child's support are accepted as proof of the child's dependency. Examples of proof of dependency are:

a. Evidence of eligibility as a dependent child under other state or federal programs.

b. Proof of inclusion of the child as a dependent on the employee's tax returns for previous years.

c. Cancelled checks, money orders, or receipts for periodic payments received from the employee for, or on behalf of, the child.

d. Evidence of goods or services that show regular and substantial contributions.

526.3 Medical Requirement

526.31 Authority

A Postal Service medical officer has authority to determine whether or not a child over age 22 is incapable of self-support because of mental or physical incapacity. The determination is based upon a medical certificate obtained by the employee at the employee's own expense. The medical certificate is submitted to the Postal Service medical officer for a determination. All medical evidence is retained by the medical officer.

526.32 Medical Certificate

526.321 Submission

Submission requires the following:

a. The medical certificate on which the medical officer makes the determination includes the following information:

(1) Name of child.

(2) Nature of disability.

(3) Period of time disability has existed.

(4) Probable future course and duration of disability.

(5) Doctor's name and address.

b. The medical certificate may be submitted to the medical officer at the time of initial enrollment or later. A medical certificate for a child who has been covered in a Self and Family enrollment is submitted at least 30 days before the child attains age 22.

526.322 Time Limitation

The medical certificate for each individual case may be approved for a limited period of time, e.g., 1 year, or it may be approved without time limitation. The health benefits plan is advised of the duration of the approval in the letter to the health benefits plan (see 526.5).

526.323 Renewal

If the medical certificate for a child is approved for a limited period of time, the employing office prepares a follow-up notice and reminds the employee, at least 30 days in advance of the date the certificate expires, to submit either a new certificate to the medical officer or a statement that the certificate will not be renewed. If it is renewed, the health benefits plan is notified of the new expiration date by letter in the same manner.

526.324 Failure to Renew

If the employee does not renew a certificate for an incapacitated child over age 22, the child's status as a family member automatically stops. The child is no longer covered, and the employee is so notified.

526.325 Late Submission

If an employee submits a medical certificate for a child after a previous certificate has expired or after the child reaches age 22, the medical officer determines whether or not the incapacity existed before the child reached age 22. If it did, and the employee continuously had a Self and Family enrollment, the child is considered to have been family member and to have been covered continuously since age 22.

526.4 Medical Determinations

The employing office obtains the medical determination of the nearest Postal Service medical officer. This medical determination, as provided to the employing office, includes the length of approval of the incapacity (1 year, 2 years, permanent, etc.) The employing office then notifies the health benefits plan of the medical officer's determination.

526.5 Procedures for Notifying the Health Benefits Plan

Reference Note:
For additional material concerning the subject matter found in 526.5, see:
- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-13.

526.51 Employing Office

526.511 Existing Enrollment

If it is determined that a child is incapable of self-support, the employing office notifies the health benefits plan (through the Eagan ASC) by letter, preferably shortly before the child reaches age 22. The letter identifies the employee by name and by Social Security number. The letter also states the name and the date of birth of the incapacitated child as well as the length of approval of the incapacity.

526.512 New Enrollment

For a new enrollment, the medical officer's determination of incapacity is entered in the Remarks section of the *PostalEASE* FEHB Worksheet.

526.52 Postal Data Center

The Eagan ASC submits a letter to the health benefits plan with SF 2811, *Transmittal and Summary Report to Carrier.*

527 Privacy Act Considerations

527.1 Disclosure

Since health benefits records contain information about individuals, they are handled and disclosed only in accordance with the Privacy Act and implementing instructions.

527.2 Maintenance

An employee's health benefits records and related correspondence are maintained within the Postal Service as follows:

a. In the personnel area as part of the privacy system entitled USPS 120.070, Personnel Records — General Personnel Folders (Official Personnel Folders and records related thereto).

b. In the Eagan ASC as part of the privacy system entitled USPS 050.020, Finance Records — Payroll System.

c. In the Postal Service medical facility as part of the privacy system entitled USPS 120.090, Medical Records.

527.3 Privacy Act Requests

527.31 Employees

Employees making formal privacy requests specifically for access to, or update of, health benefits records direct their requests to the head of the employing installation.

527.32 Former Employees

Former employees direct their requests to the nearest Postal Service local personnel office.

527.33 Retired Employees

Retired employees' records are sent to OPM. Retired employees direct their requests to:

EMPLOYEE SERVICE AND RECORDS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

528 Employee Appeals

Reference Note:
For additional material concerning the subject matter found in 528, see:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-2.

528.1 Appeal of Refusal to Allow Enrollment or Change of Enrollment

Employees may request reconsideration of an employing office's refusal to permit them to enroll or to change enrollment. The request is made in writing and sent within 30 days of the employing office's letter of denial to the area Human Resource address identified in the denial letter. Requests must include the employee's date of birth, name of plan, reasons for the request, and a copy of the denial letter. The decision rendered by the area office is final.

528.2 Appeal of Claim Denial

528.21 Initial Appeal Rights

528.211 Request for Reconsideration

The appropriate health plan adjudicates claims for payment or service. If a claim (or portion of a claim) or a service is initially denied by a health benefits plan, the plan reconsiders its denial upon receipt of written request for reconsideration from the employee within 1 year of the denial. The written request must state, in terms of applicable brochure provisions, the reasons the employee believes the denied claim or service should have been paid or provided.

528.212 Health Plan Responsibility

The health plan acts as follows:

a. The plan affirms the denial in writing to the employee setting out in detail the reasons, within 30 days after receipt of the request for reconsideration, or pay, or provide the claim or service within such time unless it requests additional information reasonably necessary for a determination.

b. Requests for additional information by the plan specifically identify the additional information required and the reason it is needed. If the information requested is not supplied within 60 days of the request, the plan makes its determination and notifies the employee.

c. When the plan affirms a denial after reconsideration, it provides written notice to the employee of the right to request a review of this determination by OPM.

528.22 Request for Office of Personnel Management Review

528.221 Cause for Request to Review

If a plan either affirms its denial of a claim or if its fails to respond to a written request for reconsideration within 30 days of the request, the employee may submit a written request for a review to determine whether the plan's denial is in accord with the terms of the contract with the health benefits plan to:

INSURANCE REVIEW DIVISION
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 436
WASHINGTON DC 20044-0436

The request must specifically identify the claim to be reviewed and include a copy of the employee letter to the plan with copies of any correspondence from the plan regarding its denial.

528.222 Time Limit

A request for review is not honored if received by OPM more than 90 days from the date of the plan's affirmation of the denial.

528.223 Authorization for Release of Medical Information

A request for review is not honored if, upon request by OPM, the employee does not furnish authorization signed by the patient (or person capable of acting for the patient) for the release of medical evidence to OPM.

528.224 Office of Personnel Management Responsibility

OPM acts as follows:

a. In reviewing a claim denied by a plan, OPM reviews copies of all original evidence and findings upon which the plan denied the claim and any additional evidence submitted to OPM or otherwise obtained by the plan or OPM. Plans release such evidence and findings to OPM within 30 days of request. Any evidence obtained by OPM in connection with a review of the denied claim is held privileged and confidential and is reviewed only by persons having official need to see it.

b. In reviewing a claim denied by a plan, OPM may request the employee to obtain and submit additional medical or hospital records. OPM may also request a confidential advisory opinion from an independent physician or such other information or evidence as may, in OPM's judgment, be required to evaluate the claim denial. An OPM request for an advisory opinion does not disclose the identity of the claimant or patient, the plan, or any medical institutions or physicians involved in the claim.

c. Within 30 days after all evidence requested by OPM has been received, it notifies the employee and the plan of its findings on the review.

530 Life Insurance Program

Reference Note:
For additional material concerning the subject matter found in 530, refer to:

- *Federal Employees' Group Life Insurance (FEGLI) Handbook for Employees, Annuitants, Compensationers, and Employing Offices* (RI 76-26).
- *Federal Employees' Group Life Insurance (FEGLI) Booklet* (RI 76-20 or RI 76-21).
- *Compensation Letter* 99-040 (May 24, 1999).

The first two documents are available on the Internet on the Office of Personnel Management page at *http://www.opm.gov/insure/life*. The Compensation Letter is available on the Postal Service Corporate Intranet on the Human Resources Desktop page at *http://blue.usps.gov/hrisp*.

531 Administration and Eligibility

531.1 General

The OPM administers the Federal Employees' Group Life Insurance (FEGLI) Program. The FEGLI law, policies, and regulations issued by OPM, including those governing eligibility and benefits, are controlling in the event of conflict with these instructions.

531.2 Eligible Employees

All postal employees, except those specifically excluded in 531.3, or those who waive coverage, receive Basic Life Insurance coverage. Entitlement to basic life coverage qualifies them to elect optional life insurance coverage.

531.3 Exclusions

See Exhibit 531.3.

Exhibit 531.3
Exclusions

Excluded Individuals	Exceptions
Substitute Rural Carriers.	May retain coverage acquired in former position to which they are expected to return on a full-time basis provided: (a) There is no break in service or (b) The break in service is for 3 days or less.
Casual Employees or Temporary Employees (including rural carrier relief, rural carrier associate, and "off the street" Officers-in-Charge) appointed for a definite period of 1 year or less. ***Note:*** Casual and temporary employees who previously served in positions covered by the FEGLI program maintain coverage if the casual or temporary appointment is made with less than a 4-day break in service.	None.
Noncitizen employees with permanent duty stations outside postal installations in either the United States or the Panama Canal Zone.	American Nationals employed at American Samoa, Micronesia, and Guam.
Employees who are members of the Uniformed Services as defined in section 102 of the Servicemen's and Veterans' Survivor Benefits Act.	None.
Individuals employed for brief periods at intervals and expected to work less than 6 months in each year.	Are eligible for coverage if they are student trainees serving under a formal work study program, provided the program requires that they are in a pay status for at least 1/3 of the total period of time required to complete the program.
Employees with annual base pay of $12.00 or less.	None.
Job Cleaners.	None.
Special Delivery Messengers at Post Offices in CAG H and J.	None.
Clerks-in-Charge of Rural Stations.	None.
Mail Messengers.	None.
Star Route Carriers.	None.
Clerks or leave replacements at post offices in CAG L. ***Note:*** Postmaster leave replacements in CAG L offices who previously served in positions covered by the FEGLI program maintain coverage if the leave replacement appointment is made with less than a 4-day break in service.	None.
Individuals paid on contract or fee basis.	Contract executives or certain other contract employees are covered, provided: a. The contract requires personal services and covers a period greater than 1 year. b. Individuals are under the supervision and direction of the Postal Service. c. Work is performed on a full-time or specified part-time basis.
Employees paid on a piecework basis.	May acquire coverage if their work schedule provides for full-time service or part-time service with a regular tour of duty.

532 Coverage

532.1 Based on Pay

532.11 Full-Time Employees

Full-time employees are covered by an amount of basic insurance (and an equivalent amount of accidental death and dismemberment insurance) based on their annual basic pay in effect at the end of any given pay period. The insurance of an employee who dies while serving in a higher level position is based on the basic pay of the higher level position. (Basic pay for insurance purposes excludes such additional pay as cost-of-living adjustments (COLA), overtime pay, holiday pay, etc.)

532.12 Part-Time Employees

Employees who are paid at other than an annual rate are covered by an amount of basic insurance (and an equivalent amount of accidental death and dismemberment insurance) based on an annual rate determined as follows:

a. *Part-time regular.* The annual basic pay of part-time regular schedule employees is computed by multiplying the basic hourly rate of pay for their levels and steps (excluding COLA) by the number of scheduled hours of service in a 52-week work year.

b. *Part-time flexible.* The annual basic pay of part-time flexible schedule employees is computed by multiplying the basic hourly rate of pay for their level and step (excluding COLA) by 2,000 hours.

   Note: Effective July 21, 1985, as a result of the 1984 collective-bargaining agreements, the number of hours used in converting the basic hourly rate of pay to an annual rate for life insurance purposes changed from 2,008 to 2,000 hours.

532.13 Employees Serving in More Than One Position

532.131 Part-Time Flexible

Insured employees who legally and concurrently hold more than one appointment, of which at least one is for a part-time flexible schedule position, are covered by an amount of basic insurance (and an equivalent amount of accidental death and dismemberment insurance) based on the position with the highest annual salary rate.

532.132 Others

Insured employees who legally and concurrently serve in more than one covered position (other than as part-time flexible schedule employees), whether in the same or in different agencies, are covered by an amount of basic insurance (and an equivalent amount of accidental death and dismemberment insurance) based on the sum of their annual basic pay for all positions.

532.2 Amount

532.21 Basic Insurance

532.211 Minimum

If annual basic pay is $8,000 or less, employees are insured for $10,000. $10,000 is the minimum amount of basic insurance coverage available plus an equivalent amount of accidental death and dismemberment insurance.

532.212 Maximum

If annual basic pay is more than $8,000, employees are insured for an amount equal to the sum of annual basic pay rounded to the next higher thousand plus $2,000 plus an equivalent amount of accidental death and dismemberment insurance.

532.213 Extra Benefit

The extra benefit doubles the amount of Basic Life Insurance payable if the employee is age 35 or younger. Beginning on the employee's thirty-sixth birthday, the extra benefit decreases 10 percent each year until, at age 45, there is no extra benefit.

532.214 Automatic Change

The amount of basic insurance coverage (and equivalent amount of accidental death and dismemberment insurance) changes automatically whenever the employee's annual basic compensation is increased or decreased to the next $1,000 bracket.

532.215 Accidental Dismemberment Provision

The following outlines coverage under the Accidental Dismemberment Provision:

a. *Allowance.* The Accidental Dismemberment Provision allows for insurance payments for loss resulting from bodily injuries incurred solely through violent, external, and accidental means provided the loss occurs within 90 days after the date of the accident.

b. *Disallowance.* The Accidental Dismemberment Provision does not allow insurance payment for bodily injuries attributed to the following causes:

(1) Disease or bodily or mental infirmity, medical or surgical treatment, or diagnoses thereof.

(2) Ptomaine or bacterial infection, except for septic infection from a visible wound sustained through violent, external, and accidental means.

(3) Hernia, no matter how sustained.

(4) Bodily injuries sustained during:

(a) Armed aggression or insurrection.

(b) War, declared or undeclared.

(c) Any act of war.

(d) Any aggression by armed forces against the United States in which nuclear weapons are being used.

(5) Intentional self-destruction or intentionally self-inflicted injury, while sane or insane.

(6) Self-administration of illegal or illegally obtained drugs.

c. *Amount of Payment.* The amount of accidental dismemberment payment depends on (1) the amount for which an employee is insured on the date that the accident occurs and (2) the extent of loss. (The maximum for any one accident is 100 percent.)

d. *Payment Schedule:*

Extent of Loss	Percentage of Insurance Payable[1]
Total and irrecoverable loss of sight in both eyes	100
Total and irrecoverable loss of sight in one eye	50
Severance at or above the wrist joint of both hands	100
Severance at or above the wrist joint of one hand	50
Severance at or above the ankle joint of both feet	100
Severance at or above the ankle joint of one foot	50
Severance at or above the wrist joint of one hand and at or above the ankle joint of one foot	100
Severance at or above the wrist joint of one hand and the ankle joint of one foot, and total and irrecoverable loss of sight in one eye	100

[1] *Maximum for any one accident is 100 percent.*

e. *Supplemental Benefits.* Employees or survivors who are entitled to a dismemberment or accidental death insurance benefit may receive the benefit even though they are entitled to payment under another federal law for the same loss.

Example: An employee who loses a hand in an on-the-job accident may receive the insurance payment for the dismemberment. An employee who qualifies may also receive either disability annuity payments or OWCP benefits.

532.22 Optional Insurance

532.221 Option A — Standard

The amount of Option A — Standard is $10,000. Option A includes coverage for accidental death and dismemberment. Option A may be continued after retirement, but there is no accidental death and dismemberment coverage.

532.222 Option B — Additional

Option B — Additional may be elected in an amount equal to one, two, three, four, or five times the employee's annual rate of basic pay (excludes COLA) after first rounding to the next higher multiple of $1,000 if the pay is not an exact multiple of $1,000. A "multiple" under Option B is limited to no more than the annual rate of basic pay payable to positions at Level II of the Executive Schedule (section 5313, Title 5, U.S. Code) rounded to the next higher $1,000. There is no accidental death and dismemberment coverage. Option B — Additional may be continued after retirement.

532.223 Option C — Family

Option C may be elected to cover eligible family members: Multiples of one, two, three, four, or five may be elected. Each multiple is equal to $5,000 for spouse and $2,500 for each eligible dependent child. Additional Death and

Dismemberment coverage is not included. Option C may be continued after retirement.

533 Cost, Payment, Withholdings

533.1 Basic Insurance Cost

The Postal Service assumes the full cost of basic insurance for all eligible employees (except postal inspectors and Inspector General employees).

533.2 Optional Insurance

533.21 Cost

The cost of the three forms of optional insurance depends on the employee's age. The entire cost is paid by the employee and is withheld from pay as determined by OPM. (See 533.22.)

533.22 Withholdings

533.221 Option A — Standard

Rates for $10,000 of coverage:

Your Age Group	Biweekly	Monthly
Under 35	**$0.30**	**$0.65**
35 through 39	**$0.40**	**$0.87**
40 through 44	**$0.60**	**$1.30**
45 through 49	**$0.90**	**$1.95**
50 through 54	**$1.40**	**$3.03**
55 through 59	**$2.70**	**$5.85**
60 through 64	**$6.00**	**$13.00**
65 through 69	**$6.00**	**$13.00**
70 and over	**$6.00**	**$13.00**

533.222 Option B — Additional

Rates per $1,000 of coverage:

Your Age Group	Biweekly	Monthly
Under 35	**$0.03**	**$0.065**
35 through 39	**$0.04**	**$0.087**
40 through 44	**$0.06**	**$0.130**
45 through 49	**$0.10**	**$0.217**
50 through 54	**$0.15**	**$0.325**
55 through 59	**$0.31**	**$0.672**
60 through 64	**$0.70**	**$1.517**
65 through 69	**$0.70**	**$1.517**
70 and over	**$0.70**	**$1.517**

533.223 **Option C — Family**

Withholding per multiple:

Your Age Group	Biweekly	Monthly
Under 35	**$0.27**	**$0.59**
35 through 39	**$0.34**	**$0.74**
40 through 44	**$0.46**	**$1.00**
45 through 49	**$0.60**	**$1.30**
50 through 54	**$0.90**	**$1.95**
55 through 59	**$1.45**	**$3.14**
60 through 64	**$2.60**	**$5.63**
65 through 69	**$3.00**	**$6.50**
70 and over	**$3.40**	**$7.37**

533.224 **Birthdays and Pay Periods**

For optional insurance purposes, an employee attains age 35, 40, 45, 50, 55, or 60 on the first day of the first pay period following the pay period in which the birthday occurs.

533.225 **Insufficient Pay to Cover Optional Insurance Withholdings**

The following provisions apply:

a. *Termination of Insurance.* Employees who become ineligible for optional insurance have their coverage terminated at the end of the pay period in which the employing office determines that the employee's periodic pay, after all deductions, is insufficient to cover the full cost of the optional insurance. This determination is made when it is expected that, during the next 6 months, the employee's regular pay (after other deductions) will be insufficient to provide the total required withholdings for the optional insurance for at least 50 percent of the pay periods.

b. *Canceling Nonmandatory Deductions.* Employees may cancel or reduce other nonmandatory deductions from pay in order to increase their net pay to provide the total required withholdings for the optional insurance.

534 Special Circumstances Affecting Coverage

534.1 LWOP

534.11 Twelve-Month Maximum

Employees may be in nonpay status up to 12 months and their basic and optional life insurance coverage continues without cost. At the end of 12 months, the coverage ceases. The 12 months in nonpay status may be continuous or may be broken by periods of less than 4 consecutive months in nonpay status. If employees have at least 4 consecutive months during which they receive some pay in each pay period after a period of nonpay status, they are entitled to begin a new 12-month period.

534.12 Notice of Right of Conversion

See 535.63.

534.13 Return to Duty

If employees return to positions not excluded from coverage after their insurance coverage ceases due to expiration of the allowable maximum 12 months in nonpay status, they are again eligible for insurance. Restoration is automatic at the time employees actually enter on duty in a pay status unless they file a waiver of Basic Life Insurance (or decline optional insurance). If the employees again go on LWOP and have not completed 4 consecutive months in pay status, insurance coverage ceases the last day of the last pay period in which they were in pay status.

534.14 Appointment to Temporary Position

534.141 Coverage

If employees in nonpay status, who are entitled to free insurance (basic and/or optional) while in a nonpay status, accept temporary appointments to positions excluded from insurance coverage, they continue to receive insurance coverage. Basic Life Insurance coverage is based on the higher salary rate. Upon termination of the temporary appointment, the employee's insurance coverage reverts to the first position and basic insurance coverage is based on that salary rate.

534.142 New Twelve-Month Maximum

If employees serve and receive pay for 4 consecutive months in temporary positions, they are entitled to begin a new 12-month maximum nonpay period during which their insurance continues.

534.143 Optional Insurance Withholdings

Withholdings for optional insurance are made from the employee's pay earned in the temporary position.

534.15 Retirement Annuity Pending

Employees who are in nonpay status while their application for retirement annuity is pending, continue to be insured until the expiration of the 12 months in a nonpay status or until employees are separated, whichever occurs first. If insurance is terminated for either of these reasons, it is restored to employees as annuitants provided:

a. Annuities become effective no later than 1 month after the insurance held as employees is terminated, and

b. Employees are eligible to continue insurance coverage into retirement. (See 536.1.)

534.2 Service in Employee Organization

534.21 Election

534.211 General

Employees who are granted leave without pay (LWOP) to serve as full-time officers or employees of an employee organization composed primarily of federal/postal government employees may elect to continue life insurance coverage for as long as they are on LWOP. The election is filed with the employee's installation head within 60 days after LWOP begins.

534.212 **Employee Elects to Continue**

If employees elect to continue insurance coverage, they pay for (or arrange to have paid), on a current basis, the total premium costs as determined by the Eagan ASC.

534.213 **Employee Does Not Elect to Continue**

If employees do not elect to continue insurance coverage, the insurance continues for the maximum 12-month LWOP period, and then is terminated.

534.22 Installation Head Responsibility

534.221 **Notify Employee of Right to Elect**

As soon as LWOP is authorized, the installation head notifies the employee of the right to elect to continue or to discontinue insurance coverage. The employee's election must be in writing.

534.222 **Set Up Reminder System**

The installation sets up a follow-up system to remind employees that an election is to be filed within a 60-day time limit.

534.223 **Contact Employee**

If an employee does not make an election, the installation contacts the employee to urge that an election be made (if possible).

534.224 **Document Action**

If, after being contacted, the employee continues to refuse to make the election, all action taken is documented. Failure of the employee to make an election is considered an election not to continue the insurance.

534.225 **Copy of Election Filed**

A copy of the election (or installation head's documentation) is filed in the employee's official personnel folder.

534.3 Employees Receiving OWCP Benefits

534.31 Eligibility

534.311 **Basic Life Insurance**

Employees receiving OWCP benefits may retain basic insurance (not accidental death and dismemberment) provided:

a. On the day that basic insurance would otherwise terminate, they are in receipt of benefits under the Federal Employees' Compensation Act because of disease or injury, and the Department of Labor has held that they are unable to return to duty.

b. They do not convert to an individual policy.

c. They have been insured under the FEGLI Program for 5 years of service immediately preceding the date they became entitled to benefits under the Federal Employees' Compensation Act, or the full period(s) of service since their first opportunity to be insured if less than 5 years.

534.312 **Optional Insurance**

Employees may retain optional life insurance (not accidental death and dismemberment) provided:

a. They are eligible to continue Basic Life Insurance.

b. They have had optional insurance in force no less than (1) the 5 years of service immediately preceding the date the employee becomes entitled to compensation benefits, or (2) if less than 5 years, the full period(s) of service during which the optional insurance was available to them.

534.32 Termination of Insurance

The *continued* insurance coverage accorded employees who are receiving OWCP benefits and who are unable to return to active service terminates when their compensation benefits cease, or when the Department of Labor rules that the employees are able to return to active service. These employees do not have a 31-day extension of life insurance (see 535.62), nor do they have the privilege of converting to an individual policy (see 535.7). They may, however, resume coverage if they return to active service in a position which affords life insurance coverage, i.e., a career position (see 534.33).

534.33 Resumption of Insurance

Employees who receive OWCP benefits and then return to pay status (or separate and then are reemployed) again become insured as employees. Employees who receive OWCP benefits and then receive an immediate Civil Service annuity retain insurance coverage as annuitants.

534.34 Notice of Right of Conversion or Continuation

534.341 Choice

Employees who have completed 12 months in a nonpay status and who are receiving benefits under the Federal Employees' Compensation Act are given SF 2819, *Notice of Conversion Privilege,* and SF 2821, *Agency Certification of Insurance Status,* and are informed that they have a choice of converting to an individual policy or continuing with group life insurance (not accidental death or dismemberment) while in receipt of compensation. Employees must meet eligibility requirements cited in 534.31 in order to continue coverage.

534.342 Cost

If an employee is eligible to continue coverage during receipt of compensation, basic insurance continues without cost provided compensation benefits commence prior to January 1, 1990, and the employee elects a 75 percent reduction in coverage after attaining age 65. If the employee is also eligible to continue optional insurance, premiums are withheld from compensation payments.

534.343 Procedures for Continuation

If an eligible employee elects to continue group life insurance, the following procedures apply:

a. The employing office has the employee complete SF 2818, *Continuation of Life Insurance Coverage as a Retiree or Compensationer*.

b. The employing office forwards to OPM the following:

(1) SF 2821.

(2) SF 2818, *Continuation of Life Insurance Coverage as a Retiree or Compensationer.*

(3) SF 2817 and/or SF 176, *Life Insurance Election* (all copies).

(4) SF 2823 and/or SF 54, *Designation of Beneficiary* (all copies).

Forms are forwarded by certified or registered mail to:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

A brief note should be attached to alert OPM that forms are being forwarded for "CSI (Civil Service Insurance) Processing." A record of the action including copies of all forms should be kept in the employee's OPF.

c. OPM certifies insurance status and postretirement election to Department of Labor (OWCP) and then informs employee of insurability status.

534.4 Living Benefits

Employees with written documentation of a medical prognosis of terminal illness, indicating life expectancy that does not exceed 9 months, are eligible to elect a lump sum payment of life insurance equal to or less than the value of their Basic Life Insurance. This option is not available for additional optional insurance elections.

Elections must be submitted to the Office of Federal Employees' Group Life Insurance (OFEGLI) on Form FE-8, *Election of Living Benefits.* This form is not available in local personnel services offices and must be requested directly from OFEGLI by calling 1-800-633-4542.

534.5 Assignment of Life Insurance

Assignment means that the employee gives up ownership of all life insurance elected under OFEGLI (except Option C — Family) with no option to rescind the decision. The assignee becomes the beneficiary and the employee continues to pay premiums as appropriate. The employee no longer has the right to change beneficiaries or reduce the amount of coverage.

Assignments are usually made for one of the following reasons:

a. To comply with a court order for divorce.

b. For inheritance tax purposes.

c. To obtain cash before death.

d. To satisfy a debt.

Form RI 76-10, *Assignment of Federal Employees' Group Life Insurance,* is required and may be obtained from the personnel services office.

534.6 Erroneous Enrollments

In instances where an employee is allowed to enroll or increase benefits in either Basic or optional insurance and does not meet the criteria for completion of SF 2817, the enrollment may be allowed to stand. If the coverage remains in force for 2 years or more and the error is not detected and corrected within that 2-year period, the enrollment continues under the FEGLI Incontestability Clause.

535 Actions

535.1 Acquiring Coverage

535.11 Basic Insurance

535.111 Newly Eligible Employees

Employees who are newly eligible (newly hired persons or persons converted from positions in excluded categories to positions covered by life insurance) automatically acquire Basic Life Insurance coverage on the first day of active duty in pay status without cost to them (except postal inspector and Inspector General employees).

535.112 Transfer Employees

Eligible employees who transfer into the Postal Service on or after July 20, 1974, from a federal agency automatically obtain Basic Life Insurance coverage, at no cost to them, on the first day of active duty in pay status.

535.113 Previous Waiver

Previously submitted waivers are not accepted.

a. A waiver of Basic Life Insurance in effect at the time an individual becomes an employee of the Postal Service (provided the appointment is on or after July 20, 1974, and the position is not excluded from insurance coverage) is automatically cancelled. The employee becomes insured for Basic Life Insurance on the first day of active duty in a pay status.

b. All waivers of Basic Life Insurance in Postal Service employee's personnel folders by virtue of Postal Service employment are to be officially cancelled before the folders are forwarded to another agency or sent to the National Personnel Records Center for retention. This also applies to cancelled waivers submitted to OPM with retirement applications. (A rubber stamp notice on SF 2817 citing 5 CFR 870.204 as the reason for the cancellation of the waiver is sufficient.)

535.12 Optional Insurance

535.121 Eligibility

Employees who have basic insurance and who have not previously declined optional insurance are eligible to elect optional insurance. Refer to 535.92 for automatic cancellation of previously declined optional insurance in the case of reinstated employees.

535.122 Election/Declination Requirement

Employees must indicate whether they wish to elect or decline optional insurance.

a. Within 31 days after becoming eligible for optional insurance, employees must complete and submit SF 2817, *Life Insurance Election,* for the purpose of electing or declining optional insurance, unless a declination of optional insurance filed on SF 2817 during earlier employment remains in effect.

b. If eligible employees decline to file SF 2817, the employing office completes the form for them declining the optional insurance. In the space provided for the employee's signature, the employing office

enters the employee's name and the date that the employee was contacted and failed to elect optional insurance. The installation official making the entry signs and dates the form.

535.123 **Effective Date**

Optional insurance affirmatively elected is effective on the first day the eligible employee actually enters on duty in a pay status on or after the day the election is received in the employing office.

535.124 **Belated Election**

If an employee submits an election after the required timelines, employing offices must consider the following:

a. *Cause Beyond Employee's Control.* If, within 6 months after an employee becomes eligible, the employing office determines that the employee was unable to timely elect optional insurance due to "cause beyond the employee's control," the employing office may accept the election within 31 days after notifying the employee of its determination.

Example: (1) the employing installation did not give new employees information about optional insurance, or (2) employees were told by the employing installation that they were not eligible for optional insurance.

b. *Documentation.* If an employing office accepts a late election, it records on SF 2817 its determination that the employee was unable to make a timely election for cause beyond the employee's control, giving the date the employee was notified of the determination. When an employee elects optional insurance, it is especially important that this be documented on SF 2817 for purposes of meeting the "coverage for the full period of service during which optional insurance was available or for the last 5 years" requirement for continuing optional insurance after retirement. The employee's reason for failing to timely elect need not be stated on SF 2817. Instead, a memo stating the reason is attached to the original SF 2817.

c. *Retroactive.* Late elections are effective retroactive to the pay period beginning immediately after the one in which the employee first became eligible.

535.2 Waiver of Basic Insurance

535.21 Filing SF 2817

New employees who, for religious or other reasons, do not want free Basic Life Insurance, must file SF 2817 with their employing offices, waiving insurance coverage.

535.22 Effective Date

A waiver becomes effective at the end of the pay period in which SF 2817 is received by the employing office.

535.23 Employee Statement

The installation makes absolutely certain that an employee understands the consequence of the waiver. A statement signed by the employee, together with SF 2817 waiving insurance coverage, is filed as a permanent record in the employee's official personnel folder. (See 535.24.)

535.24 Sample Statement

To: Postmaster

[__*city, state, ZIP*__]

I have been informed of my right to receive Basic Life Insurance coverage of at least $10,000 based on my employment with the U.S. Postal Service. I fully understand that this Basic Life Insurance coverage is available without cost to me. While I have had the benefits of this free coverage explained to me, I still elect not to accept this free life insurance and have so indicated on Part 5 of SF 2817.

[__*signature*__]
[__*date*__]
[__*city, state, ZIP*__]

535.3 Declination of Optional Insurance

Employees who elect the basic insurance but who do not desire the optional insurance must file a properly completed SF 2817, declining the optional insurance.

535.4 Effect of Waiver or Declination

535.41 Reappointment/Transfer

Once a properly executed waiver of basic insurance or declination of optional life insurance, completed on or after April 4, 1981, by a postal employee is received in the employing office and is made effective, it remains in effect until cancelled even though the employee may transfer to another agency or be reappointed after a break in service. See 535.8 for procedures for canceling waiver or declination and 535.92 for automatic cancellation of previously declined optional insurance, in the case of reinstated employees.

535.42 Previous Filing

535.421 Basic Life Insurance

An eligible employee who has previously worked for the federal government, or District of Columbia government, and who has never filed a waiver automatically has Basic Life Insurance coverage. If an uncanceled waiver of Basic Life Insurance is outstanding and another waiver is not filed, the waiver is automatically cancelled when the individual is employed by the Postal Service, provided the position is not excluded from insurance coverage. (See 535.113.) The employee acquires free basic insurance on the first day of active duty in pay status.

535.422 Optional Insurance

If an uncanceled declination of optional insurance is outstanding, the employee cannot elect the declined optional insurance until the declination is cancelled. Refer to 535.9 for exceptions.

535.5 Cancellation of Insurance Coverage

535.51 Filing SF 2817

Employees may cancel insurance by filing a completed SF 2817 with employing offices. They may cancel basic life and optional insurance, or may cancel optional insurance only.

535.52 Effective Date

Cancellations become effective at the end of the pay period in which the SF 2817 canceling the insurance is received by the employing office.

A cancellation of family optional insurance becomes effective, and family optional insurance stops at the end of the pay period in which the declination or waiver is properly filed, except that, at the request of the employee and upon proof satisfactory to the employing office that there was no family member eligible for coverage, the effective date of the cancellation may be made retroactive to the end of the pay period in which there ceased to be eligible family members.

535.6 Termination

535.61 Effective Date

535.611 Basic Insurance

An employee's basic insurance terminates:

a. At the end of the last day of the pay period in which the employing office receives the employee's waiver of life insurance coverage (SF 2817); or

b. At the end of the day on which the employee is separated for any reason, including separation for transfer to another agency (except a mass change — transfer of the organizational unit); or

c. At the end of the day on which the employee completes 12 months in a nonpay status as explained in 534.1; or

d. At the end of the last day of the employee's last pay period in pay status, if the employee is not entitled to any further continuation because he or she has not completed 4 consecutive months in pay status since exhausting 12 months maximum LWOP (see 534.11); or

e. At the end of the day which precedes the day the employee moves to excluded employment (see Exhibit 531.3).

535.612 Optional Insurance

An employee's optional insurance terminates:

a. At the time the basic insurance terminates, or

b. On the last day of the pay period in which the employing office received the employee's declination of optional insurance (SF 2817), or

c. On the date preceding the date the employee's basic insurance is continued into retirement (or during the time that the employee is in receipt of compensation for a work injury, if not eligible to continue optional insurance also), or

d. At the end of the pay period in which it is determined, in accordance with instructions in 533.225, that the employee's periodic pay, after all other deductions are made, is insufficient to cover the full cost of the optional insurance.

535.62 Temporary Continued Protection for Thirty-One Days

When basic life and/or optional insurance terminates, except by waiver or declination, the employee continues to have life insurance protection (not

accidental death and dismemberment) for 31 days thereafter. This 31-day temporary extension is automatic. There is no extension of protection when insurance terminates by waiver or declination.

535.63 Notice of Termination and of Conversion Privilege

The employing office is required to promptly issue SF 2821 and SF 2819 to employees when group insurance terminates under conditions entitling employees to convert to individual policies. The notification requirements are as follows:

a. *Conditions for Issuing SF 2821 and SF 2819.* SF 2821 and SF 2819 are issued by the employing office when insurance terminates (except by waiver or declination) as a consequence of one of the following:

(1) Separation, such as but not limited to resignation, retirement, death, and removal.

(2) Completion of 12 months in a nonpay status, including when in receipt of benefits under OWCP.

(3) Assignment to a noncovered position (see 531.3) in which the employee is not eligible to continue or reacquire insurance coverage, or

(4) Entry into active military service covered by military leave with pay which terminates before the employee is scheduled for release from military duty. (SF 2821 is issued when military leave with pay ceases. Issuance of SF 2821 and SF 2819 is not necessary if it is known that within 3 calendar days after the date that military leave with pay ceases, the employee will return to government service and will be eligible to reacquire insurance.)

b. *Conditions for Not Issuing SF 2821 and SF 2819.* SF 2821 and SF 2819 are not issued when employees are not entitled to convert to individual life insurance policies and insurance terminates under one of these two conditions:

(1) Basic life or optional insurance, or both, terminate because the employee filed a waiver or declination (SF 2817) canceling coverage; or

(2) It is known that within 3 calendar days after the date the insurance terminates, the employee will return to government/postal service in the same or another position in which the employee is eligible to reacquire insurance.

535.64 Requirement for Continuous Protection

To have continuous insurance protection, the employee must normally apply for an individual policy and pay the first premium to the insurance company within the 31-day temporary extension period (see 535.62).

535.7 Conversion

535.71 Converted Policy

535.711 Purchase of Individual Policy

An employee entitled to convert insurance coverage may purchase an individual policy from any eligible insurance company that the employee

selects. A medical examination for determining insurability is not required. The policy, at the employee's option, may be equal to or less than the group insurance the individual had as an employee, including optional insurance but excluding accidental death or dismemberment benefits. The policy may be in any form customarily issued by the insurance company except term insurance.

535.712 **Information Source**

Information regarding insurance companies which are eligible and willing to handle conversions may be obtained from the:

OFFICE OF FEDERAL EMPLOYEES
GROUP LIFE INSURANCE
PO BOX 2627
JERSEY CITY NJ 07303-2627

535.72 Time Limits for Conversions

535.721 **Employing Office Responsibility**

If through administrative error the conversion notice to the employee is not issued within 6 months after the insurance terminates, the employing office contacts the individual and determines whether the employee wishes to convert. If the individual wishes to convert coverage, permission must be obtained from OPM to issue a conversion notice. The employing office forwards the request to Compensation at Headquarters with a detailed explanation of the reasons for the delay in issuing the conversion notice. If the individual does not wish to convert coverage, it should be documented in the employee's OPF. No further action will be required.

535.722 **Employee Responsibilities**

An employee must take action to convert insurance coverage.

a. An employee who desires to convert to an individual policy submits SF 2821 and SF 2819 to the OFEGLI within 31 days after termination of the insurance, or, if not notified of conversion privilege at time of termination, within 31 days after being notified of conversion privilege.

b. An employee who desires continuous coverage applies for conversion and pays the first premium within the 31-day period. (see 535.64)

535.73 Conversion Privilege for Family Members

Eligible family members also have the right to convert their coverage under the family optional insurance (Option C — Family) to individual policies within the 31 days following the death of an employee or during the 31 days after the termination of group insurance if the employee has a right to convert, but does not elect to exercise that right. The form to be used by family members for this purpose is SF 2819.

535.8 Canceling Waivers or Declinations

535.81 Conditions

Employees who previously waived (or declined) insurance coverage may cancel a waiver (or declination) if the following conditions are met:

a. The date that the employee requests the insurance is at least 1 year after the effective date of the last waiver (or declination), and

b. The employee furnishes satisfactory medical evidence of insurability. For exceptions to the above conditions, refer to 535.9.

Note: Employees reinstated after a break in service of *180 days or more* are eligible to complete a new SF 2817 election. This automatically cancels any previous election to waive coverage.

535.82 Procedures

To cancel a waiver or declination, the personnel services office completes SF 2822, *Request for Insurance,* Part A, and forwards it to the employee. The employee completes Part B and proceeds by following instructions printed on SF 2822. Any fee for medical examination and certification is paid by the employee. If the request for insurance is approved by OFEGLI, appropriate steps are taken to assure that (optional) life insurance deductions are withheld as required (see 535.832). If denied, a request for further consideration may be made to OFEGLI. Their decision is final and cannot be appealed.

535.83 Coverage After Cancellation of Waiver or Declination

535.831 Basic Insurance

To continue basic coverage after a cancellation of waiver or declination the following procedures apply:

a. *Pay Status Requirement.* Coverage is effective on the employee's first day in a pay status following the date of approval by OFEGLI as shown on SF 2822. If the employee is not at that time in a pay status, coverage becomes effective at the time the employee enters on duty the first day in a pay status.

b. *Expiration of 31 Days.* If, for any reason, the employee does not become insured within 31 days after OFEGLI approval, the authorization to cancel the waiver expires. The employee then repeats the procedure (if still eligible) by completing and filing another SF 2822.

c. *Subsequent Cancellation.* If, after cancellation of the waiver of basic insurance, the employee wishes to again cancel insurance coverage, a new waiver on SF 2817 is filed.

535.832 Optional Insurance

To continue optional coverage after a cancellation of waiver or declination the following procedures apply:

a. *Filing Election.* After approval by OFEGLI of an employee's request for cancellation of a declination of optional insurance, the employee has 31 days in which to complete SF 2817 electing optional insurance and to file it with the employing installation. The election (and optional insurance coverage) is effective at the time the employee enters on duty that first day in pay status on or after the day the election is received in the employing installation. Withholdings for optional insurance begin with that pay period.

b. *Requirements.* OFEGLI approval is revoked automatically, and the optional insurance does not become effective if the employee fails to submit an election or to meet the pay and duty status requirements within 31 days after the date of approval.

c. *Subsequent Declination.* If, after electing the optional insurance, the employee wishes to again decline, a new declination on SF 2817 is filed.

535.9 Exceptions for Canceling a Declination of Optional Insurance

535.91 Life Status Changes

An employee enrolled for basic insurance who has declined Option B — Additional and/or Option C — Family, may elect this coverage upon marriage, divorce, the spouse's death, or the acquisition of an unmarried dependent child. Additionally, an employee who has in force at least one, but less than five, multiples of Option B coverage may also elect to increase the number of multiples of Option B coverage upon marriage, divorce, the spouse's death, or the acquisition of an unmarried dependent child.

535.911 Time Limitation

Election must be filed with the employing office on SF 2817 during the 60-day period following the date of the event which permits the election. This 60-day time limit may be extended if the employee is not serving in a covered position on the day of the event, or if the individual separates from covered service prior to completion of the 60-day time limit. This extension of the time limit is limited to coincide with the 31-day time limit for electing insurance following employment in a covered position.

535.912 Limitation on Coverage

The number of multiples for Option B coverage that an employee may elect or add is limited as follows:

a. *Marriage* — One multiple for each additional family member (spouse, any unmarried dependent child) associated with the marriage.

b. *Acquisition of Child(ren)* — One multiple for each newly born, adopted, etc., unmarried dependent child added to employee's family.

c. *Divorce or Death of Spouse* — One multiple for each unmarried, dependent child on date of event.

535.913 Effective Date

The effective date of coverage is the first day the employee actually enters on duty in a pay status on or after the day the election is received in the employing office.

535.914 Proof Required

Proof of the marriage or the acquisition of the eligible child must be submitted by the employee.

535.92 Reinstatement Actions

535.921 Conditions

A declination of optional insurance (all options) filed on or after April 1, 1981, is automatically cancelled at the time an employee is reinstated, regardless of the employee's age, if the following conditions are met.

a. The employee was separated from the service for at least 180 days.

b. The employee files an affirmative election of optional insurance coverage. When an employee fails to file a new SF 2817 within 31 days

after reinstatement, it is determined that the employee has declined optional coverage.

Note: A previous declination of optional insurance, initiated on SF 176 prior to April 1, 1981, is automatically cancelled regardless of length of separation. All SF 176s were automatically cancelled effective April 1, 1981.

535.922 **Effective Date**

The effective date of coverage is the first day the employee actually enters on duty in a pay status on or after the day the election is received in the employing office.

536 Retirement

536.1 Requirements for Continuance

536.11 Basic Insurance

536.111 **Eligibility**

An employee who retires with an immediate annuity retains Basic Life Insurance (not accidental death and dismemberment) if all of the following requirements are met:

a. The employee retires from a position in which insured.

b. The employee does not convert to an individual policy when basic insurance as an employee would otherwise cease.

c. The employee retires on an immediate annuity, that is, one that begins to accrue no later than 1 month after the date the insurance would otherwise cease.

d. The employee has been insured under the FEGLI Program for the 5 years of service immediately preceding retirement *or* the full period(s) of service during which the Basic Life Insurance was available to the employee, if less than 5 years.

536.112 **Election Requirement**

An employee who meets the requirements for continuation of Basic Life Insurance coverage during retirement and desires to continue such coverage must complete SF 2818. On this form, the employee elects 75 percent, 50 percent, or no reduction in the amount of basic insurance coverage after attaining age 65.

536.12 Optional Insurance

Employees who retire retain optional life insurance (not accidental death and dismemberment) if they are eligible to continue basic insurance and have had optional insurance in force for no less than:

a. The 5 years of service immediately preceding the employee's retirement.

b. The full period or periods of service during which the optional insurance was available to the employees. (For this purpose, April 14, 1968, is the earliest date on which Option A was available, and April 4, 1981, for Options B and C.)

536.2 Cost

536.21 Basic Insurance

536.211 Premiums

Effective with retirements beginning January 1, 1990, or later, payment of premiums by retirees is required to retain Basic Life Insurance coverage. Rates are based on the reduction option selected on SF 2818 at time of retirement. Rates are shown below and reduction options are detailed in 536.3.

Monthly Cost of Basic Insurance		
Election	**Up to Age 65**	**After Age 65**
75% Reduction	$**0.3358** per $1,000	No Cost
50% Reduction	$**0.9258** per $1,000	$**0.59** per $1,000
No Reduction	$**2.3758** per $1,000	$**2.04** per $1,000

536.212 Withholdings

The withholdings will begin at retirement and continue for the life of the annuity, or until the election is cancelled, or coverage is otherwise discontinued. The 50 percent or no reduction may be cancelled at any time. The amount of basic coverage is then computed as if the 75 percent reduction had been made. The retiree is not entitled to a refund of the premiums already paid.

536.22 Optional Insurance

Refer to 533.22 for cost of optional insurance coverage. Withholdings will be made from the annuity on a monthly basis and will continue through the month the retiree reaches age 65. No further withholdings are required after age 65 or retirement, whichever occurs later.

Note: For annuitants under the FERS, if the annuity is too low to cover the cost of life insurance, premiums may be paid by direct mail to OPM. OPM advises annuitants of insufficient annuity and allows them to make direct payments or decrease or cancel FEGLI coverage.

536.3 Reduction After Retirement

536.31 Basic Insurance

536.311 Seventy-Five Percent Reduction

Effective at the beginning of the second calendar month following the date of retirement or age 65, whichever is later, the insurance is reduced by 2 percent each month, with a maximum reduction of 75 percent of the amount of coverage in force at retirement.

536.312 Fifty Percent Reduction

Effective at the beginning of the second calendar month following the date of retirement or age 65, whichever is later, the insurance is reduced by 1 percent each month with a maximum reduction of 50 percent of the amount of coverage in force at retirement.

536.313 No Reduction

The entire amount of coverage in force at retirement will continue after reaching age 65 without any reduction.

536.32 Optional Insurance

536.321 Option A — Standard

Effective at the beginning of the second calendar month following the date of retirement or age 65, whichever is later, the insurance is reduced by 2 percent each month, with a maximum reduction of 75 percent or $7,500. The full 75 percent reduction will be reached in 37 months.

536.322 Option B — Additional and Option C — Family

Employees who retire on or after April 24, 1999, may choose to continue their Option B and/or Option C coverage without reduction into retirement. Employees may also elect how many of the Option B and C multiples they wish to continue into retirement. The monthly rates for Optional B and C Insurance in Retirement are shown as below:

	Option B Per $1,000 Insurance		Option C Per Multiple	
Your Age Group	**Full Reduction**	**No Reduction**	**Full Reduction**	**No Reduction**
Under age 35	$0.065	$0.065	$0.59	$0.59
35 through 39	$0.087	$0.087	$0.74	$0.74
40 through 44	$0.130	$0.130	$1.00	$1.00
45 through 49	$0.217	$0.217	$1.30	$1.30
50 through 54	$0.325	$0.325	$1.95	$1.95
55 through 59	$0.672	$0.672	$3.14	$3.14
60 through 64	$1.517	$1.517	$5.63	$5.63
65 through 69	Free	$1.517	Free	$6.50
70 and over	Free	$1.517	Free	$7.37

If an employee chooses full reduction, effective at the beginning of the second calendar month following the date of retirement or age 65, whichever is later, the insurance is reduced by 2 percent each month for 50 months. At 12:00 p.m. on the day preceding the 50th reduction, the insurance will cease with no extension of coverage or right to convert.

536.4 Living Benefits

Annuitants with written documentation of a medical prognosis of terminal illness, indicating life expectancy that does not exceed 9 months, are eligible to elect a lump sum payment of life insurance equal to their Basic Life Insurance that would be in effect 9 months after the date OFEGLI receives a completed claim form. Premiums are discontinued from the monthly annuity. This option is not available for additional optional insurance elections.

Elections must be submitted to the OFEGLI on Form FE-8. This form is not available in local personnel services offices nor from OPM, and must be requested directly from OFEGLI by calling 1-800-633-4542.

536.5 Assignment of Life Insurance

Assignment means the annuitant gives up ownership of all life insurance elected under OFEGLI (except Option C — Family) with no option to rescind the decision. The annuitant no longer has the right to change beneficiaries or

reduce the amount of coverage. The assignee becomes the beneficiary and the annuitant continues to pay premiums as appropriate.

Assignments are usually made for one of the following reasons:

a. To comply with a court order for divorce.

b. For inheritance tax purposes.

c. To obtain cash before death.

d. To satisfy a debt.

Form RI 76-10 is required and may be obtained from the personnel services office.

537 Reemployed Annuitants

537.1 Coverage

537.11 Terminated by Reemployment

When insured annuitants are reemployed under conditions which terminate title to the annuity, the insurance carried as a retired employee is terminated without the right to convert. The employee, however, may acquire insurance provided the new employment is not a position that is excluded from coverage.

537.12 Retained During Reemployment

When insured annuitants are reemployed under conditions that do not terminate title to the annuity, they retain basic and any optional life insurance held as retired employees. A reemployed annuitant retains life insurance regardless of whether annuity is paid through the period of reemployment or payment of annuity is merely suspended. Life insurance is resumed at the same rate upon termination of the reemployment.

537.121 Suspended

If the annuitant, however, acquires new insurance coverage as a result of employment, i.e., appointment to a covered position (see 537.13), then his or her insurance coverage as a retired employee is suspended. The total amount of basic, standard optional, family optional, and, in some cases, additional insurance (see 537.132) held as a retiree is suspended on the day before the first day in a pay status under the appointment.

a. *Reductions.* While life insurance coverage is suspended, any reductions to it because of attaining, or having already attained, age 65 apply.

b. *Death in Service.* If the covered annuitant dies during reemployment, the suspended Basic Life Insurance (less applicable reductions) is automatically reinstated upon death in the amount necessary to assure that the basic insurance benefit paid is no less than the amount which would have been paid if the annuitant had not been reemployed. In the case of any optional coverage, suspended coverage is not reinstated upon death.

537.122 **Continued**

For annuitants reemployed in positions which exclude coverage, the insurance maintained as a retired employee is not suspended, but continues in force.

537.13 Automatic Coverage

Annuitants appointed to nonexcluded positions automatically acquire basic and optional insurance, except for additional optional (see 537.132), as an employee, on the first day in pay and duty status unless they file a waiver, or declination, or have an unrevoked declination of optional insurance on file during prior employment. The insurance acquired is the same as that held as an employee and includes full coverage, including applicable double indemnity and dismemberment benefits.

537.131 **Optional Withholdings**

Where optional life insurance withholdings are involved, the employing office must notify OPM by completing OPM Form 1482, *Agency Certification of Status of Reemployed Annuitant*. Upon notification, OPM will terminate the optional insurance withholdings from the monthly annuity. Withholdings will be made from the employee's salary.

537.132 **Additional Optional Coverage**

Reemployed annuitants eligible for continued additional optional insurance (Option B) as retirees and as employees must elect either coverage.

a. *Election.* If the reemployed annuitant wishes to have the annuitant coverage continue, no action is required. However, if the coverage as an annuitant is to be suspended and the employee elects coverage acquired by reemployment, SF 2817 must be completed within 31 days after reemployment.

b. *Procedures.* Employee completes SF 2817 reconfirming coverage. Withholdings for coverage are made from salary. OPM Form 1482 is completed and forwarded to OPM, notifying that office of the effective date withholdings from salary began.

537.14 Waiver and/or Declination of Coverage

537.141 **Insurance Affected**

A declination or waiver filed by a reemployed annuitant applies to insurance as an employee and also to insurance as an annuitant.

537.142 **Effect**

The employing offices must make certain that a reemployed annuitant who wishes to file a waiver and/or declination understands the effect(s) of such action. Reemployed annuitants should not file a waiver and/or declination if they want the previously acquired insurance that they had as annuitants to continue.

537.143 **Exception**

One exception to this general rule applies to the decision of a reemployed annuitant to "cancel" additional optional insurance coverage available as an employee (see 537.132).

537.144 **Employing Office Procedures**

Whenever a declination or waiver is filed by a reemployed annuitant, the following procedures must be applied to assure that OPM records are noted regarding the waiver:

a. SF 2817 is completed by the reemployed annuitant showing a confirmation of those forms of coverage the annuitant wishes to retain.

b. The words "Reemployed Annuitant" and, if known, the retired employee's Civil Service Annuitant (CSA) or CSI number are entered on all copies of SF 2817.

c. A photocopy of SF 2817 with a brief transmittal letter is sent to:

INSURANCE SERVICES BRANCH
RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
1900 E ST NW
WASHINGTON DC 20415-0001

SF 2817 is processed in the usual manner.

537.15 Amount of Coverage

The amount of a reemployed annuitant's basic insurance coverage as an employee is based on the annual basic pay before reduction of pay by annuity allocable to the period of reemployment. The full amount of basic and optional insurance is acquired by the reemployed annuitant, even if the reemployed annuitant had attained age 65, and the amount of insurance coverage as an annuitant had already been reduced. Withholdings are made for optional insurance.

537.16 Termination and Conversion

537.161 **Termination Date**

Unless retained under 537.17, insurance acquired during reemployment terminates (subject to a 31-day temporary extension) on the date the reemployment terminates.

537.162 **Conversion Privilege**

Insurance acquired during reemployment may be converted only if the annuitant does not have insurance coverage as a retired employee. A reemployed annuitant who has insurance coverage (as a retired employee) which was suspended during the period of reemployment does not have the conversion privilege. The suspended insurance is reinstated as explained in 537.121.

537.17 Continuance Upon Termination of Reemployment

537.171 **Retention**

Upon the employee's separation from reemployment, the life insurance which was acquired during reemployment (not accidental death and dismemberment) may be retained only if the reemployed annuitant:

a. Has completed the equivalent of at least 1 year of continuous full-time service which meets requirements for supplemental annuity, or has otherwise acquired a new retirement eligibility, and

b. Meets the eligibility requirements for continuance of insurance coverage set forth in 536.

537.172 **Procedures**

If the reemployed annuitant qualifies for a supplemental annuity, the employing office completes SF 2821. The words "Reemployed Annuitant" and the CSA or CSI number are typed under the name on SF 2821.

537.173 **Adjustment**

If the insurance acquired during reemployment is retained, it continues, subject to reduction at age 65, the same as for any other retired employee. At death, previous insurance as an employee, still in suspension, is automatically reinstated (see 537.121), to assure that the amount paid is not less than it would have been had the individual not been reemployed.

537.174 **Withholdings**

If withholdings for optional insurance were made from the reemployed annuitant's pay and the period of reemployment was for *less than 1 year,* the OPM is notified when the reemployment terminates so that appropriate optional insurance withholdings are made from the annuity if withholdings were based on optional life insurance coverage retained from the employee's actual retirement.

537.2 Benefits

537.21 Amounts/Conditions

In the case of a reemployed annuitant, benefits are payable in the same amounts and under the same conditions as for other employees. If the amount of the reemployment acquired insurance benefit is more than the amount of suspended life insurance, the greater amount is paid. The total of all insurance benefits paid after death, accidental or otherwise, is not less than the amount that would have been paid had the retired employee not been reemployed. As needed, the amount of insurance suspended upon reemployment is reinstated automatically upon the employee's death in such amount as is necessary to make up the benefit payable.

537.22 Greater Amount Paid

If an annuitant is eligible to continue reemployed acquired life insurance after separation (see 537.17), the amount in force at time of the death is compared with the amount of any suspended life insurance at that time. The greater amount is paid as the death benefit.

Example 1:

Amount of Coverage: A reemployed annuitant has $12,000 of Basic Life Insurance as an employee and $12,000 accidental death and dismemberment insurance. The employee's suspended Basic Life Insurance is $11,000.

Death Benefit: The death benefit payable is $12,000. If death is accidental, the death benefit payment is $24,000.

Example 2:

Amount of Coverage: A reemployed annuitant has $10,000 of Basic Life Insurance as an employee and $10,000 accidental death and dismemberment insurance. The employee's suspended Basic Life Insurance is $11,000.

Death Benefit: $1,000 of the suspended benefit is reinstated, and $11,000 is paid in death benefits. If death is accidental, the death benefit payment is $20,000.

537.3 Designation of Beneficiary

537.31 Designation in Effect

A designation of beneficiary covers all insurance under the group policy. Any designation previously filed as a retired employee remains in effect until changed or cancelled.

537.32 Change of Beneficiary

537.321 Employee

A reemployed annuitant may designate a beneficiary or change or cancel a designation by executing SF 2823, *Designation of Beneficiary,* with the employing office.

537.322 Employing Office

A designation of beneficiary received by an employing office from a reemployed annuitant is not filed in the employee's OPF but rather sent, for central filing, with other retired employee designations to:

INSURANCE SERVICES BRANCH
RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
1900 E ST NW
WASHINGTON DC 20415-0001

Type "Reemployed Annuitant" and the CSA or CSI number on the designated form; enter the date and the name of the person in the employing office who received the form.

538 Beneficiaries, Benefits Payable, Claims

538.1 Beneficiaries

538.11 No Named Beneficiary

538.111 Order of Precedence

In the absence of SF 2823 or SF 54, insurance benefits payable upon the death of an insured employee or retired employee are paid to the survivors in the following order of precedence:

a. Widow or widower.

b. Child or children in equal shares with the share of any deceased child distributed in equal shares among the descendants of that child.

c. Parents in equal shares, or the entire amount to the surviving parent.

d. Executor or administrator of the estate.

e. Next of kin as determined under the laws of the state in which the insured was domiciled.

538.112 Option C — Family

Option C — Family insurance in force on a spouse or child on the date of the family member's death will be paid to the employee or former employee

whose pay, annuity, or compensation is subject to the withholding for Option C — Family insurance coverage. In the event payment is not made prior to the death of the employee or former employee, Option C — Family insurance payment will be made to the person(s) eligible for the payment of the employee's, or former employee's, Basic Life Insurance.

538.113 **Designating Trusts**

An insured individual may designate a person or institution as a trustee under the terms of a trust agreement to receive the proceeds of the life insurance benefit upon the insured's death. The designation must include, at a minimum, the name of the trust, if any, the date of the document, the name(s) of the person(s) who signed the document, and the name and address to contact to identify the trustee.

538.12 Specific Designation

538.121 **SF 2823**

An employee who desires an order of precedence different from listing in 538.111, or who desires to name some person, firm, or other legal entity not listed in 538.111, files SF 2823 with the employing office.

538.122 **Contingent Provisions**

Designations containing contingent provisions (such as "to John if he is living at home," or "to John if he uses the money for educational purposes") are not accepted by the employing office.

538.123 **Agency as Beneficiary**

An agency of the federal or District of Columbia government cannot be named as a beneficiary.

538.124 **Procedures for Filing**

The employing office:

a. Checks to determine that SF 2823 is properly signed, witnessed, and otherwise complete. (A witness is not eligible to receive payment as a beneficiary.)

b. Notes, in the space provided on SF 2823, the date that the form was received in the employing office, and the name of the person who received it.

c. Retains the original receipted SF 2823 and places it in the employee's official personnel folder. For exceptions, refer to 537.32.

d. Returns the duplicate copy of the receipted SF 2823 to the employee.

538.13 Employee Informed

538.131 **Previous Designation Invalid**

At the time that an employee becomes insured, the employing office informs the employee that any designation of beneficiary previously filed is no longer valid and that another SF 2823 must be filed if the employee wishes to name a beneficiary. The employee is also informed that filing a designation is advisable under the following circumstances:

a. An employee does not have and cannot easily obtain a certificate of marriage or evidence of death or divorce dissolving a prior marriage,

and the employee wishes the life insurance benefit to be paid to the current spouse.

b. A change in family status has occurred without a corresponding change in designation of beneficiary.

538.132 **Order of Precedence**

The employing office makes it clear to the employee that the insurance death benefit (basic and any optional) is paid in the order shown in 538.111 unless a designation of beneficiary is filed. The designation of beneficiary applies to both the basic and optional insurance unless otherwise indicated.

538.14 Change or Cancellation

Employees may cancel or change their designation of beneficiary at any time without the knowledge or the consent of any previous beneficiary.

538.15 Automatic Cancellation

Designation of Beneficiary is cancelled automatically:

a. On the day a retired employee's Civil Service annuity terminates unless the employee is entitled to continued insurance while receiving injury compensation benefits.

b. On the day an employee's injury compensation benefits terminate or the employee is held able to return to work unless the employee is entitled to continued insurance as a retired employee.

c. 31 days after the employee ceases to be insured.

538.16 Retiring Employee Designations

Any valid designation on file at the time insured employees retire remains valid as long as the retiring employees retain insurance as retired employees unless they change the designation or cancel it. If there is no designation on file, retiring employees are informed of their right to file SF 2823 with OPM.

538.17 Reemployed Annuitant

See 537.3.

538.18 Designation While Receiving OWCP Benefits

Any valid designation on file at the time insured employees apply for continued insurance coverage while receiving OWCP benefits and unable to return to duty, remains valid. The employees may change or cancel the designation as long as they retain insurance while receiving compensation and are unable to return to duty. If there is no designation on file, the employee is informed of the right to file SF 2823 with OPM.

538.2 Benefits Payable

538.21 Amount

The death benefit is payable regardless of the cause of death and is always the amount that the employee is insured for on the date death occurs. Employees cannot have more than one amount of basic (and optional) insurance in force on their life at any one time.

538.22 Accidental Dismemberment

538.221 Single Accident

If, as a result of a single accident, an employee sustains more than one of the losses cited in 532.215, no more than the amount for which the employee is insured is payable.

538.222 Multiple Accidents

There is no limitation on the number of times a benefit is payable for accidental losses resulting from different accidents.

Example: An employee is paid for the accidental loss of sight in one eye. Later, as a result of another accident, the employee loses both hands and is paid the full benefit for the second loss.

538.23 Accidental Death

Accidental death is death resulting from bodily injuries incurred solely through violent, external, and accidental means within 90 days after the date the accident occurred. The accidental death benefit is payable in addition to the regular death benefit. The amount payable is the amount that the employee is insured for on the date that the accident resulting in death occurs.

538.24 Accidental Dismemberment and Accidental Death

If, as a result of a single accident, both an accidental dismemberment benefit and an accidental death benefit become payable, the accidental death benefit is no more than the difference between the insurance in force and the amount already paid as a dismemberment benefit.

538.25 Death During Thirty-One-Day Extension of Group Life Insurance

For an employee who, after separation (but within the 31-day extension period during which group life insurance protection is extended), converts insurance and then dies, the benefit payable is the amount of group life insurance less any amount paid under the converted individual policy.

538.3 Claims

538.31 Death of Insured Employee

538.311 Contacting Persons Entitled to Benefits

Upon death or dismemberment of an insured employee, the employing office (a) contacts the persons entitled to benefits, (b) assists in filing the claim, and (c) determines that required forms and documents are properly completed and forwarded to OFEGLI.

538.312 SF 2821

Proper completion of SF 2821 includes the following:

a. Installation heads certify SF 2821, *Agency Certification of Insurance Status,* promptly and accurately. Particular attention is given to assuring that basic pay, as shown in Item 8, is accurate and does not contain temporary COLA, overtime pay, holiday pay, etc.

b. Upon death of an employee, the employing office is required to immediately prepare SF 2821. The duplicate copy is forwarded to the Retirement Branch, Eagan Accounting Service Center, for certification that the basic pay in Item 8 is correct. After proper certification, the

employing office will forward the certified copy to OFEGLI. The original copy of SF 2821 is to be forwarded to OFEGLI with FE 6, *Claim for Death Benefits (Federal Employees' Group Life Insurance),* and the death certificate. If no claim is filed, the original copy of SF 2821 is filed in the OPF. It will be forwarded to OFEGLI only upon request.

538.32 Death of Reemployed Annuitant

538.321 Addressing Claims

If an insured reemployed annuitant dies during the period of reemployment, the claim for death benefits is filed through the:

INSURANCE SERVICES BRANCH
RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
1900 E ST NW
WASHINGTON DC 20415-0001

and not directly with the OFEGLI. A claim from a reemployed annuitant for accidental dismemberment benefits is sent directly to the OFEGLI in New York.

538.322 SF 2821

In completing SF 2821:

a. Employing offices (1) show annual basic pay for insurance purposes (not reduced by annuity allocable to the period of reemployment), (2) enter the words "Reemployed Annuitant", and (3) enter the CSA or CSI number under the deceased person's name.

b. Installation heads (or designees) certify each SF 2821 for accuracy and assure that annual basic pay in Item 8 is correct, and excludes temporary COLA, overtime pay, holiday pay, etc.

538.33 Requirements for Filing

Benefits are payable only upon submission of:

a. A claim (FE 6, FE 6-Dep, or FE 7), and

b. Satisfactory proof of loss (death certificate, physician's statement, or similar proof), and

c. A completed SF 2821, *Agency Certification of Insurance Status,* by the employing office.

538.34 Forms Used

538.341 Death Benefits

Claims for death benefits, including accidental death, are filed on Form FE 6, *Claim for Death Benefits.* Claims for benefits in the death of an insured family member are filed on FE 6-Dep, *Statement of Claim.*

538.342 Accidental Dismemberment

Claims for accidental dismemberment are filed on Form FE 7, *Claim for Accidental Dismemberment.* Form FE 7 is not supplied in quantity by OPM, but only by individual request on an as-needed basis. The form is not available from the material distribution center. All requests should be made to:

OFFICE OF FEDERAL EMPLOYEES' GROUP LIFE INSURANCE
200 PARK AVENUE
NEW YORK NY 10166-0188

538.35 Time Limits for Filing Accidental Death or Dismemberment Claims

In cases of accidental death or dismemberment, a written notice is sent to OFEGLI within 20 days of the accident. A claim for accidental death or dismemberment benefits, with proof of loss, is submitted within 90 days. If it is not possible to give the required notice and to file claim within the time periods specified, the notice and claims are submitted as soon as reasonably possible, together with satisfactory explanation for the delay.

538.36 Settlement

Claims for benefits are adjudicated and paid by OFEGLI. The claimant may elect payment of benefits in:

a. Lump-sum payment, or

b. Monthly or annual installments.

539 Insurance Forms

539.1 Filing

539.11 SF 2817, Life Insurance Election (FEGLI)

File *PART 1* of SF 2817 in the employee's OPF and destroy *PART 2* after personnel action has been processed and verified. *PART 3* is the employee's copy.

539.12 SF 2821, Agency Certification of Insurance Status

File 1 copy *(PART 3)*. The original *(PART 1)* is forwarded either to OPM or OFEGLI depending upon the type of employee separation. If the employee is not eligible to continue coverage, the original *(PART 1)* and duplicate *(PART 2)* are given to the employee.

539.13 SF 2823, Designation of Beneficiary

File the original and give the employee a duplicate. All prior designations are retained in employee's OPF. Upon the employee's retirement, all SF 2823 and SF 54 forms are removed from the official personnel folder and forwarded to OPM.

539.14 SF 2822, Request for Insurance

Notify the employee of OFEGLI's decision and file the form returned by the OFEGLI (SF 2822) in the employee's official personnel folder.

539.2 Privacy Act Considerations

539.21 Handling and Disclosing Information

Life insurance records contain information about individuals. As such, they are handled and disclosed only in accordance with the Privacy Act and implementing instructions.

539.22 Records Maintenance

An individual's life insurance records and related correspondence are maintained within the Postal Service in one of two ways: either in the personnel area as part of the privacy system entitled USPS 120.070, Personnel Records — General Personnel Folders (Official Personnel Folders and Records Related Thereto) or in the Eagan ASC as part of the privacy system entitled USPS 050.020, Finance Records — Payroll System. Employees making formal privacy requests specifically for access to or update of these records direct their requests to the head of the installation where employed. Retired employees direct their requests to OPM.

539.23 Employee Retires

When an employee retires, copies of life insurance records are sent to OPM. Retired employees making privacy requests specifically for OPM records direct their requests to the:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

540 Injury Compensation Program

541 Overview

541.1 Background

541.11 Law

Under the provisions of the Postal Reorganization Act, 39 U.S.C. 1005 (c), all employees of the United States Postal Service are covered by the Federal Employees' Compensation Act (FECA), 5 U.S.C. 81.

541.12 Administration

FECA is administered by the Office of Workers' Compensation Programs (OWCP), United States Department of Labor. OWCP determines whether the employee, or a survivor of the employee, is entitled to benefits under FECA. The director of OWCP and his or her designees have the exclusive authority to administer, interpret, and enforce the provisions of the Act.

541.13 Coverage

541.131 Disability

FECA provides that employees who suffer job-related disabilities are entitled to:

a. Continuation of pay (COP) for the period of the disability, up to a maximum of 45 calendar days, for a traumatic job-related injury (see 541.2d).

b. Compensation for wages lost as a result of job-related injury or disease or illness.

c. Medical care for disability due to:

(1) Personal injuries sustained while in the performance of duty.

(2) Diseases proximately caused, aggravated, or accelerated by postal employment.

d. Vocational rehabilitation.

541.132 **Death**

FECA provides for payment of monetary compensation to specified survivors of an employee whose death results from a work-related injury or occupational disease or illness and payment of certain burial expenses subject to the provisions of 5 U.S.C. 8134.

541.133 **Schedule Awards**

Compensation is provided for the permanent loss, or loss of use, of each of certain members, organs, and functions of the body.

541.14 Privacy Act

Injury compensation records are maintained by the Postal Service within the privacy system of records identified as USPS 120.098 (*OWCP Record Copies*).

541.2 Definitions

Except where the content clearly indicates otherwise, the following definitions apply:

a. *Benefits* or *compensation* — any of the following:

(1) Money paid to claimants by OWCP because of loss of wages or earning ability.

(2) Money paid in the form of schedule awards (e.g., loss of finger).

(3) Money paid as reimbursement for medical diagnostic and treatment services supplied under FECA.

(4) Money paid as reimbursement for the replacement or repair of medical braces, artificial limbs, and other prosthetic devices, and for time lost while such devices or appliances are being replaced or repaired. However, a claim is not appropriate for the replacement or repair of eyeglasses and hearing aids except as provided in 541.2h.

(5) Money paid to specified survivors of employees whose death is job-related.

(6) Certain payments to individuals who are participating in an approved vocational rehabilitation program.

b. *Claim* — an assertion, in writing, of an individual's entitlement to benefits under FECA. This claim must be submitted on a form as required by 542. A claim may be filed for a traumatic injury, an occupational disease or illness, or death.

c. *Claimant* — an individual whose claim for benefits and/or compensation has been filed in accordance with FECA and the provisions of 542.

d. *Continuation of pay (COP)* — continuation of the employee's regular pay for a period of 45 calendar days. The first COP day is the first day disability begins following the date of injury (except where the injury occurs before the beginning of the work day or shift, in which case the date of injury is charged to COP). COP can be received only if the disability begins within 45 days of the date of the injury or within 45 days from the date the employee first returns to work following the initial period of disability. Examples are as follows:

(1) If an employee is called in ahead of the employee's scheduled tour, is injured during the call-in period, and is unable to continue to work due to the injury, the 45-calendar-day period begins at the start of the scheduled tour.

(2) If an employee is injured during the scheduled tour and is unable to work due to the injury, the 45-calendar-day period begins on the next calendar day.

(3) If an employee works only a portion of a day or tour (other than the day or tour when the injury occurred), that day or tour is counted as 1 calendar day toward the 45-day period.

e. *Control office* — a unit staffed with an Injury Compensation manager and human resources specialists responsible for injury compensation program administration.

f. *Control officer* — the Injury Compensation manager who heads the control office and manages the administration of the injury compensation program within a performance cluster.

g. *Control point* — an individual who is designated by the district manager and/or installation head to coordinate claim management activity with the control office and is one of the following:

(1) A human resources specialist if an injury compensation unit is available and staffed.

(2) The postal physician or occupational health nurse administrator if an occupational health services office is available and staffed.

(3) An appropriate designated supervisor (full-time or collateral duty).

h. *Injury* — a traumatic injury (see 541.2r) or an occupational disease or illness (see 541.2j), including damage to or destruction of medical braces, artificial limbs, and other prosthetic devices. The term does not include the damage or destruction of eyeglasses and hearing aids, unless the damage or destruction is a direct result of a personal job-related injury requiring medical services.

i. *Monthly pay* — the greatest of the following:

(1) Monthly pay at the time of injury.

(2) Monthly pay at the time disability begins.

(3) Monthly pay at the time compensable disability recurs if the recurrence begins more than 6 months after the injured employee resumes full-time employment with the Postal Service or other government agency.

j. *Occupational disease or illness* — an illness or disease produced by one of the following:

(1) Systemic infections.

(2) Continued or repeated stress or strain.

(3) Exposure to toxins, poisons, fumes, etc.

(4) Other continued and repeated exposure to conditions of the work environment over a longer period of time than a single day or work shift.

k. *Occupational health nurse administrator* — a career postal or contract occupational health nurse who, at the district level, is responsible for the oversight and management of the medical and occupational health services.

l. *Official supervisor* — an individual who is responsible for the supervision, direction, or management of employees.

m. *Physician* — any surgeon, podiatrist, dentist, clinical psychologist, optometrist, chiropractor, or osteopathic practitioner used within the scope of his or her practice as defined by state law. Exceptions are as follows:

(1) Chiropractors are included only to the extent that their reimbursable services are limited to treatment to correct a spinal subluxation as demonstrated by X ray to exist.

Note: "Subluxation as demonstrated by X ray to exist" must appear in the chiropractor's report for OWCP to consider payment of a chiropractor's bill. Also, a chiropractor may provide physical therapy under the direction of a physician.

(2) Clinical psychologists serve as physicians within the scope of practice as defined by state law. Unless the state law allows clinical psychologists to treat physical conditions, a clinical psychologist may not serve as a physician when a condition includes a physical component.

(3) *Naturopaths, faith healers, and other practitioners of the healing arts* are not recognized as physicians within the meaning of FECA.

n. *OWCP* — the Office of Workers' Compensation Programs, Employment Standards Administration, of the Department of Labor.

o. *Postal physician* — a Postal Service physician, medical designee, or contract physician.

p. *Recurrence of disability* — an employee's inability to work, after return to work, that is caused by a spontaneous change in the employee's medical condition and is related to a previous injury or illness without intervening injury or new exposure.

q. *Recurrence of medical condition* — a documented need for further medical treatment after release from treatment for the accepted condition or injury when there is no work stoppage.

r. *Traumatic injury* — a condition of the body caused by external force, including stress or strain. The injury:

(1) Must be identifiable as to time and place of occurrence and member or function of the body affected.

(2) Must be caused by a specific event or incident, or series of events or incidents, within a single day or work shift.

541.3 Forms

Each installation head must maintain an adequate supply of the following basic forms, which are needed for recording and reporting injuries:

Form	Title
CA-1	Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation
CA-2	Notice of Occupational Disease and Claim for Compensation
CA-2a	Notice of Federal Employee's Recurrence of Disability and Claim for Pay/Compensation
CA-5	Claim for Compensation by Widow, Widower, and/or Children
CA-5b	Claim for Compensation by Parents, Brothers, Sisters, Grandparents, or Grandchildren
CA-6	U.S. Department of Labor Official Superior's Report of Employee's Death
CA-7/20	Claim for Compensation on Account of Traumatic Injury or Occupational Disease/Attending Physician's Report
CA-7a	Time Analysis Form
CA-7b	Leave Buy-Back Worksheet/Certification Form
CA-10	What a Federal Employee Should Do When Injured at Work
CA-11	When Injured at Work, Information Guide for Federal Employees
CA-16	Authorization for Examination and/or Treatment
CA-17	Duty Status Report
CA-35A	Evidence Required in Support of a Claim for Occupational Disease
CA-35B	Evidence Required in Support of a Claim for Work-Related Hearing Loss
CA-35C	Evidence Required in Support of a Claim for Asbestos-Related Illness
CA-35D	Evidence Required in Support of a Claim for Work-Related Coronary/Vascular Condition
CA-35E	Evidence Required in Support of a Claim for Work-Related Skin Disease
CA-35F	Evidence Required in Support of a Claim for Work-Related Pulmonary Illness (not asbestosis)
CA-35G	Evidence Required in Support of a Claim for Work-Related Psychiatric Illness
CA-35H	Evidence Required in Support of a Claim for Carpal Tunnel Syndrome
CA-915	Claimant Medical Reimbursement Form
HCFA-1500	Health Insurance Claim Form
PUB 71	Notice for Employees Requesting Leave for Conditions Covered by Family and Medical Leave Policies

Form	Title
PS 2488	Authorization for Medical Report
PS 2491	Medical Report — First Aid Injuries
PS 2556	Third Party Statement of Recovery
PS 2557	Employee's Third Party Recovery Statement
PS 2559	Third Party Claim — Information Request
PS 2560	Referral of Third Party Material
PS 2562	Injury Compensation Program — Notice of Potential Third Party Claim
PS 2573	Request — OWCP Claim Status
PS 2577	Assignment of Claim to the Postal Service

542 FECA Claim Requirements

542.1 Employee Claims for Injury or Illness

542.11 Traumatic Injury

542.111 Notice

The notice of traumatic injury is given on Form CA-1.

542.112 Time Limit

FECA requires that written notice of a traumatic injury be given by the employee, or person acting on behalf of the employee, within 3 years of the injury. However, failure to give notice on Form CA-1 within 30 calendar days from the date the injury occurred will result in a loss of entitlement to COP and may also result in a loss of compensation rights if the claim for compensation is not filed within 3 years. In order to protect their own interests and to ensure an uninterrupted income, employees should give notice or have someone give notice on their behalf, immediately after the traumatic injury occurs.

542.12 Occupational Disease or Illness

542.121 Notice

The notice of occupational disease or illness is given on Form CA-2.

542.122 Time Limit

FECA specifies that notice be given by the employee, or person acting on behalf of the employee, within 3 years of the onset of the condition. In cases of latent disability, the time for filing the claim does not begin to run until the employee has a compensable disability and is aware, or reasonably should be aware of the causal relationship between the disability and the employment. Failure to give notice within this time period may result in a loss of compensation rights. If the claim is not filed within 3 years, compensation may still be allowed if notice of injury was given within 30 days or the employer had actual knowledge of the injury or death within 30 days after occurrence. This knowledge may be evidenced by written records or verbal notification.

Note: Continuation of regular pay is not applicable in instances of occupational disease or illness.

542.13 Recurrence

542.131 Notice

The notice of recurrence is given on Form CA-2a.

542.132 Time Limit

A specific time limit for giving the notice of recurrence is not specified by FECA. The recurrence should be reported by the employee if it causes the employee to lose time from work and incur a wage loss or if the employee experiences a renewed need for treatment after previously being released from care.

542.14 Survivor Claim for Death Benefits

542.141 Claim

A claim for compensation benefits by a survivor of an employee whose death was related to a job-related injury or illness is made on Form CA-5 or Form CA-5b by the survivors or person acting on behalf of the survivors. The form is given to the control office. The survivors may also submit the completed Form CA-5 or CA-5b directly to OWCP.

542.142 Time Limit

A claim for death benefits must be filed within 3 years of the death. The filing of a notice of injury or occupational disease will satisfy the time requirements for a death claim as a result of the same injury or disease. In the case of death due to latent disability, the time for filing does not begin until the survivors are aware, or reasonably should be aware, of the causal relationship between the death and factors of the employee's postal employment.

542.2 Evidence Required

542.21 General

Forms CA-1, CA-2, CA-2a, CA-5, and CA-5b describe the evidence required. The evidence submitted must be reliable, probative, and substantial. The employee is responsible for establishing that five requirements have been met for a claim to be accepted. The five requirements are:

a. The claim was filed within the time limits specified by FECA.

b. The injured person was, at the time of injury, an employee of the United States as defined in 5 U.S.C. 8101.

c. The fact that an injury, disease, or death occurred.

d. The injury, disease, or death occurred while the employee was in the performance of duty.

e. The medical condition for which benefits are claimed is causally related to the claimed injury, disease, or death.

542.22 Medical Reports

The employee is responsible for submitting a medical report from the attending physician. (See 545.5 and 545.51 for requirements of medical reports and rules governing submission to OWCP.)

542.23 Disability

The employee must submit medical evidence to substantiate any claimed disability.

In COP cases, the employee must ensure the following:

a. That medical evidence supporting disability resulting from the claimed traumatic injury, including a statement as to when the employee can return to his or her date-of-injury job, is provided to the control office or control point within 10 calendar days after the claim for COP is filed.

b. That the treating physician specifies work limitations and provides them to the control office or control point and representatives of OWCP.

542.3 Penalties

542.31 Penalty for False Statement

Any employee, supervisor, or representative who knowingly makes a false statement with respect to a claim under FECA may be subject to a fine of not more than $10,000 or 5 years in prison, or both.

542.32 Penalty for False Claim

Any employee, supervisor, or representative who, with respect to a claim under FECA, enters into any agreement to obtain the payment or allowance of any false or fraudulent claim may be subject to a fine of not more than $10,000 or 10 years in prison, or both.

542.33 Penalty for Refusal to Process Claim

Any employee or supervisor responsible for making reports in connection with an injury who willfully fails, neglects, or refuses to do so; induces, compels, or directs an injured employee to forego filing a claim; or willfully retains any notice, report, or paper required in connection with an injury may be subject to a fine of not more than $500 or 1 year in prison, or both.

542.34 Loss of Benefits for Beneficiary Who Defrauds the Government

A beneficiary who pleads guilty or is found guilty of federal or state criminal charges of defrauding the federal government in connection with a claim for benefits is barred from entitlement to all future benefits for any injury occurring on or before the date of guilty plea or verdict. The effective date of termination of benefits is the date the guilty plea is accepted or the date a verdict of guilty is found after trial.

543 Employee Rights

543.1 Waiver of Compensation Rights

No employer or other person may require an employee or other claimant to enter into any agreement, either before or after an injury or death, to waive his or her right to claim compensation under FECA. No waiver of compensation rights shall be valid.

543.2 Withdrawal of Claim

An employee may withdraw his or her claim (but not the notice of injury) by so requesting in writing to OWCP at any time before OWCP determines eligibility for benefits. Any COP granted to an employee after a claim is withdrawn must be charged to sick or annual leave or considered an overpayment of pay at the employee's option.

543.3 Medical Care

FECA guarantees the employee the right to an initial choice of physician. The employee is entitled to receive all medical services, appliances, or supplies that a qualified physician prescribes and OWCP determines necessary to treat the injury. For continued payment of medical expenses by OWCP, a change of the employee's initial choice of physician is permitted only with OWCP approval. Referrals for further examination, testing, or medical care by the physician designated on the Form CA-16 are covered. (See 545.4 for implementing medical care.)

543.4 Continuation of Regular Pay or Leave for Disabling Injuries

If the injury is disabling, an eligible employee may elect to have regular pay continued for up to 45 calendar days or to use annual leave or sick leave. (See 545.72 for explanation of eligibility for COP.)

543.41 Continuation of Regular Pay

For most employees who sustain a traumatic injury, FECA provides that the employer must continue the employee's regular pay during any periods of resulting disability up to a maximum of 45 calendar days (see 545.72 for explanation of eligibility for COP). Such pay is subject to taxes and all other usual payroll deductions. If an employee elects COP and the claim is subsequently denied, any COP granted to the employee must be charged to sick or annual leave or considered an overpayment of pay at the employee's option (see 437).

543.42 Sick or Annual Leave

The following provisions apply:

a. The use of annual or sick leave does not extend the 45-calendar-day COP period, which begins with the first period of time lost after the day or shift of injury.

b. Leave is limited to the amount that the employee has accrued.

c. An employee may subsequently request COP in lieu of previously requested sick and/or annual leave, subject to leave carryover provisions. However, such a request must be made within 1 year of the date that leave is used, or within 1 year of the date OWCP approves the claim, whichever is later.

d. An employee who elects to use sick or annual leave during the 45-day period in which COP is available is not entitled to buy back that leave with later compensation payments.

e. Pay that is attributable to the leave period is subject to taxes and other usual payroll deductions.

f. An employee may use sick or annual leave after the COP period expires or during a period of disability due to an occupational disease or illness. In such cases, the employee may be entitled to buy back the leave with compensation payments (see 512.923 and 545.84). The buy-back must be initiated within 1 year of the return, or within 1 year of the date OWCP approves the claim, whichever is later. Only employees who are on the rolls of the Postal Service may buy back leave.

544 Reporting Procedures

544.1 Responsibilities

544.11 Immediate Supervisor Responsibility

544.111 General

When a notice of traumatic injury or occupational disease is filed, the immediate supervisor is responsible for doing the following:

a. Immediately ensuring that appropriate medical care is provided.

b. Providing the employee a Form CA-1 or a Form CA-2.

c. Completing the receipt attached to Form CA-1 or CA-2 and giving the receipt to the employee or the employee's representative.

d. Investigating all reported job-related injuries and/or illnesses.

e. Immediately notifying the control office or control point of an injury, disease, or illness.

f. Prompt completion and forwarding of Form CA-1 or CA-2 to the control office or control point on the same day it is received from the employee.

544.112 Traumatic Injuries

In case of a traumatic injury, the supervisor must advise the employee of the following:

a. The right to select a physician of choice.

b. If the injury is disabling, the right to either of the following:

(1) To elect COP for up to 45 calendar days.

(2) To use annual or sick leave. An employee may subsequently request COP (subject to leave carryover provisions) in lieu of previously requested sick and/or annual leave, but such a request must be made within 1 year of the date the leave was used, or within 1 year of the date of OWCP's approval of the claim, whichever is later.

544.12 Control Office or Control Point Responsibility

The control office or control point is responsible for completing Forms CA-16 and CA-17 (see 545.21 and 545.53). Control office and control point supervisors are responsible for reviewing all claims for accuracy and completeness and for forwarding claims and related documents to OWCP within prescribed FECA time frames. Control points at major postal installations may be given authority by the control office to manage and submit claims directly to OWCP. The control office or control point must

advise the employee whether COP will be controverted and whether pay will be interrupted. The control office must provide the employee a copy of the completed CA-1 or CA-2 and all correspondence between the Postal Service and the treating physician.

544.2 Criteria and Time Limits

544.21 Traumatic Injury and Occupational Disease or Illness

544.211 Report Criteria

Completed forms are sent to OWCP when the injury or disease is likely to result in any of the following:

a. A medical charge against OWCP.

b. Disability for work or assignment to limited duty beyond the day or shift the injury occurs.

c. The need for more than two appointments for medical examination and/or treatment on separate days resulting in time lost from work.

d. Future disability.

e. Permanent impairment.

f. Continuation of pay.

Exception: If none of the above conditions is evident, Form CA-1 or Form CA-2 must be filed in the employee's medical folder instead of being sent to OWCP.

544.212 Time Limit

The control office or control point submits to the appropriate OWCP district office within 10 working days after it is received from the employee:

a. Completed Form CA-1 or Form CA-2.

b. Any other information or documents that have some bearing on the claim.

544.22 Recurrence of Injury

544.221 Report Criteria

A recurrence should be reported on Form CA-2a if it causes the employee to lose time from work and incur a wage loss, or if the employee experiences a renewed need for treatment after previously being released from care.

544.222 Time Limit

The notice of recurrence should be submitted promptly to OWCP.

544.23 Death

544.231 Report Criteria

The notice of death is given on Form CA-6.

The control office must furnish Form CA-5 and/or Form CA-5b to all survivors who may have entitlement to compensation for death of an employee.

544.232 Time Limit

The control office immediately reports the death to OWCP by telephone call, telegram, facsimile (fax), or electronic mail. As soon as possible, but no later than 10 working days after receipt of knowledge of death, the reporting

official completes and sends to OWCP a Form CA-6. Form CA-5 and Form CA-5b must be promptly forwarded to OWCP upon receipt.

544.24 PCES Claims

A copy of any forms and correspondence related to claims that are submitted by PCES executives must be sent to the manager of Corporate Personnel Management at Headquarters.

545 Control Office or Control Point Claim Management Responsibility

545.1 General

545.11 Claim Management Relationships

Injury compensation claims must always be managed by control offices at management levels above that of the injured employee.

Designated control office and control point claim management relationships are as follows:

Employee	Control Office or Control Point Level
Craft supervisor	Installation or district
Postmaster (associate office)	District
PCES postmaster; district or plant manager; district Safety and Health manager; and all full-time and collateral injury compensation personnel	Area injury compensation analyst
Area vice president; area Human Resources manager; and area injury compensation analyst	Headquarters

545.12 Establishing Control Office and Control Points

The district manager establishes a control office to handle injury compensation program administration.

At installations where there is no injury compensation control office, the district manager or installation head designates an appropriate control point individuals responsible for coordination of injury compensation activities with the injury compensation control office. (See 541.2g for instructions on designating a control point.)

Control offices ensure that control point personnel are properly trained to review cases. Control point personnel must not, under any circumstances or for any reason, delay timely submission of reports or claim forms to the control office. Human resources specialists serving as control points at major installations may be given authority by the control office to manage and submit claims directly to OWCP.

545.2 Authorizing Examination and/or Treatment With Form CA-16

545.21 Traumatic Injury

When an employee sustains a work-related traumatic injury that requires medical examination, medical treatment, or both, the control office or control point must authorize such examination and/or treatment by issuing a Form CA-16. Form CA-16 is used for all traumatic injuries requiring medical attention. The control office or control point must advise the employee of the right to an initial choice of physician (see 543.3). The control office or control point must promptly authorize medical treatment by issuing the employee a properly executed Form CA-16 within 4 hours of the claimed injury. If the control office or control point gives verbal authorization for care, Form CA-16 should be issued within 48 hours. The control office or control point is not required to issue a Form CA-16 more than one week after the occurrence of the claimed injury.

Exception: Issuance of Form CA-16 is not required for job-related first aid injuries where initial medical care is provided by either a postal physician or a contract physician and the employee voluntarily accepts this care (see 545.43).

545.22 Occupational Disease or Illness

In cases of occupational disease or illness, the control office or control point contacts OWCP district office for instructions if treatment authorization is requested by the employee.

545.23 Exposure to Workplace Hazards

Simple exposure to a workplace hazard, such as an infectious agent, does not necessarily constitute a work-related injury entitling an employee to medical treatment under FECA. The control office or control point should not use a Form CA-16 to authorize medical testing for an employee who has merely been exposed to a workplace hazard unless the employee has sustained an identifiable injury or medical condition as a result of that exposure.

545.24 Preventive Treatment

FECA does not authorize payment for preventive measures such as vaccines and inoculations. However, OWCP can authorize treatment for the following conditions:

a. Complications from preventive measures that are provided or sponsored by the agency, such as an adverse reaction to prophylactic immunization.

b. Actual or probable exposure to a known contaminant due to an injury, thereby requiring disease-specific measures against infection. Examples include the provision of tetanus antitoxin or booster toxoid injections for puncture wounds; administration of rabies vaccine for a bite from a rabid or potentially rabid animal; or appropriate measures where exposure to human immunodeficiency virus (HIV) has occurred.

c. Conversion of tuberculin reaction from negative to positive following exposure to tuberculosis in the performance of duty. In this situation, the appropriate therapy may be authorized.

d. Where injury to one eye has resulted in loss of vision, periodic examination of the uninjured eye to detect possible sympathetic involvement of the uninjured eye at an early stage.

545.3 Return to Work Responsibility

545.31 Control Office or Control Point Responsibility

Upon authorization of medical care, the control office or control point advises the employee, in writing, of the obligation to return to work as soon as possible. The term *return to work* refers to work in the employee's bid assignment or work in other locations and positions. Notification to the employee must include the following:

a. If a specific alternative position is available, the control office or control point must advise the employee in writing of the specific duties and physical requirements of the position.

b. If no specific alternative position is necessary, the control office or control point should advise the employee of any change the agency can make to the employee's permanent assignment to accommodate the employee's limitations due to the injury.

545.32 Suitable Work

To be considered suitable by OWCP, the job offer must include the following:

a. A description of the duties of the position.

b. A description of the specific physical requirements of the position and any special demands of the workload or unusual working conditions.

c. The organizational and geographical location of the job.

d. The effective date of the position.

e. The date the employee must accept or refuse the job offer.

f. Pay rate information for the offered position.

The job offer may be made verbally, as long as a written job offer is provided to the employee within 2 business days of the verbal job offer.

545.33 Employee Responsibility

The employee is responsible for the following:

a. Ensuring that the treating physician specifies work limitations and provides them to the control office or control point.

b. Providing the treating physician with a description of any specific alternative positions offered.

c. Ensuring a prompt response from the treating physician with an opinion on whether and how soon the employee can be expected to return to work in any capacity, either an offered position or offered modified duties.

d. Seeking and accepting suitable work.

545.4 Implementing Medical Care

545.41 Emergency Treatment

An employee needing emergency treatment must be sent to the nearest available physician or hospital or to a physician or hospital chosen by the employee or the employee's representative. The physician who provides emergency treatment is not considered the employee's initial choice of physician.

A supervisor may accompany the employee to the doctor's office or hospital to make certain that the employee receives prompt medical treatment.

Animal bites or eye injuries are always considered medical emergencies. In the event that there is doubt as to the emergent nature of the injury, it should be handled as an emergency.

545.42 Initial Medical Examination and/or Treatment

Initial medical examination and/or treatment must be authorized in accordance with FECA provisions and applicable OWCP regulations and policies governing medical care. (See 545.2 for control office or control point instructions on authorizing medical examination or treatment.)

545.43 Postal Physician or Contract Equivalent

A postal physician or contract equivalent may provide initial medical treatment not to exceed two office visits if:

a. The employee accepts such treatment.

b. Treatment complies with Handbook EL-806, *Health and Medical Service,* and with OWCP regulations and directives.

545.44 Outside Treatment in a Nonemergency Situation

In a nonemergency situation, if an employee does not accept treatment at a Postal Service occupational health services office or contract facility, the employee may select a physician or hospital within approximately 25 miles of his or her home or worksite. The physician's office should be contacted by telephone by the control office or control point to determine if the physician is available and will accept the employee for treatment under FECA. If not, the employee must select another qualified physician or hospital.

A postal supervisor is not authorized to accompany the employee to a medical facility or physician's office in nonemergency situations.

Although the injured employee selects an outside physician for initial medical treatment, in nonemergency situations he or she may be required first to be examined by a postal physician or contract equivalent. In such instances:

a. The examination must be performed promptly following the report of injury.

b. Form CA-16, *Authorization for Examination and/or Treatment,* must be issued to the employee's physician of choice promptly following the report of injury, as specified in 545.2.

c. The examination must in no way interfere with the employee's right to seek prompt examination and/or treatment from a physician of choice.

545.45 Continuing Treatment With Postal Service or Contract Physician

If treatment with a contract physician will exceed two visits, the employee may continue treatment with a postal or contract physician provided the employee designates that person as his or her physician of choice.

Form CA-16, *Authorization for Examination and/or Treatment,* must be completed in accordance with 545.2.

545.5 Monitoring the Employee's Medical Care

In all cases reported to OWCP, a medical report from the attending physician is required. The report should bear the physician's signature or signature stamp. OWCP may require an original signature on the report. The employee's treating physician or hospital must, as soon as possible after medical examination or treatment is received, submit a report indicating the extent of disability affecting the employee's ability to work due to the injury. Use of OWCP medical report forms is not required. Form CA-16 may be used for the initial medical report, and Form CA-20 may be used for the initial report and for subsequent reports. The report may also be made in narrative form on the physician's letterhead stationery. The report must be submitted directly to OWCP by the physician or the employee. The control office or control point may request a copy of the report from OWCP or the physician.

In claims involving COP, medical evidence supporting disability resulting from a claimed traumatic injury, including a statement as to when the employee can return to his or her date-of-injury job, must be provided to the control office or control point within 10 calendar days after the employee files the claim. (See 545.724 for COP entitlement.) PS Form 2488, *Authorization for Medical Report,* may be used to obtain release of a medical report from the attending physician.

545.51 Medical Report Requirements

The medical report should include:

a. Dates of examination and treatment.

b. History given by the employee.

c. Physical findings.

d. Results of diagnostic tests (MRI, CAT scans, etc.).

e. Diagnosis.

f. Course of treatment.

g. A description of any other conditions found but not due to the claimed injury.

h. The treatment given or recommended for the claimed injury.

i. The physician's opinion, with medical reasons, as to causal relationship between the diagnosed conditions and the factors or conditions of the employment.

j. The extent of disability affecting the employee's ability to work due to the injury.

k. The prognosis for recovery.

l. All other material findings.

545.52 Determining Return to Work Capability

The control office or control point must monitor the employee's medical progress and determine return to work capability by obtaining periodic medical reports. Form CA-17 may be used for this purpose. This form:

a. Enables the Postal Service to provide the attending physician of an employee injured on duty with a brief summary of that employee's normal work duties.

b. Provides a checklist of physical requirements to permit the attending physician to indicate to the Postal Service what types of duties an injured employee may safely perform, and with what limitations. The control office or control point completes Part A of Form CA-17 before it is issued to the attending physician for completion. Particular attention should be given to Item 7, Description of Regular Work.

c. Is used to facilitate an injured employee's return to suitable employment.

To aid in returning an injured employee to suitable employment, the control office or control point may also contact the employee's physician in writing concerning the work limitations imposed by the effects of the injury and possible job assignments. However, FECA prohibits contacting the physician by telephone or through a personal visit except for administrative purposes such as determining whether a fax has been received or ascertaining the date of a medical appointment. A copy of all written correspondence to the employee's physician and any response received must be sent to the OWCP and the employee. The employee may be contacted at reasonable intervals to request periodic medical reports concerning return to work potential.

545.53 Review of Medical Treatment

Postal Service personnel must not interfere with the medical care prescribed by the employee's attending physician. Questions concerning the duration or type of medical treatment may be referred to the postal physician, occupational health nurse administrator, or contract physician for review.

If the employee's treating physician or hospital is unable to predict an employee's work capacity on either a short-term or long-term basis, the control office or control point may request information from OWCP. If the OWCP response does not explain the situation, a fitness-for-duty examination may be recommended to the installation head, Human Resources manager, or designee as provided in 545.61.

The Injury Compensation manager or authorized control office or control point personnel must refer to OWCP on a case-by-case basis, recommendations and supporting documentation regarding:

a. Change of the treating physician.

b. Use of a medical consultant or specialist by OWCP to clarify medical opinion and/or resolve a material difference in medical opinion.

c. Employee's achievement of maximum medical improvement.

d. Employee's fitness for full or limited duty.

Any disagreement or delay regarding the recommendations or proposals made to OWCP may be brought to the attention of OWCP district director through the area human resources analyst for injury compensation.

545.6 Fitness-for-Duty Examinations

545.61 General

The fact that an injured or ill employee is scheduled for a series of treatments or appointments with a physician or hospital does not, by itself, establish that the employee is not fit for duty in the interim. Control office or control point personnel may recommend to the installation head, Human Resources manager or designee at any time, upon medical justification, that any employee being treated by a physician or hospital be required to undergo a fitness-for-duty examination. An installation head, Human Resources manager, or designee is authorized to approve a fitness-for-duty examination.

545.62 Fitness-for-Duty Procedures

The following procedures apply only to fitness-for-duty determinations relative to an on-the-job injury or illness. Fitness-for-duty determinations for other purposes are not covered by this instruction.

A fitness-for-duty examination is not limited to the employee's regular duties, but should be based on whether the employing installation has any alternative duties available that the employee may safely perform.

A fitness-for-duty examination may include the parts of the anatomy being treated provided the examination in no way disturbs or interferes with the treatment regimen.

545.63 Fitness-for-Duty Results

The results of this examination must be brought to the attention of the OWCP district office for consideration.

545.64 Difference in Medical Opinion

If the results of the fitness-for-duty examination disagree with the findings of the attending physician, and the disagreement cannot be resolved with the attending physician, the matter, along with justification for the Postal Service's position, is referred by the control office or control point to OWCP for resolution. No administrative action may be taken to change the employee's compensation or employment status until the medical issue is settled by OWCP.

545.7 Continuation of Pay by the Postal Service

545.71 General

FECA provides that the employer must continue regular pay during periods of disability up to a maximum of 45 calendar days for eligible employees who sustain traumatic injuries. Employees are not required to use their own sick or annual leave, unless the provisions of 545.73 or 545.74 apply.

545.72 Eligibility

545.721 Initial Disability for a Traumatic Injury

To be eligible for COP, an employee must:

a. Have a traumatic injury.

b. File Form CA-1 within 30 days of the date of the injury and elect COP.

c. Begin losing time from work within 45 days of the injury.

545.722 Recurrence of Disability

In recurrence of disability cases, an employee is eligible for any balance of the 45 days of entitlement to COP not used during prior periods of disability provided that:

a. The employee completes Form CA-2a and elects to receive COP.

b. OWCP did not deny the original claim for disability.

c. The disability recurs and the employee stops work within 45 days of the time he or she first returned to work following the initial period of disability.

d. Pay has not been continued for the entire 45 days.

545.723 Exclusions

FECA excludes authorization of COP to members of the following groups:

a. Persons rendering personal service to the United States similar to the service of a civil officer or employee of the United States, without pay or for nominal pay.

b. Volunteers.

c. Individuals in work-study programs.

d. Grand or petit jurors (unless otherwise federal employees).

545.724 Employee Responsibility

To ensure continuing eligibility for COP, an employee must:

a. Complete and submit Form CA-1 to the employing agency as soon as possible, but no later than 30 days from the date the traumatic injury occurs.

b. Ensure that medical evidence supporting disability resulting from the claimed traumatic injury is provided to the employer upon receipt from the attending physician, but no later than 10 calendar days after filing the claim for COP. The report from the physician must include a statement as to when the employee can return to the date-of-injury job.

c. Ensure that relevant medical evidence is submitted to OWCP and cooperate with OWCP in developing the claim.

d. Ensure that the treating physician specifies work limitations and provides them to the employer.

e. Provide the treating physician with a description of any specific alternative positions offered by the Postal Service to the employee and ensure that the treating physician responds promptly to the control office or control point with an opinion as to whether and how soon the employee can perform that or any other specific duties.

545.73 Controversion of COP

545.731 Definition of Controversion

Controversion means to dispute, challenge, or deny the validity of a claim. The Postal Service may controvert a claim by completing the indicated portion of Form CA-1 and submitting detailed information in support of the controversion to OWCP (see 545.75).

545.732 Controversion With COP Withheld

The Postal Service controverts (i.e., challenges or disputes validity) a claim and does not authorize COP when any one of the following circumstances is present:

a. The disability was not caused by a traumatic injury.

b. No written claim was filed within 30 days from the date of injury.

c. The injury was not reported until after employment had been terminated.

d. The injury occurred off the employing agency's premises *and* was otherwise not within the performance of official duties.

e. The injury was caused by the employee's willful misconduct or intent to bring about injury or death to self or another person, or was proximately caused by the employee's intoxication by alcohol or illegal drugs.

f. The first absence caused by the injury occurred 45 days or more after the injury.

545.733 Controversion With COP Provided

In all situations, except as described in 545.732 above, the employer may controvert entitlement to COP, but must continue the employees regular pay pending a final determination by OWCP. OWCP has the exclusive authority to determine questions of entitlement and all other issues relating to COP.

545.74 Stopping COP

545.741 Circumstances for Stopping COP

After payment of COP is initiated, it may be stopped only when one of the following circumstances is present:

a. Medical evidence supporting disability due to a work-related injury is not received within 10 calendar days after the claim is submitted (unless the results of the accident investigation shows disability to exist).

b. The medical evidence from the treating physician shows that the employee is not disabled from the date-of-injury position.

c. Medical evidence from the treating physician shows that the employee is not totally disabled and the employee refuses a written job offer that is approved by the attending physician.

d. The employee returns to work with no loss of pay.

e. The employee's period of employment expires or employment is otherwise terminated as established prior to the date of injury (i.e., a casual or other employee with a specific term of employment). (See explanation in 545.743.)

f. Termination of employment is established prior to the date of injury.

g. OWCP directs the employer to stop COP.

h. COP has been paid for 45 calendar days.

The control office or control point must file a controversion with OWCP setting forth the basis on which COP is stopped, no later than the effective date of the termination.

545.742 **Relation to Disciplinary Action**

COP may not be interrupted or stopped because of a disciplinary action, unless a preliminary notice was issued to the employee before the date of injury and the action becomes final or otherwise takes effect during the COP period.

545.743 **Stopping Continuation of Pay for Temporary Employees**

In cases where casuals or other employees with specific terms of employment are injured, COP is awarded only through the end of their appointment; for example, if a casual employee is hired for 90 days and becomes injured on the 85th day, then COP is covered only through the 90th day; or, if an employee is hired for an appointment not to exceed 90 days and the appointment is changed to 60 days because of lack of work prior to the date that the injury occurred, then COP is awarded through the 60th day.

Note: If an employee is terminated as per 545.741 or 545.742, such an employee may file for compensation effective the date of termination.

545.75 Controversion Package

Proper identification of controverted claims is essential to permit the OWCP to give these claims priority in processing and to avoid the possibility of substantial, erroneous payments of regular pay. If a written explanation of the controversion is not submitted, OWCP may accept as factual the employee's report of injury.

When a claim is controverted, the control office or control point must ensure that the following actions are taken:

a. CA-1 must be properly completed and the controversion package must be adequately documented. Item 36 on the CA-1 should be clearly marked and a full explanation for the basis of the controversion provided.

b. Each case must be tailored to the facts; form letters and repetitive formats must be avoided. All controversion packages must be transmitted to OWCP district office by a cover letter with detailed information on the reasons for the controversion.

c. If additional information in support of the controversion is to be sent at a later date under a separate cover, this must be stated along with the date this information will be submitted in the cover letter and in Item 36 on the CA-1 before the package is submitted to OWCP district office.

d. Submission of Form CA-1 to OWCP must not be delayed, under any circumstances, pending the collection of data to support a controversion. Form CA-1 must be promptly sent to OWCP office with a notation on the CA-1 and a cover letter advising that the claim is

being controverted and that information to support the controversion is forthcoming.

e. The employee, employee beneficiary, or representative must be furnished with a written explanation for the basis of the controversion.

545.76 Adjudication Process

Proceedings conducted with respect to claims filed under FECA are not adversarial in character. Accordingly:

a. The Postal Service does not have the right to actively participate in the claims adjudication process. However, the Postal Service may investigate the circumstances surrounding an injury to an employee and the extent of the disability (e.g., the Postal Service may investigate an employee's activities where it appears the employee who is alleging total disability may be performing other employment or the employee may be engaging in activities that would indicate less than total disability).

b. The Postal Service has the responsibility to submit to OWCP, at any time, all relevant and probative factual and medical evidence in its possession or evidence that it may acquire through investigation or other means. OWCP considers and acts upon all evidence submitted by the Postal Service and informs the claimant, the claimant's representative, and the Postal Service of such action.

c. In those instances where the Postal Service contests a claim at the time of the initial submission and the claim is subsequently approved, OWCP must notify the Postal Service of the rationale for approving the claim.

545.77 Controversion Denied by OWCP

If a controversion is denied by OWCP, the control office or control point may submit a copy of the CA-1 and all other relevant documents to the area human resources analyst for injury compensation, or designee, for review and any necessary resubmission, if warranted. Cases that are not resolved to the satisfaction of field management may be forwarded to the area human resources analyst for injury compensation with a request for further action.

545.78 Overpayment Determination

In the event of an overpayment, OWCP determines the period of absence from the job that resulted in the overpayment in the course of adjudication of the claim. The control office or control point and the employee are notified of the period of disability that is approved by OWCP.

545.8 Compensation by OWCP for Disability

545.81 Initial Period of Compensation

545.811 Traumatic Injury

If medical evidence shows that disability resulting from a traumatic injury is expected to continue beyond 45 days of COP and compensation from OWCP is desired after the expiration of the 45-day period, the employee and the control office or control point personnel give the employee a Form CA-7 by day 30 of the COP period. The employee completes the front side of the

Form CA-7 and the control office or control point completes the reverse side. The completed form and any accompanying medical documentation is then filed with the OWCP district office by day 40 of the COP period.

Note: An employee may file Form CA-7 to claim compensation for initial periods of disability for which there is no entitlement to COP.

545.812 **Occupational Disease or Illness**

If the disability is a result of an occupational disease or illness, a Form CA-7 is completed and submitted to OWCP not more than 5 working days after receipt from the employee.

545.82 Subsequent Periods of Compensation

In instances of either traumatic injury or occupational disease or illness, subsequent claims of compensation for periods of disability beyond the initial period of compensation are also made on Form CA-7. Employees are responsible for submitting the CA-7. Without receipt of such a claim, OWCP has no knowledge of a continuing wage loss. Therefore, while disability continues:

a. The employee submits a claim using Form CA-7 every 2 weeks until the employee is otherwise instructed by OWCP.

b. The employee completes and signs the face of the form and the control office or control point completes the reverse side.

c. The employee is responsible for submitting or arranging for the submission of medical evidence in support of the claim (see 545.33 and 545.51).

d. The control office or control point forwards the completed Form CA-7 and any other accompanying medical reports to OWCP within 5 working days upon receipt from the employee.

545.83 Waiting Period

The employee is advised that there is a waiting period of 3 calendar days before OWCP compensation begins, unless the disability extends beyond 14 calendar days. The 3-day waiting period may not be satisfied by using sick or annual leave; the employee must be in a nonpay status.

The waiting period applies as follows:

a. In the case of an occupational disease or illness, compensation is not payable for the first 3 days of disability, unless the disability extends beyond 14 calendar days.

b. In the case of traumatic injury, the 3-day waiting period begins immediately after the end of the 45-day COP period, unless the disability continues for more than 14 calendar days after the expiration of the 45-day COP period.

545.84 Leave Buy-Back

An employee may use sick or annual leave after the COP period expires, or during a period of disability due to an occupational injury. In such cases, the employee may be entitled to buy back the leave with compensation

payments (see 512.923). The control office is responsible for informing employee, in writing, that:

a. The buy-back must be initiated within 1 year of the return to duty, or within 1 year of the date OWCP approved the claim, whichever is later.

b. Employees who are being separated because of disability or other reasons cannot buy back leave after they are off the rolls of the Postal Service.

545.9 Managing Extended Leave Cases

545.91 General

An employee who suffers job-related injury or illness for which OWCP compensation is being received should be granted leave without pay because of injury on duty (LWOP/IOD) for an initial period of up to 1 year from the date OWCP compensation begins.

545.92 Deciding Appropriate Action

In considering the action to take in matters involving extended leave, the control office or control point evaluates the information contained in the employee's injury compensation file and does one of the following:

a. Authorizes a fitness-for-duty examination as provided in 545.6.

b. Extends LWOP/IOD for an additional period, at the end of which an additional determination must be made. If the employee is unable to return to work at the end of the 1-year period on LWOP/IOD, the LWOP/IOD may be extended for successive additional periods of up to 6 months. Extensions are granted only if it appears that the employee is likely to return to work within the period of the extension.

c. If it is not likely that the employee will be able to return to work at the end of 1 year of LWOP/IOD or during the authorized extended period, the employee may be separated. Before any employee who is on the rolls of OWCP can be separated, the requesting official must submit a comprehensive report to the manager of Health and Resource Management at Headquarters through the area human resources analyst for injury compensation with appropriate recommendations and documentation. The employee must be retained on the rolls of the Postal Service pending approval from Headquarters.

545.93 Separation — Disability

After receiving permission from the Health and Resource Management manager at Headquarters, the requesting official initiates the separation action in accordance with 365.

546 Reassignment or Reemployment of Employees Injured on Duty

546.1 Law

546.11 General

The Postal Service has legal responsibilities to employees with job-related disabilities under 5 U.S.C. 8151 and the OPM regulations as outlined below.

546.12 Disability Fully Overcome Within One Year

546.121 Obligation

A current or former career employee who fully recovers from an injury or disability within 1 year of initial or recurrent compensation must be given the right to resume employment in the former or equivalent position.

546.122 Rights and Benefits

Upon reemployment, all rights and benefits that would have been acquired in the former position must be restored.

546.13 Disability Fully Overcome After More Than One Year

546.131 Obligation

When a current or former employee fully overcomes the injury or disability more than 1 year after compensation begins, the Postal Service must give the current or former employee priority consideration for reassignment or reemployment into the former position or an equivalent one. The names of all former employees who fully recover from their compensable disabilities more than 1 year after compensation begins must be entered on a reemployment list in two groups:

a. Group one includes all those former employees who are entitled to 10-point veteran preference. They must be considered for employment before persons in group two.

b. Group two includes all other former employees who fully recover from their compensable disabilities in more than 1 year. They must be considered before other sources of recruitment, such as transfers from other agencies, reinstatements, or appointments from hiring registers.

546.132 Rights and Benefits

Rights and benefits are the same as those outlined in 546.122.

546.14 Disability Partially Overcome

546.141 General

The procedures for current employees cover both limited duty and rehabilitation assignments. Limited duty assignments are provided to employees during the recovery process when the effects of the injury are considered temporary. A rehabilitation assignment is provided when the effects of the injury are considered permanent and/or the employee has reached maximum medical improvement. Persons in permanent rehabilitation positions have the same rights to pursue promotional and advancement opportunities as other employees.

546.142 Obligation

When an employee has partially overcome the injury or disability, the Postal Service has the following obligation:

a. *Current Employees.* When an employee has partially overcome a compensable disability, the Postal Service must make every effort toward assigning the employee to limited duty consistent with the employee's medically defined work limitation tolerance (see 546.611). In assigning such limited duty, the Postal Service should minimize any adverse or disruptive impact on the employee. The following

considerations must be made in effecting such limited duty assignments:

(1) To the extent that there is adequate work available within the employee's work limitation tolerances, within the employee's craft, in the work facility to which the employee is regularly assigned, and during the hours when the employee regularly works, that work constitutes the limited duty to which the employee is assigned.

(2) If adequate duties are not available within the employee's work limitation tolerances in the craft and work facility to which the employee is regularly assigned within the employee's regular hours of duty, other work may be assigned within that facility.

(3) If adequate work is not available at the facility within the employee's regular hours of duty, work outside the employee's regular schedule may be assigned as limited duty. However, all reasonable efforts must be made to assign the employee to limited duty within the employee's craft and to keep the hours of limited duty as close as possible to the employee's regular schedule.

(4) An employee may be assigned limited duty outside of the work facility to which the employee is normally assigned only if there is not adequate work available within the employee's work limitation tolerances at the employee's facility. In such instances, every effort must be made to assign the employee to work within the employee's craft within the employee's regular schedule and as near as possible to the regular work facility to which the employee is normally assigned.

b. *Former Employees.* When a former employee has partially recovered from a compensable injury or disability, the Postal Service must make every effort toward reemployment consistent with medically defined work limitation tolerances. Such an employee may be returned to any position for which he or she is qualified, including a lower grade position than that which the employee held when compensation began.

Note: Placement priority for rehabilitation assignment is the same as for limited duty.

546.143 **Rights and Benefits Upon Partial Recovery**

When a current or former employee has partially overcome the injury or disability, he or she has the following rights and benefits upon reassignment or reemployment:

a. *Seniority.* Former employees who are reemployed into bargaining unit positions or current career employees who are reassigned into such positions are credited with seniority in accordance with the collective bargaining agreements covering the position to which they are assigned.

b. *Probationary Period.* Reemployed individuals who have completed their probationary periods, or would have completed their probationary periods but for their compensable injuries, are not required to serve a new probationary period.

c. *Leave Credit.* For purposes of computing leave rate accrual, former employees who were eligible to accrue leave under 510 are credited upon reemployment with the total time compensation was received from OWCP.

d. *Retirement.* Former employees (not reemployed annuitants) who were covered by the Civil Service Retirement Act (see 560) or Federal Employees Retirement System (see 580) are credited with the time spent on OWCP compensation in computing retirement credit. Annuitants who are reemployed after a period of separation during which they received OWCP benefits in lieu of an annuity receive credit for the separation only after they have qualified for a redetermination of the annuity. (For additional information on retirement considerations see the federal *CSRS/FERS Handbook,* Chapter 102.

e. *Salary Determination.* The following salary restoration criteria must be met for both reemployment and reassignment actions:

(1) *Reassignment or Reemployment to the Former Grade or Step in the Same Salary Schedule.* Those individuals who are reemployed into a position with the same grade or step as held at the time of injury or disability receive the current salary for that grade and the step that they would have acquired if there had been no injury or disability.

(2) *Reassignment or Reemployment to a Higher Grade Step in the Same Salary Schedule.* Those individuals who are reemployed to a position with a grade higher than that of the position held at the time of injury or disability are placed in the higher grade at the current salary for the grade or step that they would have acquired if there had been no injury or disability. If that salary is between steps in the higher grade, their salary is increased to the next higher step.

(3) *Reassignment or Reemployment to a Lower Grade or Step in the Same Salary Schedule:*

(a) *Salary Below Maximum of Lower Grade.* The individual is placed in any higher step in the lower grade that is less than one full step above the current salary for the grade or step that he or she would have acquired if there had been no injury or disability.

(b) *Salary Above Maximum of Lower Grade.* In those cases where the current salary for the grade that the individual would have acquired if there had been no injury or disability exceeds the maximum salary of the lower grade position, he or she is afforded a saved rate at the higher grade or step salary. These saved-rate provisions apply for an indefinite period and are subject to the rules of the salary schedule to which assigned for the following employees:

(i) Current career employees who have accepted a permanent rehabilitation job offer and are reassigned to a lower grade due to a job-related injury.

(ii) Former career employees who are being reemployed under 546.142b.

(iii) Limited duty career employees.

(4) *Reassignment or Reemployment to a Position in a Different Salary Schedule.* When an individual is reemployed or reassigned to a position in a salary schedule that is different from the schedule under which he or she was paid at the time of injury or disability, he or she is treated under the rules applicable to the salary schedule to which reemployed or reassigned:

(a) The individual is reemployed or reassigned at the grade appropriate for the position to which reemployed or reassigned.

(b) The individual is placed in any higher step in the new grade that is less than one full step above the current salary for the grade or step that he or she would have acquired if there had been no injury or disability.

(c) If reemployment or reassignment is in a nonstep schedule, the individual is placed at a salary plus any salary increases the he or she would have acquired if there had been no injury or disability. Bargaining unit merit salary increases are based on the most recent performance rating prior to the injury or disability.

(d) If the current salary for the grade that the individual would have acquired if there had been no injury or disability exceeds the maximum salary of the new grade, he or she is given a saved rate. These saved-rate provisions apply for an indefinite period and are subject to the rules of the salary schedule to which assigned.

(5) *Reassignment or Reemployment to a Former Position Under Different Salary Schedule.* If the position held at the time of injury or disability is no longer under the same salary schedule, the current salary for the former grade or step is determined by:

(a) The manager of Corporate Personnel Management for Headquarters and Headquarters field unit positions.

(b) The area Human Resources manager for area positions.

(c) The district Human Resources manager for other field positions.

(6) *Step Increases.* Upon reemployment or reassignment, the partially recovered and permanently partially disabled individuals are assigned a new waiting period for step or merit increases. The date assigned is based on the effective date for the most recent step, merit, or equivalent increase the individual would have acquired if there had been no injury or disability.

546.144 **Relocation Consideration**

Factors considered when relocation of a former employee is proposed include the following:

a. *Scope.* Every effort must be made to reemploy the individual at a postal facility within the area of his or her present place of residence. Any offer to reemploy in a different location can be considered only after all reasonable attempts have been made to rehire within the area of the employee's present place of residence.

b. *Expenses.* If an individual accepts a reemployment offer but will incur relocation expenses as a result of this acceptance, any expenses that OWCP determines reasonable and necessary may be paid by OWCP from the Employees' Compensation Fund.

546.2 Collective Bargaining Agreements

546.21 Compliance

Reassignment or reemployment under this section must be in compliance with applicable collective bargaining agreements. Individuals so reassigned or reemployed must receive all appropriate rights and protection under the newly applicable collective bargaining agreement.

546.22 Contractual Considerations

546.221 **Scope**

Collective bargaining agreement provisions for filling job vacancies and giving promotions and provisions relating to retreat rights due to reassignment must be complied with before an offer of reassignment or reemployment is made to a current or former postal employee on OWCP rolls for more than 1 year.

546.222 **Reassignment or Reemployment**

A partially recovered current or former employee reassigned or reemployed to a different craft to provide appropriate work must be assigned to accommodate the employee's job-related medical restrictions. Such assignment may be to a residual vacancy or to a position uniquely created to fit those restrictions; however, such assignment must not impair seniority rights of PTF employees. Minimum qualification requirements, including written examinations, may be waived in individual cases for former or current employees injured on duty and being considered for reemployment or reassignment. When there is evidence (including that submitted by the postal physician or occupational health nurse administrator) that the employee can be expected to perform satisfactorily in the position within 90 days after assignment, a waiver may be granted by one of the following:

a. The vice president of Employee Resource Management for Headquarters and Headquarters field unit positions.

b. An area Human Resources manager for area positions.

c. A district Human Resources manager for other field positions.

546.23 Types of Appointments

Types of appointments available include the following:

a. A current full-time career employee may be reassigned to a full-time career position if his or her job-related medical condition permits.

b. A current or former part-time flexible career employee may be reassigned or reemployed to a part-time flexible career position.

c. A current or former noncareer employee may be reassigned or reemployed to the position held previously or, upon satisfactory demonstration of the ability to meet the job requirements and in accordance with the appropriate collective bargaining agreement, may be reassigned or reemployed to another noncareer position or noncompetitively converted to a career position (NOA 501). Approval for conversion actions from noncareer to career must be approved by the manager of Health and Resource Management at Headquarters prior to any PS Form 50 action.

546.3 Restoration Rights

OPM is responsible for implementing the regulations contained in 5 U.S.C. 8151. These regulations are codified in 5 CFR 353. In accordance with 5 U.S.C. 8151(a), an individual injured or disabled on duty who resumes employment with the Postal Service is to be credited with the time during which compensation was received for purposes of certain rights and benefits based upon length of service.

546.4 Employee Appeal Rights

Current or former employees who believe they did not receive the proper consideration for restoration, or were improperly restored, may appeal to the Merit Systems Protection Board under the entitlements set forth in 5 CFR 353.

546.5 Retirement Considerations

Reemployment of retired annuitants requires special retirement considerations that must be addressed. Injury Compensation control office personnel should coordinate the reemployment of annuitants with the appropriate appointing official.

546.6 Reassignment and Reemployment Procedures

546.61 OWCP Referrals

OWCP makes referrals of current and former postal employees to the Postal Service for reassignment or reemployment consideration.

546.611 Work Limitation Tolerances

The work limitations are established by the employee's treating physician or a physician selected by OWCP and afforded weight of medical evidence.

546.612 OWCP Vocational Rehabilitation Services

OWCP may provide vocational rehabilitation services that include assistance from registered nurses. The nurses may visit the worksite to ensure that the duties of an offered position do not exceed the medical limitations as represented by the weight of medical evidence established by OWCP and

address any problems the employee may have in adjusting to the work setting. Other vocational rehabilitation services include evaluation, testing, training, and placement services with either the Postal Service or a new employer. These services may include functional capacity evaluations, which help to tailor individual rehabilitation programs to employee's physical reconditioning and behavioral modification needs and to help employees to meet the demands of current or potential jobs.

546.62 Postal Service Medical Review

546.621 Physical Examination

Provisions applicable to physical examinations are as follows:

a. The postal physician or occupational health nurse administrator evaluates fully all medical records referred to the Postal Service from OWCP district offices.

b. A complete physical examination paid for by the Postal Service is required for former employees. A physical examination for current employees is not mandatory. The result of the physical examination is documented on PS Form 2485, *Medical Examination and Assessment,* and on PS Form 2489, *Identification of Physical/Mental Disability.*

c. The postal physician or occupational health nurse administrator makes a statement of concurrence with OWCP-documented medical limitations or further restricts the current or former employee's work limitation tolerances. The postal physician or occupational health nurse administrator can in no way liberalize the medical limitations tendered by OWCP district offices.

546.622 Special Considerations

Special considerations are as follows:

a. An individual who is referred for reassignment or reemployment consideration by OWCP may have some degree of concurrent disability that is not caused by or related to the original job injury or disability. The postal physician or occupational health nurse administrator should review medical documentation for any concurrent medical condition that might prevent the individual from performing the duties of the position for which the individual is being considered.

b. The postal physician or occupational health nurse administrator should carefully evaluate all concurrent disabilities and include their potential impact in the recommendation for reassignment or reemployment sent to the appointing official.

c. Current and former employees now permanently and partially disabled may have some type of residual handicap. The postal physician or occupational health nurse administrator who reviews the physical examination and/or medical documentation is responsible for assigning the correct handicap code as defined in Handbook EL-301, *Guidelines for Processing Personnel Actions.*

546.63 Offer of Appointment

546.631 Evaluation

Upon receipt and evaluation of OWCP referral containing documented medical limitations and evaluation of the postal physician's or occupational health nurse administrator's recommendations, the appointing official determines if a reassignment or reemployment offer can be made.

546.632 Interview

During the return to work interview, the appointing official must ensure that the individual receives the following information:

a. In-depth analysis of medical limitations and the individual's responsibility to work within the prescribed work limitation tolerances.

b. If applicable, the status of injury compensation and disability retirement benefits and future eligibility.

c. A full explanation of all restoration rights and benefits (see 546.143 and 546.3).

d. Full particulars regarding the position including title, duties, grade, salary, location of work assignment, and all other information required in a return to work interview.

e. Instructions for completion and submission of any required employment forms.

546.633 Processing Personnel Actions

The appointing official is responsible for processing the reassignment or reemployment action in accordance with Handbook EL-301, *Guidelines for Processing Personnel Actions.*

546.64 Employee's Refusal of Job Offer

When a current or former employee is offered suitable employment or reemployment by the Postal Service (i.e., employment or reemployment that OWCP has deemed suitable), that individual is obligated to return to such employment (see 545.3). However, if the current or former employee refuses an offer of suitable employment or reemployment, the control office or control point must:

a. Offer the individual an opportunity to sign a declination of employment.

b. Advise the individual that the effect of such a refusal may result in the termination or reduction of compensation benefits by the Department of Labor.

c. Notify OWCP district office by telephone, fax or, e-mail of the declination and the reasons given.

d. Within 2 working days, forward a full written summary of the current or former employee's interview, including the signed declination and medical evaluations or other pertinent information, to OWCP district office. OWCP is responsible for notifying the Office of Personnel Management if the individual's disability retirement status is to be evaluated.

546.65 Management's Refusal to Reemploy

The appointing official may not be able to accommodate the former employee for medical reasons or other considerations. If the former employee will not be reemployed, the appointing officer must:

a. Notify the district manager or postmaster with written justification stating specific reasons for refusal to reemploy. If the district manager or postmaster agrees with the appointing officer's refusal to reemploy, then he or she must seek final concurrence from the manager of Health and Resource Management at Headquarters through the area human resources analyst for injury compensation.

b. With the final concurrence, notify the employee in writing of the refusal to employ, including a paragraph informing the individual of the right to appeal to the Merit Systems Protection Board, and send a copy to OWCP.

547 Third Party Liability

547.1 Purpose

This section instructs control office or control point personnel on how to collect damages from a third party who is responsible for causing an injury to a postal employee who receives benefits under the FECA, 5 U.S.C. 8101-50, as a result of that injury.

547.2 Background

547.21 Requirement to Take Action

FECA provides that if the injury or death (which is compensable under the Act) is caused by a third party, the claimant can be required to take action against that third party. The Office of the Solicitor of Labor (SOL) is delegated authority to administer the subrogation aspects of certain FECA claims for OWCP. Either OWCP or SOL can require an employee receiving benefits under FECA to do one of the following:

a. Assign to the United States any right of action he or she may have to force the third party to pay damages or assign any right the employee may have to share in money received in satisfaction of a liability claim.

b. Prosecute the action in his or her own name.

547.22 Penalty for Refusal

Any employee who refuses to assign right of action to the United States or to prosecute an action in his or her own name when required to do so by the secretary of the Department of Labor (DOL) may be denied compensation by DOL.

547.23 Postal Service Administrative Pursuit

The agreement between the director of OWCP and the Postal Service provides that to more efficiently and effectively accomplish the stated purpose of FECA, OWCP agrees that the Postal Service may administratively pursue collection of damages from the third party who is responsible for the injury sustained by a Postal Service employee in all cases of traumatic injury except in any of the following cases:

a. When the injury results in the death of the employee.

b. When the injury occurs outside of the United States or Canada.

c. When the third party is a common carrier.

d. When malpractice or product liability is involved.

e. When injuries are sustained by more than one employee in the same incident (group injuries).

547.3 Definitions and Use of Terms

The definitions in this section apply to 547 only and are not included under 541.2. They do not change the terms of the Act, the regulations of the Department of Labor, or other sections of the ELM.

a. *Assignment* — a written agreement whereby the employee or beneficiary transfers his or her right to recover damages from a third party to the Postal Service and such offer is accepted by the Postal Service.

b. *Legal liability* — a determination that a third party is responsible for the payment of money damages to an injured employee.

c. *Negligence* — the failure of a third party to act as an ordinary prudent person would act under the same or similar circumstances and such failure is the proximate cause of an injury to an employee.

d. *Prosecute* — any action taken to recover damages from the third party.

e. *Serious injury* — a personal injury that results in death, dismemberment, significant disfigurement, a fracture, or permanent loss of use of a body organ, member function, or system.

f. *Third party* — a person or organization, other than the United States and its agencies, who is believed to be responsible for injury to a postal employee while in the performance of employment.

g. *Tort* — a wrongful act committed by a third party that is done intentionally or negligently and that causes injury to an employee.

547.4 Responsibility

The Injury Compensation control office carries out the responsibilities outlined in these instructions. At installations that do not have an Injury Compensation control office, the Injury Compensation manager designates a qualified control point supervisor responsible for coordinating these instructions with the control office. The Injury Compensation manager must ensure that control point personnel are properly trained to carry out the responsibility of making third party recoveries.

547.5 Third Party Recovery Action

547.51 Traumatic Injury

Upon receipt of Form CA-1, the control office or control point supervisor reviews the form to determine if a third party is involved in the injury to the employee and whether the third party could be responsible for the injury.

547.52 Occupational Illness or Disease

Third party cases for which a claim is filed on Form CA-2 must be identified and forwarded to OWCP. OWCP continues to be responsible for third party recoveries in these cases. The control office or control point supervisor

monitors the progress of OWCP action and obtains periodic status reports until these cases are closed.

547.53 Potential Third Party Injuries

Although a third party recovery case can arise from many circumstances in which a third party's act or failure to act results in the injury or death of an employee, the most common circumstances are, but are not limited to, these:

a. Automobile accidents.

b. Animal attacks.

c. Conditions that cause tripping, slipping, and falling on sidewalks, steps, and other portions of nonfederal property.

d. Defective machinery, automobiles, and equipment.

e. Physical attacks and other assaults.

f. Defects in leased postal premises.

547.54 Investigation

When a possible third party recovery case is identified, the control office or control point supervisor should coordinate an investigation of the incident and do the following:

a. If possible, obtain a detailed, written statement from:

(1) The injured employee, if the Form CA-1 is not sufficient to determine third party liability or is otherwise inadequate.

(2) Any witness to the incident.

(3) Any other person who may be acquainted with the facts or is identified as having pertinent information.

b. Obtain the name, address, and telephone number of the third party.

c. Obtain a detailed description of the place where the incident occurred, and all the circumstances concerning the incident.

d. If an investigation of the incident was previously made by the local police, Postal Service Vehicle Services, Postal Service safety personnel, Inspection Service, Office of Inspector General, or any other organization, obtain a copy of the reports and the investigative file.

e. Consult Handbook PO-702, *Accident Investigation — Tort Claims,* for information and procedures regarding investigative techniques and guides.

547.55 Notification

In all cases when it appears that a third party recovery is a possibility, a completed PS Form 2562, *Injury Compensation Program — Notice of Potential Third Party Claim* (Exhibit 547.55), should be obtained from the injured employee. If the claim has already been submitted to OWCP, a copy of the completed form should be forwarded to that office with the employee's claim for benefits as soon as possible after it is received from the employee. (See 544 for submission of claims to OWCP.) Do not delay the submission of the claim to OWCP pending receipt of third party information. When OWCP is responsible for making the third party recovery (see 547.23), no action to recover should be taken by the control office.

Exhibit 547.55
PS Form 2562, Injury Compensation Program — Notice of Potential Third Party Claim

UNITED STATES POSTAL SERVICE™

Injury Compensation Program - Notice of Potential Third Party Claim

1. Date

A. Employee Information

2. Name	3. Home Address *(Include Apt. No & ZIP + 4)*
4. Social Security Number	
5. Title	6. Home Phone *(Include Area Code)*
7. Office of Employment	8. Contact Point at Employing Office *(Name & Phone No.)*

B. Injury Information

1. Date & Location of Injury	2. OWCP File No.

3. Brief Description of Injury

4. Name & Address of Attending Physician *(Include Suite No.)*

5. Name & Address of Attorney Representing Employee *(Include Suite No.)*

6. Wage records, medical records, and other pertinent information may be released to my attorney.

☐ Yes ☐ No

C. Third Party Information

1. Name	2. Address *(Include Apt. No. & ZIP + 4)*

3. Does the Employee or Beneficiary(ies) intend to take action against the third Party. *(If "No", Explain Why Not)*

☐ Yes ☐ No

4. Name & Address of Insurance Co. *(Include Suite No.)*	5. Name & Address of Law Enforcement Agency Notified
Prepared By *(Printed Name & Signature)*	Date Signed

PS Form **2562,** December 1988

Exhibit 547.55 (p. 2)

PS Form 2562, Injury Compensation Program — Notice of Potential Third Party Claim

1. Complete this form whenever a third party (individual) is involved in an incident where a postal employee has applied for compensation benefits.

2. A third party may be involved directly, as in a vehicle accident, or indirectly, as in designing or manufacturing an unsafe or defective machine.

3. The employee or employee's beneficiaries are encouraged to seek recovery from a third party that they believe is responsible for the employee's work related injury. An injured employee or employee's beneficiaries who, when required by OWCP, fail to take action against a third party may become ineligible for injury compensation.

The Federal Employees' Compensation Act, as amended (5 USC 8101, et seq.), is administered by the Office of Workers' Compensation Programs of the U.S. Department of Labor. In accordance with this responsibility, the office collects and maintains personal information on claimants and their immediate families. The information will be used to determine eligibility for and the amount of benefits payable under the Act. The information may be used by other agencies or persons in handling matters relating, directly or indirectly, to the subject matter of the claim, so long as such agencies or persons have received the consent of the individual claimant, or have complied with the provisions of 20 CFR 10. In addition, this information may be disclosed to an appropriate law enforcement agency for investigative or prosecutive purposes, to a congressional office at your request, to OMB for review of private relief legislation, to a labor organization as required by the NLRA, and where pertinent, in a legal proceeding to which the Postal Service is a party. Failure to provide the information requested may delay the adjudication process, or result in an unfavorable decision or a reduced level of benefits (disclosure of your social security number is voluntary; the failure to disclose such number will not result in the denial of any right, benefit or privilege to which you may be entitled).

PS Form **2562,** December 1988

547.56 OWCP Responsibility

In all cases in which OWCP is responsible for making a recovery, the control office or control point supervisor monitors the progress of OWCP's action and obtains periodic status reports until the case is closed. Any such cases that are closed without a payment from the third party are referred to the area human resources analyst for injury compensation for review and appropriate action.

547.57 Postal Service Responsibility

When a third party collection responsibility has been assumed by the Postal Service, the control office or control point supervisor forwards copies of all letters issued together with other pertinent third party claim documents to OWCP district office. The control office or control point supervisor should then proceed as follows when the employee is represented by an attorney:

a. If the answer to the question on PS Form 2562 "Does the employee or beneficiary(ies) intend to take action against the third party?" is *Yes*, and the PS Form 2562 or other information shows that the employee is represented by an attorney, forward the following to the employee's attorney:

   (1) Sample letter A, *Notice to Attorney of Government's Lien* (see Exhibit 547.57a), with the papers and forms referred to in that letter.

   (2) Sample letter B, *Request for Status and Transmittal of Information* (Exhibit 547.57b).

b. If a response to sample letter A is not received within 90 days after mailing, obtain a status report on the progress of the case by contacting directly the attorney who is representing the postal employee. Status reports from the postal employee's attorney should be obtained as frequently as is considered necessary by the control office or control point supervisor. If no reply is received from the attorney within 90 days after any request for a status report has been made, send a follow-up letter to the attorney. If there is no response after 15 days, contact the employee regarding status of cases. If recovery still has not been made, do one of the following:

   (1) Contact your area human resources analyst for injury compensation or field general council for further guidance.

   (2) Monitor progress if the case is still in the process of recovery.

c. Upon receipt of notification from the postal employee's attorney that the case has been terminated, verify the nature of termination (i.e., with or without settlement).

   (1) If the case is terminated without settlement, do one of the following:

      (a) Attempt to obtain from the employee a voluntary assignment if the case has merit.

      (b) If the attorney indicates that a suit for damages is unlikely to prevail, close the file and assist the employee in requesting release from his or her obligation to proceed.

The request should be in writing and provide evidence of the attorney's opinion.

(2) If the case is settled, obtain settlement sheet, PS Form 2556, *Third Party Statement of Recovery* (see Exhibit 547.57c), and payment due the Postal Service. Verify the accuracy of PS Form 2556 and forward settlement sheet in accordance with 547.73.

547.58 Employee Not Represented by Attorney

The control office or control point supervisor should proceed as follows:

a. If the answer to the question on the PS Form 2562 "Does the employee or beneficiaries intend to take action against the third party?" is *Yes,* and the PS Form 2562 or other information shows that the employee desires to pursue the recovery him- or herself and is not represented by an attorney, furnish the employee sample letter C, *Notice to Employee of Government's Lien* (see Exhibit 547.58a), and mail sample letter D, *Notice to Third Party of Government's Lien* (see Exhibit 547.58b), to the third party and/or insurer.

b. At least every 60 days after the date sample letter C is given the employee, check with the employee to determine the status of the case.

c. If a recovery has not been made within 6 months after the accident, or if prior to that time there is information that the action on the claim has been terminated, contact the employee for status of recovery action. If the employee has decided not to pursue or has been unsuccessful in the recovery attempt, proceed in accordance with 547.59d.

d. When a recovery statement (see PS Form 2557, *Employee's Third Party Recovery Statement*, Exhibit 547.58c) is received from the employee, review it for accuracy, take the necessary action to correct any errors, and forward the recovery statement together with the payment, in accordance with 547.73.

Exhibit 547.57a
Sample Letter A, Notice to Attorney of Government's Lien

UNITED STATES POSTAL SERVICE

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

File Number:
Employee:
Date of Injury:

Dear [__*name*__]:

We have been advised that you have been retained to represent the above-named employee with respect to the third party damage claim arising from the above-referenced injury. Copies of the reports contained in our file are enclosed for your information. If OWCP disbursements have been made in this case, you will also find a statement showing the disbursements made to date. Also enclosed is Form 2556, *Statement of Recovery*, for your use. Upon request, we will furnish you an updated statement of disbursements, or copies of additional reports.

If you have any questions concerning the third party aspect of this case, or the obligations and responsibilities to protect the government's lien imposed by Sections 8131 and 8132 of Title 5, United States Code, please contact [__*name*__] at [__*telephone no*.__].

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

Enclosures

cc: District Office, OWCP

Exhibit 547.57b
Sample Letter B, Request for Status and Transmittal of Information

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

File Number:
Employee:
Date of Injury:

Dear [__*name*__]:

We will appreciate a report concerning the present status of this third party damage claim. If possible, advise the date that you expect the matter to be concluded.

We are enclosing copies of additional reports from our file which may be of assistance to you.

There is a statement of the disbursements made to the employee.

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

Attachment

cc: District Office, OWCP

Exhibit 547.57c
PS Form 2556, Third Party Statement of Recovery

U.S. Postal Service
Third Party Statement of Recovery ▶ *See Instructions on Reverse*

Claimant	Date of Injury/Death	MSC	File No. / Finance No.

1. Gross Recovery	$
2. Less Property Damage	
3. Balance	
4. Less Attorney's Fee *(Fee is _____% of line 3)*	
5. Balance	
6. Less Court Costs *(Must be itemized)*	
7. Balance *(Adjusted Gross Recovery)*	
8. Less 1/5 *(20% of line 7)*	
9. Balance	
10. Less Payment to Public Health Service *(or other Federal medical facility)*	
11. Balance	
12. Less Medical Expenses Paid by the Claimant *(Must be itemized)*	
13. Balance	
14. OWCP Disbursements *(Including compensation and medical)* or line 13 whichever is less	
15. Less Government Allowance for Attorney's Fee *(Retained by claimant)*	
16. Amount to be refunded to OWCP *(Enclose check or money order payable to OWCP)*	
17. Surplus *(Line 13 less line 14)*	$

For Official Use Only	

PS Form **2556**, July 1986

Exhibit 547.57c (p. 2)
PS Form 2556, Third Party Statement of Recovery

Instructions

(*Disbursement must be made in accordance with 5 U.S.C. 8132. Also, provide the employee with a copy of this form.* ***NOTE:*** *Shaded area for USPS Use Only.*)

Property Damage, (line 2): A reasonable amount for clothing or other personal belongings damaged or destroyed in an accident may be deducted. These amounts must be itemized. If an automobile or other vehicle is damaged or destroyed, then more tangible evidence of such damage is required. The year, make, model, and Blue Book value of the vehicle must be furnished. A copy of the repair bill will suffice if the vehicle was not totally destroyed.

Attorney's Fee, (line 4): Deduct the attorney's fee in line 4 from the balance shown in line 3. The attorney's fee as a percentage of line 3 must also be shown.

Court Costs, (line 6): These consist of such items as filing fees, witness fees, actual costs of collection, or any payments to physicians for expert testimony as opposed to payment for treatment. *(Payment for medical treatment comes under line 10 and/or 12.)* All items must be itemized.

20% Guarantee, (line 8): This amount is turned over to the claimant and is not subject to any deductions.

Public Health Service, (line 10): Refund made to a Federal medical facility for medical treatment is deductible under line 10. The claim of the Federal medical facility is separate and apart from the claim of the OWCP.

Medical Expense Paid By Claimant, (line 12): This consists of any medical expenses paid by the claimant other than those paid by OWCP or by an insurance carrier. It does not include items paid by the claimant for which the claimant was subsequently reimbursed by the OWCP or by an insurance carrier. Itemize all items submitted for credits and deduction in line 12 or attach copies of paid bills. A lump sum amount will not be accepted for credit.

Government Allowance for Attorney's Fee, (line 15): The Government contributes a portion of its refund to the claimant as an attorney fee. This fee is based upon the OWCP's disbursements, or other amount as shown in line 14.

Amount to Be Refunded, (line 16): This represents the amount to be refunded to the Government for OWCP disbursements. Refund check must be made payable to the OWCP.

Surplus, (line 17): This surplus, which is retained by the claimant, is the amount against which the OWCP will credit any future compensation payments or additional medical expenses payable on account of the same injury or death.

PS Form **2556**, July 1986 *(Reverse)*

Exhibit 547.58a
Sample Letter C, Notice to Employee of Government's Lien

UNITED STATES POSTAL SERVICE®

[__*date*__]

Notice to Employee of Government's Lien

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

File Number:
Date of Injury:

Dear [__*name*__]:

Our records show that you have presented or you intend to present a claim for damages against a third party apparently responsible for your injury.

The Federal Employees' Compensation Act provides that the United States must be reimbursed out of any third party recovery for any disbursements made to you or on your behalf by the United States. Therefore, you should include as damages in your claim the disbursements indicated on the attached Form 2557, *Employee's Third Party Recovery Statement*, and any other disbursements that you received or that were made in your behalf. If you receive additional treatment, compensation, or continuation of pay, contact this office for an up-to-date statement of disbursements before settling your claim.

This office must be notified of any recovery you obtain. Completion and submission of the attached form will serve as notification of a recovery obtained without the services of an attorney. It will also enable you to determine the amount of any refund you must pay to the Postal Service.

If you should retain the services of an attorney to assist you in your third party claim, please advise this office immediately and provide the attorney's name and complete address.

If you wish to discuss this matter or desire us to assist you, please contact [__*name*__] at [__*telephone no.*__].

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

Attachment

cc: District Office, OWCP

Exhibit 547.58b
Sample Letter D, Notice to Third Party of Government's Lien

UNITED STATES POSTAL SERVICE

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

File Number:
Employee:
Date of Injury:
Your Insured:
Policy Number:

Dear [__*name*__]:

We have been informed that the postal employee named above has made a claim for damages as a result of an incident involving you (your insured) that occurred on the date shown.

The injury occurred in the performance of federal employment and comes under the Federal Employees' Compensation Act (5 U.S.C. 8101 et seq.). Section 8132 of Title 5 of the United States Code requires that the Government must be reimbursed for payments made to or on behalf of a beneficiary out of the recovery made from a third party. This section also states, "No court, insurer, attorney, or other person shall pay or distribute to the beneficiary or his (or her) designee the proceeds of such suit or settlement without first satisfying or assuring satisfaction of the interest of the United States."

Because of the Government's financial interest in the outcome of this case, please request a statement from this office of the Government's disbursements before distributing any proceeds in settlement of this case.

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

cc: District Office, OWCP

Exhibit 547.58c
PS Form 2557, Employee's Third Party Recovery Statement

UNITED STATES POSTAL SERVICE®

File No.

Employee's Third-Party Recovery Statement

Claimant	Date of Injury/Death	MSC	Finance No.

When a Third-Party Settlement Is Made Without an Attorney

1. Contact this office for the amount of disbursements.
2. If you were examined or treated at a Federal medical facility, contact that facility for the value of its service. If service was rendered by the U.S. Public Health Service, the Regional Counsel of the Department of Health and Human Services should be contacted.
3. Complete the recovery statement below and return it to this office. Enclose a check or money order for the amount appearing in item 3, below, made payable to "Office of Workers' Compensation Programs (OWCP)."

The law provides that the United States must be reimbursed out of any third-party recovery for any disbursements made by the Government. The term "disbursement" includes compensation, medical bills and transportation expenses. If there were disbursements requiring a refund, you are still entitled to a minimum amount of the recovery irrespective of any liens of the Government *(see item 2c below)*.

1. Total recovery . . . . . $_____
2. Less:
   a. Personal property damage . . . . . $_____
   b. Balance *(item 1 less item 2a)* . . . . . $_____
   c. Minimum guarantee *(20 percent of item 2b - to be retained by you)* . . . . . $_____
   d. Medical expenses paid by you for which you have not received reimbursement from OWCP or an insurance carrier *(attach itemization)* . . . . . $_____
   e. Adjusted balance *(item 2b less items c and d)* . . . . . $_____
3. OWCP disbursements or item 2e, whichever is less . . . . . $_____ $_____
4. Surplus *(line 2e less item 3)* . . . . . $_____

Following submission of this statement, you will be advised further concerning your compensation status.

Date of Judgment or Release	Signature	Date

The Federal Employee's Compensation Act, as amended (5 USC 8101, et seq.) is administered by the Office of Workers' Compensation Programs of the U.S. Department of Labor. In accordance with this responsibility, the office collects and maintains personal information on claimants and their immediate families. The information will be used to determine eligibility for and the amount of benefits payable under the Act. The Postal Service uses the information in handling matters relating, directly or indirectly, to the subject matter of the claim in accordance with provisions of 20 CFR 10. In addition, this information may be disclosed to an appropriate law enforcement agency for investigative or prosecutive purposes, to a congressional office at your request, to OMB for review of private relief legislation, to a labor organization as required by the NLRA, and where pertinent, in a legal proceeding to which the Postal Service is a party. Failure to provide the information requested may delay the adjudication process, or result in an unfavorable decision or a reduced level of benefits, (however, disclosure of the social security number is voluntary and will not cause such delays; its only purposes are to enable the Postal Service to account for program costs and to verify the dollar amount of payments due the Department of Labor).

PS Form **2557**, July 1986 *(Copy to Employer)*

547.59 Employee Not Pursuing Third Party Action

The control office or control point supervisor should proceed as follows:

a. If the answer to the question on Form 2562 "Does the employee or beneficiaries intend to take action against the third party?" is *No,* or the employee is undecided, or it is unclear what action the employee contemplates, furnish the employee with sample letter E, *Request for Information From Employee and Notice of Government's Lien* (Exhibit 547.59a), and PS Form 2559, *Third Party Claim — Information Request* (Exhibit 547.59b).

b. If PS Form 2559 is not received within 15 days, contact the employee directly or through the employee's supervisor to determine what action the employee intends to take against the third party.

c. If the employee advises that he or she will seek recovery against the third party, proceed in accordance with 547.57 or 547.58, as appropriate.

d. If the employee indicates that he or she will not seek recovery against the third party, or is unable to decide what action he or she will take, ask whether the employee will agree to assign his or her claim against the third party to the Postal Service by signing PS Form 2577, *Assignment of Claim to the USPS* (Exhibit 547.59c). If the employee declines to make the assignment, refrain from saying or doing anything to the employee that could be regarded as pressuring or coercing the employee to agreeing to the assignment. Point out that the Postal Service is not ordering or directing the employee to either sue or assign the claim, but advise the employee of the following information:

   (1) By assigning a claim to the Postal Service, the employee will enable the Postal Service to attempt to shift the financial liability for the employee's injury from the Postal Service to the true wrongdoer, i.e., the third party.

   (2) The ultimate recovery that the employee will realize for the injury cannot possibly be reduced by the employee's agreement to the assignment. An employee is entitled to a minimum of 20 percent of the net recovery after the expense of the recovery (attorney's fees, property damage, and court costs only) have been deducted. In addition, any surplus amount realized in the third party action that exceeds the amount of the employee's compensation payments and the expense of realization or collection, will be paid to the employee.

   (3) OWCP is authorized to require an assignment of the claim and to terminate an employee's entitlement to past or future compensation payments if he or she refuses to pursue or assign what appears to be a valid third party claim.

e. If the employee continues to refuse to pursue or assign his or her claim, then refer the file to the area human resources analyst for injury compensation. Use PS Form 2560, *Referral of Third Party Material* (Exhibit 547.59d) to transmit the file. Take no further action to obtain an assignment after the file is referred.

f. Upon receipt of an assignment of the employee's claim on PS Form 2577 send sample letter F, *Notice of Assignment of Postal Employee's Claim and Request for Settlement* (Exhibit 547.59e), to the third party and to his or her insurer, if known.

g. When a reply to sample letter F is received, attempt to negotiate a settlement of the government's and the employee's claim (see 547.7, Settlement of Claims).

h. Contact the Postal Service Field Counsel if it is felt that assistance is necessary.

Exhibit 547.59a
Sample Letter E, Request for Information from Employee and Notice of Government's Lien

UNITED STATES POSTAL SERVICE

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

File Number:
Date of Injury:

Dear [__*name*__]:

Our records show that on the above date you sustained an injury under circumstances which may place liability for damages upon a party other than the United States.

Under the provisions of Section 8131 of Title 5, United States Code, the Secretary of Labor can and will require a workers' compensation beneficiary to prosecute an action for damages in his or her own name when injury or death occurs under circumstances which indicate legal liability to pay damages on a party other than the Government. When damages are recovered from such a party, the beneficiary must, out of the damages recovered, reimburse the United States for any payments made to the beneficiary or on the beneficiary's behalf. Nevertheless, in all cases you will be entitled to a minimum of 20% of the net recovery.

For our records, a statement is required from you as to whether you have presented a claim for damages as a result of this injury against anyone other than the Postal Service or the Office of Workers' Compensation Programs (OWCP). It is requested that you answer the questions on the enclosed Form 2559, *Third Party Claim-Information Request*, and promptly return it to this office.

If you have initiated a third party action, you should contact us for a statement of any OWCP disbursements made to you or on your behalf before you make a final settlement. These disbursements must be repaid from any recovery you make from the third party (the person or persons responsible for the injury).

If you wish to discuss this matter or desire to assist you, please contact [__*name*__] at [__*telephone no.*__].

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

Enclosure

cc: District Office, OWCP

Exhibit 547.59b
PS Form 2559, Third Party Claim — Information Request

U.S. POSTAL SERVICE
THIRD PARTY CLAIM–INFORMATION REQUEST

Section 8131 of Title 5, United States Code, provides that when damages are recovered the United States shall be reimbursed for payments it made on account of the injury.

1. Have you presented a claim or instituted suit for damages against any person or persons apparently responsible for your injury? ☐ YES ☐ NO
(If yes, give the third party's name and address and the name and address of the insurance carrier, if known.)

THIRD PARTY'S NAME AND ADDRESS	INSURANCE CARRIER'S NAME AND ADDRESS

2. Have you retained an attorney with regard to a possible action against any person or persons apparently responsible for your injury? ☐ YES ☐ NO
(If yes, give the attorney's name and address.)

3. If you have not filed a claim for damages, state your reasons, in full detail, for not doing so.

4. Have damages been recovered? ☐ YES ☐ NO *(If yes, please furnish the following information:)*
   a. Total amount recovered . . . . . $ _____
   b. Personal property damage, if any . . . . . $ _____
   c. Medical expense paid by you personally *(Do not include those paid or reimbursed by OWCP or an insurance carrier). (Attach itemization.)* . . . . . $ _____
   d. Attorney's fee, if any . . . . . $ _____

DATE OF JUDGMENT OR RELEASE	5. SIGNATURE	DATE

The Federal Employee's Compensation Act, as amended (5 USC 8101, et seq.) is administered by the Office of Workers' Compensation Program of the U.S. Department of Labor. In accordance with this responsibility, the office collects and maintains personal information on claimants and their immediate families. The information will be used to determine eligibility for and the amount of benefits payable under the Act. The Postal Service uses the information in handling matters relating, directly, or indirectly, to the subject matter of the claim in accordance with the provisions of 20 CFR 10. In addition, this information may be disclosed to an appropriate law enforcement agency for investigative or prosecutive purposes, to a congressional office at your request, to OMB for review of private relief legislation, to a labor organization as required by the NLRA, and where pertinent, in a legal proceeding to which the Postal Service is a party. Failure to provide the information requested may delay the adjudication process, or result in an unfavorable decision or a reduced level of benefits, (however, disclosure of the social security number is voluntary and will not cause such delays; its only purposes are to enable the Postal Service to account for program costs and to verify the dollar amount of payments due the Department of Labor).

PS Form **2559,** February 1981

Exhibit 547.59c
PS Form 2577, Assignment of Claim to the USPS

UNITED STATES POSTAL SERVICE

Assignment of Claim to the USPS

As a result of my applying for and receiving benefits under the provisions of the Federal Employees' Compensation Act (5 U.S.C. 8101-50), and because I do not wish to prosecute an action in my own name to recover damages, I (name) _____ _____, of (address) _____, City of _____, County of _____, State of _____, hereby voluntarily assign to the United States Postal Service all of my right, title and interest in any claim, demand, or cause of action which I may have against (name of third party) _____ _____, or any other person, as a result of an injury I sustained on (date) _____, at (location) _____ _____, while in the performance of my duties as an employee of the United States Postal Service.

I understand that in the event of recovery of damages by the United States Postal Service under this assignment, I am entitled to one-fifth of the net amount of recovery after expenses thereof have been deducted and to any surplus remaining as provided by Section 8131 of the Federal Employees' Compensation Act.

I understand that I have the right to pursue an action to recover damages by myself or by an attorney of my own choice, but I hereby am assigning that right to the United States Postal Service. Upon acceptance of this assignment, the United States Postal Service shall have full and complete authority to take whatever action on this claim it considers appropriate, and may institute legal action, settle or compromise the claim or any suit, or decline to institute suit, or to take any other action. In the event the United States Postal Service declines to institute suit, or to take other action, it shall have the right to cancel this assignment and thereby reassign the claim back to me.

I hereby authorize the United States Postal Service to furnish all records, medical and other reports, statements made by myself and other papers relating to my injury to the parties against whom claim is made, their representative, and insurance companies for the purpose of effectuating a settlement of the assigned claim.

IN WITNESS WHEREOF, I have signed this assignment this _____ day of (month, year) _____.

_____
(Signature)

Recognizing that it is within the discretion of the United States Postal Service to accept or to refuse to accept this Assignment of Claim, and pursuant to the authority granted by 39 C.F.R. 224.2(b) (1) (i) and other Postal Regulations, I hereby accept the above assignment.

Dated _____

_____
(Signature)

_____
(Title)

Privacy Act Statement

Collection of this information is authorized by 39 USC 401. The purpose for which the information is to be used is to assign a third-party damage claim to the USPS. As a routine use, this information my be disclosed to OWCP and a third-party representative. Completion of this form is voluntary; however, if you do not complete this form, the USPS can not pursue your claim or prosecute an action on your behalf.

PS Form **2577**, August 1998

Exhibit 547.59d
PS Form 2560, Referral of Third Party Material

UNITED STATES POSTAL SERVICE®

Referral of Third Party Material

To:			From:
Case No.	Date Submitted	Date Claimant Rtd. to Work	Employee's Name

Attached Are the Following Documents:

1. CA Forms (Front and Back)

☐ CA-1 ☐ CA-4 ☐ Other *(Identify)*:

☐ CA-2 ☐ CA-5

☐ CA-3 ☐ CA-7

2. Witness Statements and Accident Reports

☐ Reverse of CA-1 or CA-2 ☐ Other *(Identify)*:

3. Medical Reports

☐ CA-16 *(Reverse)* ☐ Other *(Identify)*:

☐ CA-20

☐ CA-20A

4. Correspondence From:

☐ Attorney Dated: _____ ☐ Other *(Identify)*:

☐ Claimant Dated: _____

5. Award of Compensation

☐ CA-1048 ☐ CA-181 ☐ Other *(Identify)*:

☐ CA-1049

☐ CA-180

6. Settlement

☐ Claimant's Recovery Statement ☐ Settlement Has Been Made in This Case. Attached Is a Copy of:

☐ Recovery Letter 1

PS Form **2560**, November 1987

Exhibit 547.59e

Sample Letter F, Notice of Assignment of Postal Employee's Claim and Request for Settlement

UNITED STATES POSTAL SERVICE®

[__*date*__]

[__*name*__]
[__*street*__]
[__*city, state, ZIP*__]

RE:Accident on [__*date*__]

Dear [__*name*__]:

On [__*date*__], a postal employee, [__*name*__], was injured as a result of [__*description of incident*__].

Pursuant to the provisions of the Federal Employees' Compensation Act, our employee has filed for benefits and has assigned [__*his*__] [__*her*__] personal injury claim to the Postal Service; a copy of that assignment, Form 2577, *Assignment of Claim to USPS*, is attached.

We request that you, your insurance carrier, or your attorney contact this office to discuss settlement of this matter.

Sincerely,

[__*signature*__]
[__*title*__]
[__*telephone no.*__]

Attachment

cc: DOL

547.6 Release of Information

547.61 Privacy Act Protection

All records, medical and other reports, statements of witnesses, and other papers relating to the injury or death of an employee or other person entitled to compensation or benefits under the Act are sensitive in nature, and no employee of the Postal Service may disclose information from or pertaining to the records to any person except as directed in these instructions. Upon the employee's death, records lose much of their sensitivity; i.e., the Privacy Act no longer applies to them. Release of records on deceased employees should be guided by the Postal Service release of information guidelines (*Administrative Support Manual* (ASM) 352).

547.62 Release to Employee or Beneficiary

547.621 General

If (a) an employee, or (b) in the case of death, an employee's beneficiary, or (c) the authorized representative of an employee or beneficiary requests information from the Postal Service in connection with a third party recovery case, refer the request to the control office or control point supervisor, who permits the requester to examine the records of the case, except where release of the information is not in the best interest of the employee (see 547.622).

547.622 Release to Physician

When the control office or control point supervisor, based upon consultation with the postal physician or occupational health nurse administrator, determines that release of medical reports directly to the employee clearly is not in the best interest of the employee, the control office or control point supervisor should request authorization from the employee to release the information to the employee's personal physician.

547.623 Limitation to Germane Information

In honoring requests, the control office or control point supervisor discloses only that information that is germane to the request and the third party action.

547.63 Release to Other Parties

Information requested for use in third party recovery cases by persons who are interested in third party action other than the employee or other legal representative may be released only upon written authorization of the employee or of the authorized representative. Direct all such requests to the control office or the control point supervisor.

547.64 Release to Court or Other Authority

Any employee of the Postal Service who is served with a demand by federal or state courts or other administrative bodies for records or information relating to third party recovery matters must promptly, and without awaiting appearance before the court or other authority, contact field counsel for instructions concerning the response to the demand.

547.7 Settlement of Claims

547.71 Employee Pursuing Collection of Damages From Third Party

The Postal Service, with certain adjustments, is entitled to collect from the proceeds paid to an employee by a third party the amount of compensation and medical and related expenses paid by OWCP on behalf of the employee. Therefore, when information is received that a third party recovery is imminent, the control office or control point supervisor contacts OWCP for an up-to-date statement of all disbursements made by OWCP and advises the employee or the employee's attorney of those disbursements. If settlement has already been made, PS Form 2556 should be reviewed to see that the total disbursements made by OWCP have been accurately computed.

547.72 Employee Not Pursuing Third Party Recovery

When the postal employee has indicated that he or she does not wish to pursue a recovery from a third party and has been requested to and has signed PS Form 2577 the Postal Service, with certain adjustments, is entitled to recover from the third party or his or her insurer the compensation and medical and related expenses paid by OWCP on behalf of the employee. In addition, the Postal Service is entitled to collect on behalf of the employee those damages to which the employee may be entitled. Such damages may consist of payment for pain and suffering sustained by the employee, any damage to the employee's personal property, and out-of-pocket expense not covered by FECA benefits. Upon recovery, the employee is to provided with a copy of PS Form 2556, which indicates the employee's total entitlement. Further, the control office or the control point supervisor should ensure that OWCP district office is provided with copies of all documents pertaining to the recovery.

547.73 Disbursement of Recovered Third Party Funds

When a settlement is made, the control office or control point supervisor makes disbursement of the funds as follows:

a. When the third party check includes OWCP payments only, send the check and PS Form 2556 or 2557, as applicable, directly to OWCP unless the check is made payable to the Postal Service. If this is the case, deposit the check and issue a Treasury check or no-fee money order to OWCP.

b. When the third party check includes OWCP payments and the employee's share, payments issued in installments, COP that has been collected in error, or checks made payable to the postmaster, the following procedures apply:

   (1) Deposit the check or monies in the postmaster's trust account.

   (2) Request a receipt PS Form 3544, *Post Office Receipt for Money.* Include the employee's name and OWCP claim number on the receipt.

   (3) Forward a memorandum (see Exhibit 547.73, Sample Letter G) to the accounting office advising them of the proper disbursement

to be made along with PS Form 2556 or 2557, whichever is applicable.

(4) Have the accounting office issue a no-fee money order or Treasury check that includes the employee's name and OWCP claim number to the appropriate parties, i.e., OWCP and postal employee.

c. For installment payments made by the third party, disbursement should be issued at periodic intervals (3 or 6 months) to the postal employee until the total expected monies from the third party are collected.

547.74 Settlement Verification

The control office or control point supervisor furnishes the employee and OWCP a copy of the PS Form 2556 or PS Form 2557 on all recoveries made.

547.75 Control Point Supervisor Requirements

All efforts on the part of control point supervisors concerning these instructions, to include case closure, settlement, or assistance, must be coordinated with the assigned control office.

547.76 Recovery Assistance

When the control office desires any advice on matters relating to the settlement of a third party recovery case or other legal matters, the appropriate field counsel should be contacted.

547.77 Delegation of Authority

The following are authorized to accept voluntary assignment of an employee's claim against a third party and sign a release on behalf of the Postal Service when requested by the third party or insurance carrier:

a. Manager of Injury Compensation.

b. Qualified control point supervisor.

c. Field counsel.

Exhibit 547.73
Sample Letter G

UNITED STATES POSTAL SERVICE®

[__*date*__]

DISBURSING OFFICER
[__*applicable accounting office*__]

SUBJECT: Recovery Disbursements — Third Party Settlement

The enclosed check or money order in the amount of $ [__*amount*__] represents settlement of a third party claim for:

Name:
SSN:
OWCP Case No.:

These funds are forwarded for disposition (see attached Form 2556 or 2557 for amount of total recovery).

1. Amount due OWCP $ [__*amount*__]
   Send check to:
   U.S. Department of Labor
   [__*applicable district office*__]
2. Amount due employee $ [__*amount*__]
   Send check to:
   [__*employee's name*__]
   c/o Injury Compensation Office

[__*signature*__]
Injury Compensation Supervisor or Specialist

547.8 Third Party Recovery Action — Court Action

547.81 General

FECA provides that an employee who is required to appear as a party or witness in the prosecution of a third party court action is in an active duty status while so engaged (5 U.S.C. 8131(a)(2)). Therefore, when an employee assigns a third party claim to the Postal Service and appears in court as a witness, or when an employee prosecutes a third party claim in his or her own name and appears in court as a party, such an employee is compensated for the court appearance as provided in 547.82.

547.82 Compensation for Court Appearances

The following provisions apply to compensation for court appearances:

a. A postal employee who appears as a witness in a third party action that has been assigned to the Postal Service is in an official duty status for the time spent in court (see 516.41) and for the time spent traveling between the court and the employee's work site. However, any time spent traveling between an employee's residence and the court is considered commuting time and, therefore, is not compensable.

b. An employee who prosecutes a third party action in his or her own name is *not* in an official duty status as that term is defined in 516.41. However, in order to implement FECA provision requiring compensation of such an employee, the Postal Service compensates that employee *as if the employee were in an official duty status*. Accordingly, such an employee is compensated to the same extent as that explained in 547.82a for the time spent in court and for the time spent traveling between the court and the employee's worksite. Any time spent traveling between the employee's residence and the court is considered commuting time and is not compensable.

547.83 Documentation of Court Appearances

An employee who is prosecuting a third party action in his or her own name and who appears in court must document the time required to appear in court on the memorandum, *Third Party Court Appearance Sheet* (see Exhibit 547.83). The employee is considered in an active duty status; therefore, a PS Form 3971, *Request for Notification of Absence,* is not required. Rather, the hours on the time card for third party appearances are recorded as *work only* — and not as court leave or any other type leave. The completed memorandum is to be returned to the control office or control point as appropriate.

547.84 Case Preparation

An employee who is prosecuting a third party action in his or her own name is *not* treated as if in an official duty status for the time spent developing the case. Any time used for this purpose within the employee's regular work schedule is charged to annual leave or LWOP.

Exhibit 547.83
Third Party Court Appearance Sheet

SUBJECT: Third Party Court Appearance
TO: Postmaster/Installation Head
ATTN:

I, the undersigned, attest to the validity and accuracy of the clock times entered below.

I understand that these entries must represent only the time my presence was required in court and, if applicable, travel from and to work.

I also understand that the deliberate furnishing of false information may result in a fine of not more than $10,000 or imprisonment of not more than five years, or both (18 U.S.C. 1001).

_____ _____
Signature of Employee Witness to Signature

EMPLOYEE NAME_____ SSN_____

PAY LOCATION_____IMMEDIATE SUPERVISOR_____

	Relevant Times	Employee's Initials
Date of Appearance:_____		
Time Departed Work (if applicable).....	_____	_____
Time Arrived Court	_____	_____
Time Departed Court	_____	_____
Time of Return to Work (if applicable)	_____	_____

☐ Document additional appearances as follows:

cc: Employee
Timekeeper

	Relevant Times	Employee's Initials
Date of Appearance:_____		
Time Departed Work (if applicable).....	_____	_____
Time Arrived Court	_____	_____
Time Departed Court	_____	_____
Time of Return to Work (if applicable)	_____	_____

	Relevant Times	Employee's Initials
Date of Appearance:_____		
Time Departed Work (if applicable).....	_____	_____
Time Arrived Court	_____	_____
Time Departed Court	_____	_____
Time of Return to Work (if applicable)	_____	_____

	Relevant Times	Employee's Initials
Date of Appearance:_____		
Time Departed Work (if applicable).....	_____	_____
Time Arrived Court	_____	_____
Time Departed Court	_____	_____
Time of Return to Work (if applicable)	_____	_____

	Relevant Times	Employee's Initials
Date of Appearance:_____		
Time Departed Work (if applicable).....	_____	_____
Time Arrived Court	_____	_____
Time Departed Court	_____	_____
Time of Return to Work (if applicable)	_____	_____

550 Unemployment Compensation

551 Overview

551.1 Legal Guidelines

551.11 Administration

The Unemployment Compensation for Federal Employees Program (UCFE) is administered by the states under separate agreements with the U.S. Secretary of Labor. Under these agreements, the states are agents of the United States and take, adjust, pay, or deny claims for unemployment compensation. Based on wage and separation information supplied by the Postal Service, the state agency determines under its state employment security law the postal employee's entitlement to unemployment compensation.

551.12 Liability

Benefit payments are made to former postal employees by the states under the agreements between the states and the U.S. Department of Labor. The Postal Service then reimburses the states through the Department of Labor.

551.13 Illegal Claims

Federal law provides criminal penalties for anyone who knowingly makes a false statement or representation of a material fact, or knowingly fails to disclose a material fact, to obtain or increase for self or for any other individual unemployment compensation benefits for federal employees.

551.2 Qualification Factors

Requirements for unemployment compensation benefits vary from state to state in accordance with each state's employment security law. However, each state law requires that a claimant:

a. Be unemployed or be employed less than full-time as defined by the state employment security law with earnings less than an amount specified in the state law.

b. Register for work and file an unemployment compensation claim at a local state employment security office.

c. Have worked a specified amount of time or have earned a specified amount of wages, or both, within a certain period.

d. Be able to work.

e. Be available for work.

f. Be actively seeking work.

g. Report periodically to the local state employment security office.

551.3 Disqualification Factors

Disqualification provisions vary from state to state. In the majority of states, employment security laws provide for a period of total disqualification or for a penalty period of temporary disqualification for certain types of separations. A former postal employee is not disqualified if the separation was an

involuntary termination of employment for other than misconduct, or if the separation was a voluntary termination or resignation based on good cause. The most common reasons for disqualification are:

a. The claimant was discharged for misconduct.

b. The claimant quit the job voluntarily without good cause.

c. The claimant refused a suitable job without good cause.

551.4 Information to State Employment Security Agencies

551.41 Information Required

The Postal Service furnishes state employment security agencies certain salary and separation information concerning claimants who are or have been employed by the Postal Service. This information is processed and returned to the state agency by the Eagan ASC within 4 workdays after receipt of the request. The information includes:

a. Periods of Postal Service employment.

b. Amount of remuneration for service.

c. Amount of lump sum terminal leave payments and periods of time for which the lump sum payment was made.

d. Reason(s) for separation.

551.42 Privacy Act Requirements

551.421 Authority to Disclose

Release of wage and separation information to a state employment security agency can be made without written authorization from the former Postal Service employee.

551.422 Accountability of Disclosure

To meet the Privacy Act disclosure accounting requirements, the state coordinators described in 552.3 receive from the Eagan ASC copies of Unemployment Compensation for Federal Employees Form ES 931, *Request for Wage Separation Information*; Form ES 934, *Request for Information or Reconsideration of Federal Findings*; Form ES 936, *Request for Verification of UCFE Wage and Separation Information Furnished on Form ES 931*; and PS Form 2342, *Request: Unemployment Compensation Data*, and PS Form 6803, *Wage and Separation Information (ES 931) (3-part continuous*). These forms are to be retained by the state coordinator for a period of 3 years. The Eagan ASC maintains the PS Form 6803 Issue Report (Program No. PHE100) on microfiche for a period of 5 years. State coordinators are to maintain hearings and appeals case files for 5 years. Official Postal Service records control schedules should be consulted to determine retention requirements by state coordinators and installation heads.

552 Responsibilities

552.1 Headquarters

552.11 Functional Administration

The functional responsibility for the development, implementation, and control of the national Postal Service Unemployment Compensation

Program is assigned to the vice president of Employee Resource Management.

552.12 Daily Administration

The administration of the unemployment compensation program for Headquarters units, Headquarters-related units, and in field organizations, is assigned to the Postal Service state coordinators (see 552.3) in which these units are physically located.

552.2 Areas

The area Human Resources managers have oversight responsibility for the unemployment compensation program for the states in their geographic area. They coordinate as necessary when state lines overlap with a contiguous area. The managing field counsel in the area:

a. Participates in hearings before the state referees and prepares appeals to state courts.

b. Assists Postal Service state coordinators in interpreting legal guidelines and Privacy Act requirements.

552.3 State Coordinators

552.31 Administration

The area Human Resources manager designates an office in the capital city within each state to coordinate the unemployment compensation activities for all Postal Service installations in that state. The functional responsibility for the state program administration is assigned to the ranking Human Resources official in that office. This official selects one employee as state coordinator for program administration responsibility.

552.32 Responsibilities

The designated state coordinator:

a. Administers Postal Service policy on unemployment compensation within the respective state or jurisdiction.

b. Establishes a communication channel with the state employment security agency and becomes familiar with the state unemployment compensation policies, procedures, and laws.

c. Reviews appropriate forms, correspondence, and claim determinations to establish that each unemployment compensation claim filed by a present or former postal employee is justified and that the information provided by the claimant is valid.

d. Initiates appeals on claims determined to be unjustified.

e. Ensures that the referees adjudicating appeals are provided with all appropriate and necessary information whether the appeal is initiated by the Postal Service or the claimant.

f. Notifies appropriate offices to prepare material necessary for appeals.

g. Attends unemployment compensation appeal hearings conducted by state referees or arranges for such representation by the post office in which the claimant was or is employed.

h. Refers recommendations for final appeal cases to the managing general counsel for the state along with appropriate supporting information.

i. Contacts the appropriate postal installation upon receipt of PS Form 6803 (ES 931), to ascertain the reason(s) for separation or the nonpay status of a claimant when the Eagan ASC cannot supply this information.

j. Monitors the preparation of separation forms and information provided by the Eagan ASC and identifies areas where incomplete or inaccurate information could generate unjustified unemployment compensation claims and subsequent payment.

k. Provides the Eagan ASC with required information in order to resolve problems concerning individual employees.

l. Maintains program records in accordance with official Postal Service records control schedules.

m. Serves as liaison for Headquarters in dealing with state employment security agencies.

552.4 Installation Heads

552.41 Completion of PS Form 50, Notification of Personnel Action

Installation heads:

a. Ensure the accurate and timely completion of PS Form 50 and SF 8, *Notice to Federal Employees About Unemployment Insurance,* when initiating separation actions (see 553.11 and 553.12).

b. Submit PS Form 50 as expeditiously as possible for processing.

552.42 Cooperation With Postal and State Authorities

Installation heads:

a. Provide full cooperation to Postal Service state coordinators when supplemental information is required.

b. Cooperate with Postal Service state coordinator requests for witnesses to appear before state appeal hearings to testify about the reason(s) a former employee was separated.

c. Give direct responses to state employment security agency requests for additional separation information (Form ES 934) (see 553.22).

552.5 Eagan Accounting Service Center

552.51 Initial Response

The Eagan ASC:

a. Completes PS Form 6803 (see 553.13) in response to state agency requests for wage and separation information (Form ES 931) within 4 working days after receipt of the request.

b. Retains a copy of each PS Form 6803 submitted to state agencies (Privacy Act accounting requirements) on microfiche and distributes a copy of PS Form 6803 to the appropriate Postal Service state coordinator.

c. If separation or wage information is unavailable at the Eagan ASC, forwards PS Form 6803 (and Form ES 931) to the appropriate Postal Service state coordinator requesting that PS Form 6803 be completed and returned to the state agency.

552.52 Additional Information

The Eagan ASC responds to state agency requests for additional information on Form ES 934 and verifies Form ES 931 on Form ES 936 within 4 working days after receipt (see 553.22 and 553.23).

553 Explanation of Forms and Procedures

553.1 Postal Service Procedures

553.11 PS Form 50

Personnel offices:

a. Complete PS Form 50 in an accurate and timely manner when separating an employee.

b. Enter the three-digit unemployment compensation code that most accurately describes what the Postal Service believes to be the reason(s) that the employee was separated in the appropriate block on PS Form 50.

c. Ensure that all additional information relating to the reason(s) for separation is incorporated into the remarks section of PS Form 50. (In those instances when the employee's reason(s) for separation differ from the Postal Service's reason(s), personnel offices enter the standard remarks message (Standard Code 542) on PS Form 50.) This standard remark states that a difference in separation reason(s) does exist and will be furnished upon request.

d. State the fact of the issuance of SF 8 in the remarks section of PS Form 50.

553.12 SF 8, Notice to Former Employee About Unemployment Insurance

SF 8 explains an employee's eligibility for unemployment compensation and describes the steps to be taken in filing a claim. Personnel offices complete SF 8 by entering at top of form the employee's name, Social Security number, and pay location. In item 3 personnel offices enter #732 on the extreme right side and then enter the address of the Eagan ASC:

PAYROLL PROCESSING/UNEMPLOYMENT
USPS EAGAN ASC
2825 LONE OAK PKWY
EAGAN MN 55121-9635

SF 8 is issued promptly to the employee by the separating personnel office so that he or she does not lose unemployment compensation benefits to which he or she may be entitled. An individual whose work or tours of duty are on an intermittent basis is issued an SF 8 only the first time in each

calendar year that he or she is placed in a nonpay status. However, a completed SF 8 is issued to an employee each time the employee:

a. Separates from the Postal Service for any reason.

b. Transfers to another federal agency.

c. Is (or will be) placed in a nonpay status for 7 or more consecutive calendar days.

SF 8 is issued on the employee's last workday. The date is to be noted in the remarks section of PS Form 50.

553.13 PS Form 6803, Wage and Separation Information (ES 931)

553.131 Completion

The Eagan ASC:

a. Completes PS Form 6803 in response to a state agency's request for wage and separation information (Form ES 931, see 553.21).

b. Extracts wage and separation information from the Automated ES 931 System and enters it on PS Form 6803.

c. Attaches two copies of PS Form 6803 to Form ES 931 and returns them to the state agency within 4 workdays after receipt of the request.

d. Forwards one copy of PS Form 6803 to the appropriate Postal Service state coordinator and retains a copy for Privacy Act accounting requirements (see 551.422).

553.132 Incomplete Information

When a PS Form 50 has not been processed, the separation information is not entered into the automated ES 931 system. In such circumstances, the Eagan ASC immediately forwards all three copies of PS Form 6803 (and Form ES 931), with the wage portion completed, to the appropriate Postal Service state coordinator, requesting that the separation portion of PS Form 6803 be completed.

Upon completion of PS Form 6803, the state coordinator attaches two copies of PS Form 6803 to Form ES 931 and forwards them to the state agency, retaining copies.

The same control and processing of PS Forms 6803 are used when the automated ES 931 system fails to complete wage and separation information except that the Postal Service state coordinator sees that both the information and separation information are provided.

553.133 Erroneous Findings

If the Eagan ASC ascertains at any time within 1 year after it has returned a completed PS Form 6803 (Form ES 931) to a state agency that any of its findings were erroneous, it must promptly correct the error and forward corrected findings to the appropriate state agency.

553.2 State Agency Forms and Procedures

553.21 Form ES 931

When a former Postal Service employee (or an employee who works less than full-time as defined in the state employment security law with earnings less than an amount specified in the state law) applies for unemployment compensation

at a state employment security office, the state agency sends Form ES 931 to the Eagan ASC (see 553.13) as indicated on the claimant's SF 8.

The Eagan ASC responds to the state agency by extracting the requested wage and separation information from the automated ES 931 system on PS Form 6803 (see 553.13).

553.22 Form ES 934

553.221 Reason for Form ES 934

If the Eagan ASC provides inadequate data on PS Form 6803, the state agency may request additional information on Form ES 934. If Form 934 cannot be processed within the 4-workday time period, the Eagan ASC or separating installation must immediately notify the state agency when it can expect to receive a completed Form ES 934.

553.222 Request for Wage Information

The Eagan ASC completes the form and returns it directly to the state agency within 4 workdays after receipt. A copy of Form ES 934 is sent to the respective Postal Service state coordinator by the stage agency. The Eagan ASC retains a copy of the completed Form ES 934 for Privacy Act accounting requirements.

553.223 Request for Separation Information

If the state agency sends Form ES 934 directly to the employee's separating installation, the installation completes the form and returns it to the state agency within 4 workdays after receipt of the request. A copy of Form ES 934 is sent to the appropriate Postal Service state coordinator by the state agency. A copy of Form ES 934 is retained by the postal installation and one copy is forwarded to the Eagan ASC for Privacy Act accounting requirements.

553.224 Request for Wage and Separation Information

The state agency sends Form ES 934 to the Eagan ASC, which inserts the requested wage information and forwards the form to the separating installation.

The postal installation:

a. Inserts the requested separation information and returns the form directly to the state agency within 4 workdays after receipt.

b. Returns a copy of Form ES 934 to the Eagan ASC for Privacy Act accounting requirements and retains one copy.

The state agency sends a copy of Form ES 934 to the appropriate Postal Service state coordinator.

553.23 Form ES 936, Verification of ES 931 (PS Form 6803)

State agencies request the Eagan ASC to verify a sampling of PS Forms 6803 completed by the Eagan ASC semiannually on Form ES 936.

A Form ES 936 shows the name of the claimant, Social Security number, payroll account number (if available), and the date that the PS Form 6803 was requested.

Form ES 936 is completed, when possible, by a person other than the one who prepared the related PS Form 6803. If the verification is made by the same person, Form ES 936 is reviewed by an authorized certifying officer.

Form ES 936 must be completed and returned to the requesting state agency within 4 workdays after receipt of the request.

554 Appeals

554.1 State Law Requirements

State employment security laws provide for (a) administrative appeals at two levels in state agency proceedings and (b) appeals to state courts. Appeals may be initiated by the claimant or by the Postal Service.

The state agency's notice of determination of a claimant's benefit rights includes (a) the determination and the basis for it and (b) information concerning appeal rights and the time within which an appeal may be filed.

554.2 Initial Level Appeals by Claimants

All claimants, including former probationary employees, have the right to request additional information (see 553.22) for clarification of Postal Service findings or to correct errors and omissions in their records. If a claimant is not satisfied with a state agency's determination, the claimant has the right to appeal the determination. Notices of such appeals received by postal managers are referred to their respective Postal Service state coordinators (see 554.414).

554.3 Initial Level Appeals by the Postal Service

554.31 Cause to Appeal

If the Postal Service believes that a state agency's determination in awarding unemployment compensation is incorrect, the Postal Service may appeal the determination under the applicable state employment security law.

554.32 Initiation of Appeal

The Postal Service state coordinator files an appeal whenever:

a. The state agency appears to have misinterpreted or disregarded the Postal Service's findings.

b. The Postal Service believes the determination is not in accordance with the provisions of the state employment security law.

554.4 Postal Service Participation in Appeals

554.41 Representation

554.411 Preparation for Appeal

The Postal Service state coordinator:

a. Ensures that the Postal Service is represented at state unemployment compensation appeal hearings (representation should include Postal Service employee(s) with first-hand knowledge of the case).

b. Ensures that all documented evidence that supports the Postal Service's position is submitted.

554.412 **Appearance As a Witness**

A postal representative with first-hand knowledge of the case in question who appears before a state appeal hearing as a witness on behalf of the Postal Service provides evidence concerning the facts that support Postal Service findings. Evidence provided at state appeal hearings may be in the form of oral testimony or written documentation. (For sources of information to be used as evidence, see 554.43.)

554.413 **Appearance As an Appellant**

When the Postal Service initiates an appeal against a state agency's determination (see 554.31), the Postal Service state coordinator ensures the presence of a postal representative at the state appeal hearing. The postal representative is an individual who has first-hand knowledge of the facts in the appeal case. The representative offers oral testimony or written documentation as argument in support of the Postal Service findings. (For sources of information to be used as evidence, see 554.43.)

554.414 **Appearance As an Appellee**

When the Postal Service receives a notice of an appeal hearing in which it is an appellee, the Postal Service state coordinator reviews the facts of the case and notifies a postal representative having first-hand knowledge of the case to appear on its behalf. The representative presents oral testimony or written documentation (see 554.43) in support of Postal Service findings.

554.42 New Evidence by Claimant

In those appeal hearings in which a claimant introduces new evidence, the Postal Service representative either replies with Postal Service evidence and arguments or requests a continuation of the case in order to prepare a response to the new evidence.

554.43 Disclosure of Information

554.431 **Routine**

During a state unemployment compensation appeal hearing, the Postal Service has the legal authority to disclose all relevant information from any of the systems of records appearing in the list in chapter 3 of the *Administrative Support Manual* (ASM). All postal records presented as evidence during state appeal hearings are excised of all irrelevant information not pertaining to the claimant's reason(s) for separation and for the appeal or the Postal Service's reason(s) for separation of the claimant and for the appeal.

554.432 **Medical Records**

Only medical information that directly relates to the reason(s) the claimant was separated can be presented as evidence during a state appeal hearing. However, in those instances in which the relevant information contains a reference to a malignancy or mental condition, a medical officer is contacted for the purpose of determining whether the claimant previously has been made aware of its existence. If the claimant has not been made aware of the condition, the information is not to be disclosed. If such evidence is essential to the Postal Service case, a cautionary statement is sent to the state referee prior to the hearing, indicating the importance of such evidence and the possible psychological effect it may have on the claimant if released during the hearing.

554.433 **Inspection Service Records**

Whenever documents originated by the Inspection Service are involved in an appeal hearing, the appropriate inspector in charge is notified by the Postal Service state coordinator. The material in question is referred to the chief postal inspector for review and approval prior to release.

554.434 **Managing Field Counsel**

The managing field counsel for the area is consulted when any questions or problems arise in interpreting Postal Service Privacy Act regulations or interpreting implementation instructions. The chief field counsel is consulted if:

a. Disclosure of certain relevant information contained in Personnel Investigation Records may reveal the identity of a source who has requested confidentiality.

b. Disclosure of certain relevant information contained in either Personnel Research and Test Validation Records, or Recruiting, Examining, Training, and Placement Records might jeopardize the fairness or objectivity of an examination process.

554.5 Appeals (Second Level) to State Appellate Board

Either the claimant or the Postal Service may appeal a determination made by the initial level state appeal authority to the second level state appellate authority, which is usually the State Appeals Board. The initial level appeal determination indicates the basis for such a determination, as well as the time frame in which an appeal can be filed. When a Postal Service state coordinator receives an initial level appeal determination that continues to contradict the Postal Service findings based on either of the reasons outlined in 554.32, the Postal Service state coordinator files an appeal based on such arguments. Participation by the Postal Service in second level state appeals are conducted in the same manner as in the initial level appeal process (see 554.4).

554.6 Postal Service Appeals to State Courts

When a determination has been rendered by a State Appellate Board that continues to contradict Postal Service findings, the Postal Service state coordinator immediately contacts the managing field counsel, who initiates appeals to state courts.

560 Civil Service Retirement Program

Additional Material:
References to additional material concerning the subject matter in some sections of this chapter are indicated in boxed sections identified as "Reference Notes."

561 General

Reference Note:
For additional material concerning the subject matter found in 561, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 10 and 20.

561.1 Scope

Subchapter 560 covers the Civil Service Retirement System (CSRS) only. Information concerning the Federal Employees Retirement System (FERS) will be covered in subchapter 580.

561.2 Administration

The Office of Personnel Management (OPM) administers the CSRS. The CSRS law, policies, and regulations issued by OPM, including those governing employee eligibility and benefits, are controlling in the event of conflict with the information contained in this subchapter.

561.3 Employees Covered

The CSRS applies to:

a. Employees serving under a career appointment, effective before January 1, 1984.

b. Employees who received a career appointment before January 1, 1984 and who had a break in service of less than 1 year since 1983.

c. Employees who are rehired after 1983 with a break in service exceeding 1 year and who had performed 5 or more years of federal civilian service prior to January 1, 1987.

   Note: These employees are CSRS Offset employees and, therefore, also covered by the Social Security System.

d. Employees in positions subject to the CSRS who transfer to temporary, indefinite, or other excluded positions without a break in service, or with a break in service not exceeding 3 days.

561.4 CSRS Offset

CSRS Offset employees are eligible for a CSRS annuity just as if they were covered by CSRS alone, except that the annuity payment is reduced (offset) when the employee becomes eligible for Social Security. The offset is made (even if the employee does not apply for Social Security) when the basic requirements for Social Security are met, usually at age 62. The amount of

the offset is the amount of the Social Security benefits attributable to the employee's service after 1983 covered by both CSRS and Social Security.

561.5 Exclusions

The CSRS does *not* apply to:

a. Casual employees, except as provided in 561.3d.

b. Employees serving under appointments limited to 1 year or less. (If individuals have previously served in positions in the Postal Service or other federal government agencies where they were covered by the CSRS, there must be a break of at least 4 days between such previous service and the casual or temporary appointment in the Postal Service.)

c. Employees serving under temporary appointments pending establishment of a register or pending final determination of eligibility for permanent appointment.

d. Employees paid on a contract or a fee basis such as mail messengers, star route contractors, and clerks in charge of contract stations.

e. Officers-in-charge, unless they are covered in a position specified in 561.3d.

f. Clerks in post offices in Cost Ascertainment Group (CAG) L and special delivery messengers who are in post offices in CAG H, J, K, and L.

g. Substitute rural carriers and rural carrier relief/rural carrier associates, unless they fall under the exception specified in 561.3d.

h. Job cleaners.

i. Individuals hired for emergencies such as fires, floods, earthquakes, etc.

j. Employees subject to another federal government retirement system.

562 Creditable Service

Reference Note:
For additional material concerning the subject matter found in 562 through 562.251, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 10 and 20.

562.1 General

562.11 Types of Service

Generally, both civilian and military service performed for the federal government is creditable for retirement purposes.

562.12 Time Credit

Generally, full-time credit is allowed for periods of government employment between the dates of an employee's appointment and separation.

Full-time credit is not allowed, e.g., when an employee is serving on a "when-actually-employed" basis or when an employee is in nonpay status in excess of 6 months in a calendar year (see 562.255).

562.2 Federal Civilian Service

562.21 General

562.211 Federal/District of Columbia

With certain exceptions, service creditable under the CSRS is federal and District of Columbia government employment that meets *all* the following tests:

a. The employee was engaged in the performance of federal functions under authority of an act of Congress or an Executive Order.

b. The employee was appointed or employed by a federal officer in his official capacity as such.

c. The service was performed under the supervision and direction of a federal officer.

562.212 Breaks In Service

Breaks in service are treated as follows in the computation of creditable service:

a. Periods of separation of 3 calendar days or less are not deducted in computing total creditable service.

b. Periods of separation which total more than 3 days are deducted in computing total creditable service, except in certain instances when injury compensation benefits are received (562.252).

562.213 Deductions Refunded

Service for which retirement deductions have been refunded to the employee is creditable in establishing eligibility for annuity. This service may also be used in computing high-3 average pay (566.25), if appropriate. If redeposit is not made, such service is not included in calculating length of service for annuity computation purposes.

562.22 Service Covered by Social Security

Civilian service covered by Social Security (FICA) is creditable for retirement purposes if such service is followed by employment which is subject to the retirement system.

562.23 Part-Time Employment

562.231 Part-Time Regular Employees

Employees who serve on a part-time basis (non-full-time service with a prearranged regularly scheduled tour of duty) such as 4 hours a day, 5 days a week are allowed full calendar credit for all time elapsing between dates of appointment and separation.

562.232 Part-Time Flexible Employees

The service of a part-time flexible schedule employee, including substitute rural carriers, is fully creditable from the date of original appointment to the date of separation. Periods during which the employee was on furlough are creditable only if the periods of absence in the aggregate do not exceed 6 months in any calendar year.

562.233 **Annuity Proration**

Retirement benefits based on part-time employment performed on or after April 7, 1986 will be reduced by a ratio of part-time hours to the number of hours the employee would have worked had employment been full-time.

562.24 Intermittent Service

With the exception of service as a part-time flexible employee or substitute rural carrier (see 562.23), an employee serving on an intermittent basis (non-full-time service without a prearranged regularly scheduled tour of duty) receives credit, for retirement purposes, for *only* the actual days in a pay status. This type of service includes Rural Carrier Relief, Rural Carrier Associate, and Postmaster Relief Leave Replacement.

562.25 Special Circumstances

562.251 **Japanese-American Employee**

The following provisions apply:

a. *Conditions.* Special retirement credit is granted to employees of Japanese ancestry who meet the following conditions:

(1) The employee must have been employed on July 15, 1952 by the federal government in a position covered by the CSRS.

(2) At some time during the period from December 7, 1941 to September 3, 1945, by reason of United States Policy or program or to enter the U.S. Armed Forces, the employee must have:

(a) Been separated from the federal service, or

(b) Lost opportunity for, or been denied, probational appointment from a Civil Service register, or

(c) Been denied reinstatement to a position in the federal service.

b. *Creditable Time.* An employee meeting conditions in 562.251a receives retirement credit for:

(1) The period of internment;

(2) The period for which loss of opportunity for, or denial of, appointment occurred;

(3) The period which resulted from denial of reinstatement; or

(4) The period which resulted from separation from the service.

c. *Installation Head Responsibility.* When, based on documented evidence, an employee is found eligible for such special retirement (and leave) credit, installation heads prepare personnel action forms to adjust personnel and retirement records.

562.252 Employee Receiving OWCP Benefits

Reference Note:
For additional material concerning the subject matter found in 562.252, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 102.
- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 10 and 20.

The following provisions apply:

a. *Employee on Leave Without Pay (LWOP) Status.* Credit is allowed for the entire period that an employee receives Office of Workers' Compensation Program (OWCP) benefits if the employee is carried on the postal rolls in LWOP status.

b. *Employee Separated from Postal Service.* Credit is allowed for a period of separation during which a former employee (not an annuitant) was in receipt of OWCP benefits, provided the employee is later reemployed in the Postal Service (or federal service). Annuitants who are reemployed after a period of separation during which they received OWCP benefits in lieu of an annuity receive credit for the separation only after they have qualified for a redetermination of the annuity. See 566.52, Redetermination of Annuity.

562.253 Employee Restored After Erroneous Removal or Suspension

Reference Note:
For additional material concerning the subject matter found in 562.253 through 562.255, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 10 and 20.

The following provisions apply:

a. *Policy.* An employee whose separation or suspension is determined to have been improper and who is restored retroactively is considered for retirement purposes as having properly been in the service during the intervening period of erroneous separation or suspension.

b. *Determining Retirement Credit:*

(1) If restoration is with entitlement to pay, the employee's basic pay over the intervening period is subject to regular retirement deductions and the employee receives credit for the entire period.

(2) If restoration is without entitlement to pay, retirement credit is allowed for as much of the intervening period without pay as does not exceed 6 months in any calendar year.

c. *Redeposit Requirement.* An employee who received a refund of retirement deductions before restoration must redeposit the refund in order to be eligible for any future annuity based on the period covered by the refund.

562.254 **Employee Granted LWOP to Serve in Employee Organizations**

If an employee is granted LWOP to serve as a full-time officer or employee of an employee organization composed primarily of federal/postal employees, the following action is taken:

a. Employing Office:

(1) Notifies the employee of the employee's right to elect to continue retirement coverage. (The employee's election must be in writing.)

(2) Sets up a follow-up system to remind employees that election must be filed within 60 days after employee enters LWOP status.

(3) Makes a final effort to urge employees to make an election.

(4) Documents the action taken if, after the employees have been contacted, they continue to refuse to make an election. Failure to make an election is considered an election not to continue retirement coverage. A copy of the election (or installation head's documentation) is filed in the employee's official personnel folder.

b. Employee:

(1) Files an election to continue retirement coverage for as long as in LWOP status. The election must be filed with the installation head within 60 days after LWOP begins.

(2) Pays or arranges to have paid to the Eagan ASC (if elects to continue retirement coverage), on a current basis, both the current percentage of salary retirement deductions and the matching agency contribution which would be applicable if the employee were in pay status.

c. Declination of Coverage:

(1) *Credit Not Allowed.* If an employee on LWOP serving in an employee organization declines to continue retirement coverage, this time is not creditable for retirement purposes. This time is also not allowed for any other purpose in which service creditable for retirement is used as a criterion (e.g., leave or job retention).

(2) *Retirement/Death on LWOP.* If the employee retires or dies while on LWOP, annuity or survivors' annuity rights are determined as of the day preceding the one on which the employee entered on LWOP.

562.255 **Employee on Leave of Absence**

An employee on leave of absence is granted credit for:

a. All leave with pay.

b. Time on the rolls in a nonpay status (i.e., LWOP, suspension, furlough, and Absence Without Leave (AWOL)), not exceeding 6 months in the aggregate in any calendar year, except when the entire time is creditable as provided in 562.252, 562.254, and 562.3.

562.3 Military Service

Reference Note:
For additional material concerning the subject matter found in 562.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 22 and 23.

562.31 Types of Service

562.311 Military Groups

Retirement credit is allowed for honorable active service in the Army, Navy, Air Force, Marine Corps, Coast Guard and, after June 30, 1960, in the Regular or Reserve Corps of the Public Health Service of the United States, and, after June 30, 1961, as a commissioned officer of the National Oceanic and Atmospheric Administration (formerly Coast and Geodetic Survey and Environmental Science Services Administration).

562.312 Reserve Components

Active duty for training in the reserve components of these services is also creditable. Inactive duty time while in the reserve components of these services is not creditable.

562.313 Military Academies

Service as a midshipman at the U.S. Naval Academy and as a cadet at the U.S. Military Academy, Air Force Academy, or Coast Guard Academy constitutes military service and is also creditable for retirement purposes.

562.314 National Guard Service

The following provisions apply:

a. National Guard Service is creditable only when:

(1) The organization is activated into the actual services of the United States, or

(2) The employee is ordered to active duty service or training as a member of the United States Armed Forces Reserves under one of the following authority:

(a) Section 233(d) Armed Forces Reserve Act of 1952.

(b) A provision of Title 10, United States Code.

b. National Guard service or training periods are not creditable under the following circumstances:

(1) Service performed before January 1, 1953, and not directly under a call by the President of the United States.

(2) Service performed for a state government or duty called for by a governor of a state.

562.315 Military Service Prior to January 1957

Military service performed prior to January 1957 is creditable for retirement purposes. Full credit is allowed without making contributions to the retirement fund to cover such service.

562.316 **Military Service After December 31, 1956**

The following provisions apply:

a. *Employed On or After October 1, 1982.* Employees who are first employed in a position subject to the CSRS on or after October 1, 1982 will not receive credit for their post-1956 military service unless a service credit deposit is made for that military service. (See 562.34.)

b. *Employed Before October 1, 1982.* Employees who were first employed in a position subject to the CSRS before October 1, 1982 have the option of either:

(1) Making the service credit deposit for their post-1956 military service as specified in 562.34; or

(2) Receiving credit for their post-1956 military service, and having their annuity recomputed at age 62 to eliminate post-1956 military service if they are eligible for Social Security Old-Age or survivor benefits. See Handbook EL-504, *Post-1956 Military Service Credit Deposits*, for procedures on making deposits for post-1956 military service.

562.32 Required Conditions

Military service must have been performed before the date of separation on which title to annuity is based and must have been terminated by honorable discharge or terminated under other honorable conditions.

562.33 Double Credit Not Permitted

Military service is not creditable if the employee receives retired pay unless the retired pay is awarded under conditions listed in 562.35. An employee may not receive credit for both civilian service and military service covering the same periods of time.

562.34 Service Credit Deposit Required

562.341 **Amount of Deposit**

The deposit for post-1956 military service for CSRS purposes is 7 percent of basic military pay plus interest.

562.342 **Charging Interest**

The following provisions apply:

a. *Grace Period.* No interest is charged if a deposit for post-1956 military service was completed by September 30, 1986 or within 3 years after the date the employee was first hired in a position subject to CSRS, if later.

b. *Rate of Interest.* The rate of interest is a variable rate which is compounded annually. The variable rate of interest is determined by the Secretary of the Treasury each calendar year on the basis of the average yield of new investments purchased by the Civil Service Retirement and Disability Fund during the previous year.

562.35 Military Retired Pay

562.351 CSRS Annuity

The receipt of military retired pay bars the crediting of military service toward CSRS annuity except when:

a. The retired pay is awarded because of a disability incurred in combat with an enemy of the United States or caused by an instrument of war and incurred in line of duty during a period of war, or

b. The retired pay is granted under 1331 through 1337 of Chapter 67, Title 10, U.S. Code, which pertains to retirement from a reserve component of the armed forces on the basis of service instead of disability.

c. The employee waives the retired pay.

562.352 Waiver of Military Retired Pay

The following provisions apply:

a. *General.* An applicant for annuity receiving military retired pay which bars the use of the military service in the computation of a CSRS annuity may elect to give up military retired pay. The military service may then be added to the civilian service in computing the CSRS annuity.

b. *Procedures.* An employee retiring from the Postal Service who decides to waive military retired pay:

(1) Notifies the Military Finance Center at least 60 days before the retirement date of the decision to waive military retired pay in order to receive credit for the military service for computing the CSRS annuity. The notice includes: (a) the employee's full name, military rank, and serial number; (b) the desired date that retired pay is to stop (the day before annuity begins); and (c) a request that the Military Finance Center notify OPM of the effective date of the waiver.

(2) Attaches a copy of the waiver request to SF 2801, *Application for Immediate Retirement*, so that OPM knows a waiver has been requested. If the retired pay finance center's acknowledgment of the waiver is received before the retirement application is submitted to OPM (through the Eagan ASC), attaches a copy of the Military Finance Center's acknowledgment of the waiver.

562.4 Credit For Unused Sick Leave

Reference Note:
For additional material concerning the subject matter found in 562.4, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 50.

562.41 Eligibility

Unused sick leave to an employee's credit is used in computing service for annuity purposes if the employee: (a) retires on an immediate annuity or (b) dies leaving a survivor entitled to an annuity.

562.42 Method of Computing

After it is determined that an employee meets the minimum length of service required for retirement, any unused sick leave to the employee's credit is converted to years, months, and days on the basis of a 260-day work year and added to the employee's total service time. (See 562.5.) The employee's high-3 average pay is then determined and annuity is computed.

562.43 Restrictions

Credit for unused sick leave is allowable only for annuity purposes. It is not allowable for other purposes in which service creditable for retirement is used as a criterion, such as leave or job retention.

562.5 Computing Total Length of Service

Total service on which an annuity is based, including periods of military service and unused sick leave, is counted in full years and months. Any fractional part of a month is not counted.

563 Annuities — Requirements and Procedures

563.1 General Requirements

Reference Note:
For additional material concerning the subject matter found in 563.1, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 41.

563.11 Conduct

An annuity may not be paid to any employee who has ever been convicted of an offense involving the national security of the United States.

563.12 Time

To be eligible for an annuity an employee must:

a. Have a minimum of 5 years of creditable civilian service.

b. Complete, within the last 2-year period before separation on which retirement is based, at least 1 year in employment covered by the CSRS, except when an annuity is payable because of total disability.

563.13 Age and Service

Employees separated for any reason, except as stated in 563.11, are eligible for optional retirement and an immediate annuity if they meet one of the following combinations of age and service:

a. Age 62 with 5 years of creditable civilian service.

b. Age 60 with 20 years of creditable service, including 5 years of creditable civilian service.

c. Age 55 with 30 years of creditable service, including 5 years of creditable civilian service.

563.2 Requirements and Procedures by Type of Separation

563.21 Involuntary Separation

Reference Note:
For additional material concerning the subject matter found in 563.21, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 44.

563.211 Additional Requirements

An employee who is involuntarily separated from the service (not for cause) may apply for an immediate annuity if the employee meets the general requirements in 563.1 and:

a. Has 20 years of creditable service, including 5 years of creditable civilian service, and is 50 years of age or over; or

b. Has 25 years of creditable service, including 5 years of creditable civilian service, regardless of age.

563.212 Reduced Annuity

If the retiring employee is under age 55, the basic life annuity rate is reduced by one-sixth of 1 percent for each full month (2 percent a year) that the employee is under age 55.

563.22 Mandatory Retirement

Reference Note:
For additional material concerning the subject matter found in 563.22, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 43 and 46.

Law enforcement officers (e.g., Postal Inspectors) are the only postal employees subject to mandatory retirement because of age. Information on mandatory retirement for these employees can be obtained from the:

CHIEF POSTAL INSPECTOR
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-2100

563.23 Disability Retirement Requirements

Reference Note:
For additional material concerning the subject matter found in 563.23, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 60.

563.231 Service

The employee must have completed at least 5 years of creditable civilian service.

563.232 **Total Disability**

An employee must, while employed under the CSRS, become totally disabled because of disease or injury, to render useful and efficient service in the position occupied and all vacant positions in the employing agency and commuting area at the same grade or pay level and tenure to which the employee is qualified for reassignment. The Civil Service Retirement (CSR) law governing the disability retirement program provides that an employee of the United States Postal Service is not qualified for reassignment if:

a. The reassignment is to a position in a different craft; or

b. The reassignment is inconsistent with terms of the collective bargaining agreement covering the employee.

563.233 **Conduct**

The disease or injury which caused the disability must not be the result of vicious habits, intemperance, or willful misconduct on the employee's part within the 5-year period immediately prior to becoming disabled.

563.3 Deferred Annuity

Reference Note:
For additional material concerning the subject matter found in 563.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 45.

An employee is eligible for a deferred annuity at age 62 if the employee:

a. Leaves the CSRS before qualifying for an immediate annuity;

b. Has at least 5 years of creditable civilian service;

c. Has worked at least 1 year under the CSRS within the 2 years immediately preceding the separation on which the deferred annuity is based; and

d. Leaves his or her retirement contributions in the Civil Service Retirement and Disability Fund.

564 Types of Annuities

564.1 Annuity Without Survivor Benefits

Reference Note:
For additional material concerning the subject matter found in 564.1, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 50.

This type of annuity provides payments at an unreduced rate during the life of the retiring employee. It does not provide survivor benefits. (See 564.24 for current spouse's consent in the case of a married employee.)

564.2 Annuity with Survivor Benefits

564.21 Annuity to Current and/or Former Spouse(s)

Reference Note:
For additional material concerning the subject matter found in 564.21, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 50.

564.211 General

This type of annuity provides a retiring employee with annuity payments at a reduced rate and, upon the annuitant's death, provides the current and/or former spouse(s) with survivor annuity payments. An annuity with full survivor benefits to the current spouse is automatic for a retiring employee who is married at retirement and who does *not* make an election for an annuity without survivor benefits.

564.212 Current Spouse Eligibility

To be eligible for a survivor annuity after the death of an annuitant, the current spouse must have been married to the annuitant for at least 9 months or a parent of the annuitant's child. This requirement does not apply if the annuitant's death is accidental.

564.213 Election of Former Spouse Annuity

To elect a former spouse annuity, the retiring employee must have been married to the former spouse for at least 9 months.

564.214 Annuity Limitation

The total survivor annuity(ies) that can be provided to a current spouse and/or one or more former spouses cannot exceed 55 percent of the retiring employee's unreduced annuity.

564.215 Reduction in Employee's Annuity

The reduction in the retiring employee's annuity is 2 1/2 percent of any amount up to $3,600, specified as the base for the survivor benefit, plus 10 percent of any amount over $3,600 so specified.

564.216 Effective Date

The survivor annuity(ies) begins on the day after the annuitant's death and ends on the last day of the month preceding the one in which the designated survivor remarries before age 55 or dies. (See 567.16 for eligibility for continuance of annuity for a designated survivor upon remarriage under age 55.)

564.22 Annuity to Former Spouse Based on Court Order

Reference Note:
For additional material concerning the subject matter found in 564.22 through 564.25, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 52.

564.221 General

OPM must honor a court order/divorce decree that gives (awards or requires a retiring employee to provide) a survivor annuity to a former spouse. A court-ordered former spouse annuity takes precedence over an election to provide a survivor annuity to a current spouse. A retiring employee's annuity will be automatically reduced by OPM to provide a court-ordered former spouse annuity.

564.222 Current Spouse Election

If a former spouse is entitled to a court-ordered survivor annuity, the retiring employee must make an election concerning a survivor annuity for the current spouse as if there were no court-ordered former spouse annuity. (See 564.24 for current spouse's consent if less than a full survivor annuity is elected.)

564.223 Protection of Current Spouse's Entitlement

A retiring employee can protect a current spouse's entitlement to a survivor annuity by electing a full or partial survivor annuity for the current spouse at retirement. This is accomplished when:

a. The court order gives the former spouse the maximum survivor annuity; in which case the current spouse would not be entitled to a survivor annuity, based on the amount elected, until the former spouse loses entitlement (because of remarriage before age 55 or death); and

b. The court order gives the former spouse less than the maximum survivor annuity; in which case the current spouse would be entitled to a partial survivor annuity up to the amount elected, but not exceeding the difference between the court-ordered survivor annuity and 55 percent of the retiring employee's unreduced annuity. If the former spouse loses entitlement (because of remarriage before age 55 or death), the current spouse's annuity would be increased, if necessary, to the amount elected.

564.23 Annuity to Person with Insurable Interest

564.231 General

This type of annuity provides payments at a reduced rate during the life of the retiring employee. Upon the retiring employee's death, it provides a survivor annuity payable to the person designated. The person designated must have an insurable interest in the retiring employee. An insurable interest is presumed to exist if the person designated has a reasonable expectancy of pecuniary benefit in the continuance of the life of the retiring employee.

564.232 **Eligibility**

Any retiring employee who is not retiring on disability and who can prove good health can elect a reduced annuity to provide a survivor annuity for a person having an insurable interest in the retiring employee.

564.233 **Reduced Rate**

A retiring employee's annuity is reduced by 10 percent plus an additional 5 percent for each 5 years the person designated is younger than the retiring employee. The maximum reduction is 40 percent, except when a former spouse is entitled to a court-ordered annuity and the retiring employee elects an insurable interest annuity for the current spouse.

564.24 Current Spouse's Consent

Married employees who elect less than a full survivor annuity for their current spouse, regardless of the type of annuity elected, must obtain their current spouse's consent on OPM Form 1431, *Spouse's Consent To Survivor Election*. The current spouse's consent is required even if a former spouse will be awarded a survivor annuity by a court order. (See 564.222.) A waiver of the spousal consent requirement may be granted by OPM under certain conditions (e.g., whereabouts of the current spouse cannot be determined or there are exceptional circumstances regarding the current spouse which warrant such a waiver).

564.25 Surviving Child

Regardless of the type of annuity elected at the time of retirement, a surviving child of the deceased annuitant who (a) is under the age of 18 and single, (b) is over age 18 and incapable of self-support, or (c) is a full-time student under the age of 22, is entitled by law to a survivor annuity (see 567.13).

564.3 Election of Annuity

Reference Note:
For additional material concerning the subject matter found in 564.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 52.

564.31 Application

The type of annuity desired by the retiring employee is indicated on the application for retirement (SF 2801) at the time of retirement.

564.32 Election Changes After Retirement

564.321 **18-Month Reelection Period**

Annuitants have 18 months from their annuity commencing date to change their decision to provide a survivor annuity (court-ordered former spouse annuities are not subject to this reelection) or to elect a higher survivor annuity. In either case, a deposit will be required for such an election. The deposit consists of the difference between the rate of the annuity originally elected and the rate of the annuity elected during the 18-month period, plus $245 per each thousand-dollar change in the designated survivor's base. In

addition, the deposit will be subject to interest charged at a rate equal to the overall yield to the retirement fund during the preceding fiscal year.

564.322 **Marriage Terminated**

If an employee who is married at the time of retirement elects a survivor benefit for the current spouse and the marriage is terminated before the annuitant dies, the reduction in annuity is eliminated unless the annuitant elects to continue it.

564.323 **Marriage Terminated and Remarriage**

If a reduction in annuity was eliminated because of termination of marriage and the annuitant remarries, a survivor annuity may be elected for the new (current) spouse. The annuity is reduced by the same percentage reduction in effect at retirement. The new spouse is eligible for the survivor benefits provided: (a) the marriage was in effect for at least 9 months before the annuitant's death, or (b) the new spouse is the parent of a child born of the marriage.

564.324 **Marriage After Retirement**

The following provisions apply:

a. *Change From Unreduced Annuity.* An employee who is not married at the time of retirement, and who elects an unreduced annuity without survivor benefits, may, if the employee marries after retirement, change election to a reduced annuity with survivor benefits to the current spouse. The annuitant submits a signed, written request for the change to OPM no later than 2 years after the marriage. Once the change in election is accepted by OPM, it cannot be changed again.

b. *Change From Person Having Insurable Interest.* An election of a reduced annuity with survivor benefits to a designated person having an insurable interest may be changed to a reduced annuity with survivor benefits to the current spouse if the employee marries after retirement. A written request for the change is submitted to OPM no later than 1 year after the marriage. Once the change in election is accepted by the OPM, it cannot be changed again.

565 Employee's Retirement Account

565.1 Deductions from Current Earnings

Reference Note:
For additional material concerning the subject matter found in 565.1, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 30.

Seven percent of each employee's basic pay is deducted and withheld as the employee's contribution to the retirement fund.

565.2 Deposits for Prior Service

Reference Note:
For additional material concerning the subject matter found in 565.2, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 21.

565.21 Employee Deposits

565.211 Percentages of Basic Pay

Employees credited with civilian service after July 31, 1920, for which no retirement deductions or deposits have been made, deposit with interest an amount equal to the following percentages of their basic pay for such service:

CSRS

Percentage of Basic Pay	Service Period
2.5	August 1, 1920 to June 30, 1926
3.5	July 1, 1926 to June 30, 1942
5.0	July 1, 1942 to June 30, 1948
6.0	July 1, 1948 to October 31, 1956
6.5	November 1, 1956 to December 31, 1969
7.0	After December 31, 1969
1.3	January 1, 1984 to December 31, 1987
0.94	January 1, 1988 to December 31, 1989
0.80	After December 31, 1989

565.212 Reduction for Periods of No Deposit

No deposit is required for periods of service for which no retirement deductions were made. However, the annuity will be affected as follows:

a. *Nondeduction Service Performed Before October 1, 1982.* A retiring employee will receive credit for this service toward his annuity; however, his annuity will be reduced by 10 percent of the amount due as a deposit unless the employee elects to eliminate the service entirely from credit for annuity purposes or completes a deposit for the service.

b. *Nondeduction Service Performed On or After October 1, 1982.* A retiring employee will receive no credit for this service in the computation of his annuity unless a deposit with interest has been made; however, the service will be used to determine the length of service needed for annuity eligibility even without a deposit.

c. *Exception.* In nondisability retirement cases when an alternative form of annuity (AFA) is elected, OPM will avoid collecting redeposit (and deposit) money which simply would be returned as part of a person's lump-sum payment. Instead, OPM gives automatic credit for redeposits/deposits, including interest, thus assuring the AFA is the maximum amount possible. These are deemed deposits/redeposits

which are treated as having been paid and then returned to the person as part of the lump-sum payment. (See 566.6.)

565.22 Survivor Deposits

Deposits may be made or completed after the death of the employee by a survivor who is qualified to receive annuity benefits.

565.23 Deposit/Redeposit Application

Deposits or redeposits require SF 2803, *Application To Make Deposit or Redeposit*. SF 2803 must be routed through the Eagan ASC for proper certification and/or listing of service history and for transmittal to OPM. OPM computes the amount due and furnishes the employee with instructions on how to make payment.

565.3 Redeposits

Reference Note:
For additional material concerning the subject matter found in 565.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 21.

565.31 Employee Redeposits

Each employee who has received a refund of retirement deductions, covering service for which the employee is allowed credit under CSRS, may redeposit the amount received, with interest.

565.32 Amount of Redeposit

The amount of redeposit due includes the sum of the refund plus interest from the date the refund was paid to the date of redeposit (or commencing date of annuity, if earlier). Interest is charged through all periods of employment and all periods of separation after October 1, 1956. Interest is computed at 4 percent through December 31, 1947, and 3 percent through December 31, 1984. After December 31, 1984, the interest rate is determined based on the average yield of securities invested in by the retirement fund during the previous fiscal year.

565.33 Impact on Annuity

An employee who received a refund of retirement deductions covering a period of service that ended before October 1, 1990, does not need to pay a redeposit in order to receive credit for annuity. However, the final annuity is actuarially reduced based on the employee's age and amount of redeposit owed at time of retirement. A refund of retirement deductions covering a period of service from October 1, 1990, or later must be redeposited in order to receive credit toward annuity computation.

565.34 Exception

In nondisability retirement cases when an alternative form of annuity (AFA) is elected, OPM will avoid collecting redeposit (and deposit) money which would simply be returned as part of a person's lump-sum payment. Instead, OPM gives automatic credit for redeposits/deposits, including interest, thus assuring the AFA is the maximum amount possible. These are *deemed*

redeposits/deposits which are treated as having been paid and then returned to the person as part of the lump-sum payment. (See 566.6.)

565.35 Survivor Redeposits

Redeposits may be made or completed after the death of the employee by a survivor who is qualified to receive annuity benefits.

565.36 Form Used

See 565.23.

565.4 Voluntary Contributions

Reference Note:
For additional material concerning the subject matter found in 565.4, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 31.

565.41 Application

An employee who wishes to obtain a larger retirement annuity than is otherwise provided may purchase additional annuity by making voluntary contributions to the retirement fund, subject to the restrictions set forth in 565.42. Application is made by filing SF 2804, *Application to Make Voluntary Contributions,* with OPM.

565.42 Restrictions

Voluntary contributions are made subject to the following restrictions:

a. If an employee has had creditable civilian service for which no deposit or redeposit has been made, the employee is eligible to make voluntary contributions only upon completing the deposit or redeposit.

b. If an employee has at any time received a refund of voluntary contributions with interest, the employee may not make further voluntary contributions unless again employed under CSRS after a separation of more than 3 calendar days.

565.43 Amount of Contributions

Voluntary contributions are made in multiples of $25, and their total may not exceed 10 percent of the total base pay received for creditable service since August 1, 1920.

565.44 Amount of Additional Annuity

The age of the retiring employee governs the amount of additional annuity the voluntary account purchases. Each $100 credited to the employee's account purchases additional annuity of $7 a year for an employee retiring at age 55 or younger. The $7 amount increases 20 cents for each full year that the employee is beyond age 55 at the time of retirement.

565.45 Type of Annuity Election

The employee's election of the type of basic annuity desired also applies to the additional annuity purchased with voluntary contributions, unless the employee indicates to the contrary in a note attached to the application for retirement.

565.46 Withdrawal of Voluntary Contribution

565.461 Conditions

An employee may withdraw voluntary contributions with interest under the following conditions:

a. Before separation from service, or

b. After separation, but before receipt of any additional annuity based thereon.

565.462 Application

Withdrawals are made by filing with OPM using SF 2802, *Application for Refund of Retirement Deductions,* and indicating on the form that the application is for refund of voluntary contributions *not* for refund of regular retirement deductions.

565.47 Death Before Retirement

If an employee dies in service, or after separation but before retirement, the voluntary contributions with interest are payable to the person(s) entitled in the order of precedence defined in 567.22.

565.5 Refund of Deductions

Reference Note:
For additional material concerning the subject matter found in 565.5, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 32.

565.51 Less Than 5 Years Civilian Service

565.511 Refund

An employee who has completed less than 5 years of civilian service at the time of separation, or of transfer to a position not covered by the CSRS, may apply for a refund of the retirement deductions made from the employee's salary and of any sums deposited covering prior service, with interest.

565.512 Eligibility

To be eligible for a refund, the employee must be separated or transferred to a position not covered by CSRS for at least 31 consecutive days.

565.513 Interest

No interest is given if the refund period is 1 year or less. Interest is computed at 4 percent to December 31, 1947, and 3 percent thereafter, compounded annually to the date of separation or transfer.

565.514 Application

SF 2802*, Application for Refund of Retirement Deductions,* is required. In order to receive refunds, employees generally must notify their spouse and any former spouse(s) that they plan to file applications. Employees may be barred from receiving refunds if the refund would end the court-ordered right of any spouse or former spouse to future benefits based on employees' service.

565.52 Five Years or More Civilian Service

565.521 Choice

An employee who has completed 5 years or more of creditable civilian service and is separated or transferred to a position not covered by CSRS has a choice of either a refund payment or a deferred retirement annuity at age 62.

565.522 Value

In dollars received, the annuity, in most cases, is more valuable than the refund of retirement deductions. When employees retire at age 62, they also have the right to elect a survivor annuity.

565.523 Eligibility

To be eligible for a refund, the employee files the refund application (SF 2802) with OPM at least 31 days before the beginning date of any annuity for which the employee may be eligible.

565.524 Refund

The refund consists of the retirement deductions made from the employee's salary and any sums deposited covering prior service, including deposits for post-1956 military service.

565.525 Interest

No interest is payable on refunds covering periods of service of 5 years or more.

565.526 Repayment

An employee who receives a refund of retirement deductions cannot receive an annuity for the period of service covered by the deductions unless the person is reemployed in a position subject to CSRS and repays the deductions with interest (see 565.3).

566 Annuity Computation

566.1 Effective Dates

Reference Note:
For additional material concerning the subject matter found in 566.1, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 50 and 55.

566.11 Commencement

Annuities based on optional (voluntary) retirement commence on the first day of the month after separation, or after the last day in a pay status, provided the age and service requirements for annuity eligibility are met. An exception is made for annuitants who voluntarily retire on day 1, 2, or 3 of the month, in which case the annuity commences either on the day after separation or after the last day in a pay status. Annuities based on disability or discontinued service retirement begin the day after the employee's last day in a pay status (or the day after separation) provided the disability or age and service requirements for annuity eligibility are met on that date.

566.12 **Ending**

Annuity payment ends on the day of the annuitant's death or on the date the annuitant becomes ineligible for a continuing annuity. Survivor annuities are paid through the last day of the month before death or any other terminating event, such as a survivor annuitant's remarriage.

566.13 **Employee's Work and Leave Status**

566.131 **Use of Annual Leave Balance**

Bargaining unit employees with leave balances subject to forfeiture must be counseled to use the excess annual leave prior to the effective date of their retirement.

566.132 **Continuing Leave Status**

Employees who have requested disability retirement and who are unable to work while their applications are under review by OPM continue on the rolls in a leave status (with or without pay) pending notification by OPM of its decision on the application.

566.2 Factors Affecting Annuity Computations

Reference Note:
For additional material concerning the subject matter found in 566.2, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 50 and 55.

566.21 **Primary Factors**

Primary factors are:

a. Length of service, including credit for unused sick leave.

b. High-3 average pay.

566.22 **Other Factors**

Other factors are:

a. Retirement before age 55.

b. Failure to make deposit.

c. Election of reduced annuity to provide a survivor annuity.

d. Increases for voluntary contributions. (See 565.4.)

e. Election of lump-sum credit (see 566.6).

566.23 **Determining Length of Service**

For annuity computation purposes, length of service is determined by adding together all periods of the employee's creditable civilian and military service and the period credited to the employee for unused sick leave. After obtaining total service, the fractional part of a month is dropped because annuity is computed on the basis of years and months. No credit is allowed for the remaining odd days of total service.

566.24 Determining High 3-Year Period

566.241 Dates Included

The 3-year period starts and ends on the dates producing the highest average pay. The period need not start on the first day of any month or on the date of a pay change.

566.242 Consecutive

The 3-year period need not be continuous but must be consecutive.

Example: Two or more separate periods of employment may be joined provided there is not an intervening period of service to be considered.

566.243 Refunded Deductions

The 3-year period may include service for which retirement deductions have been refunded, even though not redeposited.

566.25 Determining High-3 Average Pay

566.251 Computation

The high-3 average pay is determined by averaging the rates of an employee's basic pay over a period of 3 consecutive years of creditable service, with each rate weighted by the period of time during which it was in effect.

566.252 Basic Pay

Basic pay for retirement purposes includes higher level pay but does not include cost-of-living adjustments (COLA, TCOLA), overtime pay, night differential, military pay, allowances, premium pay, or lump-sum terminal leave benefits.

566.3 General Formula

Reference Note:
For additional material concerning the subject matter found in 566.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 50 and 55.

566.31 Computation

The basic annuity under the general formula is obtained as follows: Step 1. Take: 1-1/2 percent of the high-3 average pay and multiply the result by 5 years of service. Step 2. Add: 1-3/4 percent of the high-3 average pay multiplied by the number of years of service between 5 and 10. Step 3. Add: 2 percent of the high-3 average pay multiplied by all service over 10 years.

566.32 Substitution

Instead of using 1-1/2 percent, 1-3/4 percent, and 2 percent, a substitution of 1 percent of the high-3 average pay plus $25 may be made for any or all of the percentages if a higher annuity is produced.

566.33 Guides for Applying the General Formula

Regardless of length of service, the following rules apply in computing basic annuities under the general formula. If the high-3 average pay is:

a. *$5,000 or More*, the highest basic annuity is obtained by using Steps 1 through 3.

b. *Between $3,334 and $4,999*, the highest annuity is obtained by substituting the 1 percent plus $25 in Step 1 and then using Steps 2 and 3.

c. *Between $2,501 and $3,333*, the highest annuity is obtained by substituting the 1 percent plus $25 in Steps 1 and 2 and using Step 3.

d. *$2,500 or less*, the highest annuity is obtained by taking 1 percent of the high-3 average salary, adding $25, and multiplying the result by total service, eliminating Steps 1 through 3.

566.34 Maximum Annuity Benefits

566.341 Eighty Percent Limitation

The basic annuity of a retiring employee may not exceed 80 percent of high-3 average salary except when an annuity in excess of 80 percent results from crediting unused sick leave. (See 562.4.) If an annuity computed under the general formula exceeds 80 percent, it is reduced to an amount equal to 80 percent of the high-3 average salary. The reduction is made prior to applying any reductions or increases.

566.342 Excess Service

If employees have service in excess of the years and months required to provide the 80 percent maximum (usually 41 years and 11 months), retirement deductions withheld after they have completed the service requirements may be:

a. Credited to their voluntary contribution accounts if their regular deduction obligations have been satisfied. (If employees owe a deposit or redeposit, the money is first applied to that, and any balance is credited as voluntary contributions.)

b. Refunded to employees if they elect the refund before their annuity is granted and if no deposit or redeposit is due.

c. Paid in a lump sum to eligible survivors if the employee dies.

566.4 Disability Retirement

566.41 Guaranteed Minimum

Reference Note:
For additional material concerning the subject matter found in 566.41, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 60.

566.411 Employee Under Age Sixty

An employee under age 60, retiring on disability, is allowed a minimum basic annuity if it is greater than the basic annuity computed under the general formula. The minimum basic annuity is the lesser of the following:

a. 40 percent of the high-3 average pay.

b. The annuity obtained by using the general formula after increasing the total service by the length of time elapsing between the date of separation and the date that the employee would reach age 60.

If the employee is eligible for immediate annuity benefits under the general formula based on age and service, and, if the general formula yields a larger annuity than the prescribed minimum, the general formula is used.

566.412 **Employee Past Age Sixty**

The guaranteed minimum contains no provisions for projection of service past age 60. Therefore, the disability annuity rate of an employee who is age 60 or over must be computed by using the employee's actual service in the general formula regardless of whether the result would be greater or less than 40 percent of the employee's high-3 pay.

566.413 **Exceptions**

An employee who retires under the disability retirement provisions of CSRS and who is receiving military retired or retainer pay, or compensation from the Veterans Administration in lieu of retainer pay, is not eligible for the guaranteed minimum disability annuity. The employee will receive his earned annuity based on length of service (excluding credit for military service) and high-3 average salary. This applies even if a waiver of retired or retainer pay for CSRS purposes has been initiated. (The above limitations on benefits do not apply if military retired pay is awarded on account of a service-connected disability incurred in combat with an enemy of the United States, or caused by an instrumentality of war and incurred in line of duty during a period of war, or awarded under the reserve retirement provisions of Chapter 67, Title 10, U.S. Code).

566.42 Application of Guaranteed Minimum Principle

Reference Note:
For additional material concerning the subject matter found in 566.42, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 61.

566.421 **Computations**

If the high-3 average pay is:

a. *$4,839 or more,* and:

(1) If the employee's actual service is at least 21 years and 11 months, actual service in the general formula is used. A computation under the guaranteed minimum provides no advantage.

(2) If the employee's actual service is less than 21 years and 11 months but service would, if projected to age 60, total at least 21 years and 11 months, then 40 percent of the employee's high-3 average salary produces the highest allowable basic annuity, which is the guaranteed minimum.

(3) If the employee's combination of actual and projected service totals less than 21 years and 11 months, use of such total service in the general formula produces the highest allowable basic annuity, which is the guaranteed minimum.

b. *Between $2,500 and $4,838*, the following table and computations are used to determine the basic disability annuity rate:

(1) Table.

High-3 Average Salary Table for Determining Basic Annuity Rates for Disability Retirement

Salary	Years	Service Months
$2,500 to $2,542	20	1
$2,543 to $2,586	20	2
$2,587 to $2,631	20	3
$2,632 to $2,678	20	4
$2,679 to $2,727	20	5
$2,728 to $2,777	20	6
$2,778 to $2,830	20	7
$2,831 to $2,884	20	8
$2,885 to $2,941	20	9
$2,942 to $2,999	20	10
$3,000 to $3,061	20	11
$3,062 to $3,124	21	0
$3,125 to $3,191	21	1
$3,192 to $3,260	21	2
$3,261 to $3,333	21	3
$3,334 to $3,488	21	4
$3,489 to $3,658	21	5
$3,659 to $3,846	21	6
$3,847 to $4,054	21	7
$4,055 to $4,285	21	8
$4,286 to $4,545	21	9
$4,546 to $4,838	21	10

(2) *Computations.*

(a) If the employee's actual service is equal to, or greater than, the service shown in the preceding table for the applicable high-3 average salary range, use the actual service in the general formula. (A computation under the minimum guarantee provides no advantage.)

(b) If the employee's actual service is less than the service shown in the table for the applicable high-3 average salary range, but would, if projected to age 60, total at least that much, 40 percent of the high-3 average salary produces the highest allowable basic annuity, which is the guaranteed minimum.

(c) If the employee's combination of actual service and service projected to age 60 totals less than the service shown in the table for the applicable high-3 average salary range, use of such total service in the general formula produces

the highest basic annuity, which is the guaranteed minimum.

c. *$2,499 or Less*, the disability annuity rate is obtained as follows:

(1) Compute the employee's annuity rate under the general formula, using the employee's actual service.

(2) Compute the employee's annuity rate under the guaranteed minimum, using (a) actual service plus projected service to age 60 in the general formula and (b) 40 percent of high-3 average salary.

(3) Discard the higher annuity rate obtained under the guaranteed minimum.

(4) Compare the lower rate obtained under the guaranteed minimum with the rate obtained by using the employee's actual service in the general formula, and select whichever is higher as the basic annuity.

566.422 **Examples Resulting From Applying Guaranteed Minimum**

Examples are as follows:

a. An employee disabled at an early age may be entitled to a higher basic annuity than an older disabled employee with more actual service and a greater high-3 average salary.

b. Disabled employees with identical high-3 average salaries but different lengths of service may be entitled to the same basic annuities.

c. A disabled employee may be entitled to a higher basic annuity than an employee with more service and a greater high-3 average salary who is retiring at or over age 62 under a provision other than disability.

566.423 **Concept**

The situations in 566.422 result from the concept underlying the guaranteed minimum for disability annuitants. Disability interrupts a career that otherwise would have extended to age 60, and basic annuity, therefore, should include credit for the time which the employee normally would have served, subject to a maximum limitation of 40 percent of the high-3 average salary.

566.5 Reemployed Annuitants, Additional Annuity

Reference Note:
For additional material concerning the subject matter found in 566.5, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 100 and 102.

566.51 Supplemental Annuity

566.511 **Eligibility**

Certain reemployed annuitants, on termination of reemployment which was on a continuous full-time or part-time basis and such reemployment is the equivalent of at least 1 year, are eligible for supplemental annuity based on the period of reemployment. Those who serve the equivalent of at least 5 years may elect to have their annuity rate redetermined. If they desire, reemployed annuitants may elect another type of annuity at this time (with

regard to survivor benefits). The annuitant makes a deposit to cover the reemployment service in order to have a complete recomputation of annuity. An individual working on a part-time basis (halftime) must work 2 years to meet the equivalent of at least 1 year of reemployment service.

566.512 **Computation**

The following provisions apply:

a. *Continuous Employment.* Supplemental annuity (566.51) is computed on all periods of continuous reemployment service that is the equivalent of at least 1 year after the employee's retirement. Such periods are considered as part of the employee's total service. Employment is considered continuous unless interrupted by a separation from service exceeding 3 calendar days. Leave of absence, with or without pay, does not break continuity.

b. *General Formula.* The supplemental annuity is computed under the general formula (566.3). It is computed only at the end of reemployment and is based on the average basic salary (before annuity deduction) received during periods of continuous employment. (Employee's salary during reemployment is reduced by the amount of annuity.)

c. *Average Salary.* The full rates of basic salary in effect during all periods of reemployment, with each rate weighted by the time it was in effect, are used to determine the average salary rather than any high-3 average salary. The new average salary and the length of service computed on the basis of all reemployment service and unused sick leave are applied in the formula to obtain the supplemental annuity.

d. *Using Steps of General Formula.* In determining which steps of the general formula to use, all the annuitant's service (before and after retirement) is added together. Unless the 1 percent plus $25 must be substituted, the 1-3/4 percent in Step 2 is applied to as much of their reemployment service as makes the total service between 5 and 10 years. The 2 percent in Step 3 is applied to as much of the reemployment service as makes the total service in excess of 10 years. (The result is a higher supplemental annuity than could be obtained if the general formula were applied to the reemployment service separately.)

566.52 Redetermination of Annuity

If the final period of continuous employment consists of the equivalent of at least 5 years of service, the annuitant may at separation make a deposit to cover the reemployment service and elect a redetermination of annuity. By this election, the annuitant receives a complete redetermination of annuity based on the law in effect on the date of separation, instead of existing annuity, plus the supplemental benefit. This special computation treats the annuitant as if retiring for the first time, and gives the annuitant a new right of election as to the type of annuity as well as any liberalization of benefits provided since original retirement.

566.6 Alternative Form of Annuity/Payment of Lump-Sum Credit

Reference Note:
For additional material concerning the subject matter found in 566.6, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 53.

566.61 Alternative Option

Employees diagnosed with a life-threatening medical condition who are eligible to retire under an optional retirement may choose the Alternative Form of Annuity. This option allows a refund of all employee contributions made to the CSRS retirement fund in addition to an actuarially reduced monthly benefit. This option is not available to those employees filing for disability retirement. Also, even if the conditions for this alternative annuity (as outlined above) are met, if a court order has been established to provide annuity benefits for a former spouse, this election is not allowed. Married employees must have the current spouse's consent to elect an AFA.

566.62 Computation

To compute the AFA, the basic monthly annuity is calculated as if the AFA had not been elected. This amount is then reduced by an amount equal to the retiring employee's lump-sum credit divided by an actuarial factor for the employee's attained age (in full years) at the time of retirement. A table indicating the actuarial factors is published annually by the Postal Service.

566.63 Survivor Annuity

Election of AFA has no impact on a survivor annuity. The survivor annuity is determined based on the retiring employee's basic annuity as if AFA had not been elected.

Note: The lump sum payable to voluntary retirees whose annuities commence after January 3, 1988, and before October 1, 1989, will be broken into two portions. The first is payable at retirement and represents 60 percent. The remaining 40 percent is paid, with interest, 1 year after retirement.

567 Death Benefits — Death in Service

Reference Note:
For additional material concerning the subject matter found in 567, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapters 70, 73, 74 and 75.

567.1 Survivor Annuity

567.11 Conditions to Be Met by the Employee

In order to provide a survivor annuity, an employee, upon his death, must have:

a. Completed at least 18 months of creditable civilian service, and

b. Died while employed in a position subject to CSRS.

567.12 Conditions to Be Met by the Current (Former) Spouse

567.121 Current Spouse

An employee's current spouse qualifies for a survivor annuity if the spouse:

a. Was married to the employee for at least 9 months immediately preceding the employee's death; or

b. Is the parent of a child born of the marriage with the employee.

567.122 Former Spouse — Court Ordered Annuity

A former spouse who has been awarded a survivor annuity by a court order, qualifies for the survivor annuity if the former spouse:

a. Was married to the employee for at least 9 months.

b. The marriage was terminated prior to the employee's death.

567.13 Conditions to Be Met by the Child

567.131 General

The child of an employee (including a legally adopted one) qualifies for a survivor annuity if:

a. Under the age of 18 (or under the age of 22 and a student pursuing a full-time course of study in a recognized educational institution), and

b. Is unmarried.

567.132 Child incapable of Self-Support

A child who is over age 18 may be entitled to a survivor annuity if the child: (a) meets the requirements in 567.131 and (b) is incapable of self-support by reason of a mental or physical disability incurred before reaching age 18. (To determine whether the disability requirement is met, the child undergoes a physical examination arranged by OPM without cost to the family.)

567.133 Stepchild or Illegitimate Child

A stepchild or an acknowledged illegitimate child may be entitled to a survivor annuity if the child: (a) meets the requirements in 567.13 and (b) has lived with the employee in a regular parent-child relationship.

567.14 Computation of Annuity for Survivors

567.141 Current and/or Former Spouse

The following provisions apply:

a. *Guaranteed Minimum.* The law guarantees a minimum annuity to the current spouse of an employee dying after October 19, 1969. The annuity is 55 percent of the smaller of:

   (1) 40 percent of the deceased employee's high average salary, or

   (2) The regular annuity obtained after increasing the deceased employee's service by the period of time between the date of death and the date that the deceased employee would have reached the age of 60.

b. *Former Spouse.* The survivor annuity for a former spouse is based on the amount specified in the court order. In no instance, can such amount exceed 55 percent of the deceased employee's earned annuity.

c. *No Restriction.* The survivor annuity to the spouse is payable in addition to any benefit due the child(ren).

d. *Regular Survivor Annuity Higher.* When the regular survivor annuity of 55 percent of the deceased employee's earned annuity is higher than the guaranteed minimum, the regular survivor annuity is payable.

e. *Periods of Refunds.* In computing the survivor annuity, no credit may be allowed for the period(s) of service for which retirement deductions were refunded to the employee and the employee did not make a redeposit to cover the refund. The survivor may make the redeposit if he desires credit for the period(s) involved.

f. *Nondeduction Service.* Time credit is given for the period(s) of *nondeduction service* for which neither the employee nor the qualified survivor has made deposit. However, the amount of annuity earned by the employee (the basis for determining the survivor's annuity) is reduced by 10 percent of the amount of the unpaid deposit if the nondeduction time is prior to October 1, 1982. If the nondeduction time is subsequent to October 1, 1982, a deposit may be made by the survivor if he wishes the time to be included in the computation of the survivor annuity.

567.142 **Current and/or Former Spouse of a Law Enforcement Employee**

If a law enforcement employee was 50 years of age or over at the time of his death and had completed at least 20 years of law enforcement service, survivor annuity for the widow(er) is computed as follows:

((2 1/2% of the employee's high-3 average salary x 20 years of law enforcement officer service) + (2% of the high-3 average salary x all service over 20 years, including credit for unused sick leave)) x 55%.

567.143 **Payment of Child's Annuity**

A child's annuity is paid to a guardian if one has been appointed by a court. If no guardian is appointed, payments are made, at the discretion of OPM, to the person who has care and custody of the child:

a. *Other Parent Survives.* The survivor annuity is payable to the child(ren) in addition to any benefit due a current (and/or former) spouse. If the deceased employee is survived by a spouse, the yearly survivor annuity payable to each child is the lesser of the following amounts:

(1) $317 per month per child.

(2) $981 per month divided by the number of children involved.

b. *No Surviving Parent.* If the deceased employee is not survived by the other parent, the yearly survivor annuity payable to each child is the lesser of the following amounts:

(1) $393 per month per child.

(2) $1,179 per month divided by the number of children involved.

c. *Death of the Other Parent.* When the other parent dies, the annuity to each child still entitled to an annuity changes. The amount of annuity for each child is increased to the amount that would have been payable if the employee had not been survived by a spouse. This increase is given even though the spouse was not in receipt of a survivor annuity at the time of death.

d. *Termination of Annuity to Child.* Upon termination (for any reason) of the annuity to a child, the amount of annuity to the remaining child(ren) is increased to the amount that would have been payable had the child whose annuity is terminating not been entitled to an annuity.

e. *Cost-of-living Increases.* The cost-of-living increases do not apply to the survivor benefits determined by the 60 percent of 75 percent part of the formula as the average pay reflects increases resulting from increased cost-of-living.

567.15 Beginning Date for Survivor Annuity

A survivor's annuity begins the day after the date of death of the employee or annuitant.

567.16 Conditions for Termination, Restoration, or Changes in Survivor Annuity

See Exhibit 567.16.

Exhibit 567.16
Conditions for Termination, Restoration, or Changes in Survivor Annuity

Current (former) spouse dies.	Annuity terminates on the last day of the month preceding the month in which death occurs.
Current (former) spouse who is under 55 years of age remarries.	Annuity terminates on the last day of the month preceding the month in which remarriage occurs. Current spouse annuity can be restored if marriage is later terminated. Former spouse annuity cannot be restored under any circumstances.
Current (former) spouse who is over 55 years of age remarries.	Remarriage does not terminate annuity if the remarriage occurred after age 55.
Current (former) spouse's remarriage is terminated.	If remarriage occurred before age 55 and remarriage is terminated because of annulment, divorce, or death of spouse and redeposit is made of any lump-sum which was paid at the time the annuity was terminated: 1. Current spouse annuity can be restored. 2. Former spouse annuity cannot be restored under any circumstances.
Child marries, dies, or becomes 18 years of age.	Annuity terminates on the last day of the month preceding the month in which child marries, dies, or becomes 18 years of age.
Child who is a full-time student becomes 22 years of age.	Annuity terminates on the last day of the month preceding the month in which child becomes 22 years of age. **Note:** A student whose twenty-second birthday falls during a school year (September 1–June 30) is considered not to have attained 22 until the end of the school year.
Child who is over 18 years of age and incapable of self-support, marries, or dies.	Annuity terminates on the last day of the month preceding the month in which the child becomes capable of self-support, marries, or dies.

567.17 Election of Annuity by Survivor

567.171 Election of Survivor Annuity or Employees' Compensation Benefits

Except as noted below, survivor annuities and survivor's compensation benefits under the Federal Employees Compensation Act are not payable concurrently if both are based on the death of the same employee. A survivor entitled to an annuity must elect one or the other. If all eligible survivors of a deceased employee elect to receive the compensation benefit rather than the survivor annuity, their rights to the survivor annuity terminate.

Exception: When a current spouse is being paid the balance of a *scheduled* compensation award which was due the deceased employee, the current spouse may receive the survivor annuity and the balance of the scheduled compensation award concurrently.

567.172 Election of Survivor Annuity or Social Security Benefits

Survivors who are eligible for annuity based in part on military service performed by the employee between September 16, 1940 and December 31, 1956, and who are also eligible for Social Security benefits, may elect to have such military service credited toward the Social Security benefit. However, if this election is made, the survivors' right to annuity is terminated. In practice, the survivors apply for both benefits and ask OPM and Social Security Administration (SSA) for statements showing the amount of each benefit, and then make their election as to where to credit the military service.

567.18 Election by Annuitants and Resultant Survivor Annuities

See Exhibit 567.18.

Exhibit 567.18
Election by Annuitants and Resultant Survivor Annuities

Annuitant at time of retirement elects to receive annuity without survivor benefit.	Current spouse does not qualify for a survivor annuity. Annuitants who are married must obtain the consent of their current spouses. A former spouse who is awarded a survivor annuity based on a court order will automatically receive an annuity.
Annuitant at time of retirement elects to receive annuity with survivor benefits.	Current and/or former spouse does qualify for survivor annuity.
Annuitant acquires spouse after retirement and elects a reduced annuity with benefit to current spouse.	Current spouse is eligible for survivor annuity provided: 1. The spouse has been married to the retired employee for at least 9 months preceding the employee's death, or 2. The spouse is the parent of a child born of the marriage.
Annuitant elects a reduced annuity with benefit to a person with insurable interest.	Designated person is eligible for a survivor annuity.

567.19 Deceased Annuitant Survived by Child

If a *deceased annuitant* is survived by a *child(ren)*, the child(ren) would, regardless of type of annuity elected at retirement, be entitled to a survivor annuity under the same conditions and in the same amounts as the child(ren) of a *deceased employee*.

567.2 Lump-Sum Benefit

567.21 Conditions for Payment

A lump-sum death benefit payment for retirement deductions and for any unpaid annuity (annuity accrued from date of last payment to date of death) is authorized by OPM and is payable immediately:

a. Upon the death of an employee if the employee:

(1) Has less than 18 months of civilian service, or

(2) Leaves no current (or former) spouse or child(ren) entitled to a survivor annuity.

b. Upon the death of an annuitant, if annuity payments have not exhausted the employee's lump-sum credit.

c. Upon termination of annuity payments to the survivor(s) of an employee or to the survivor(s) of an annuitant if total annuity payments have not exhausted the employee's or the annuitant's lump-sum credit.

567.22 Person(s) Entitled to Payment

567.221 Order of Precedence

A lump-sum payment is payable to the person(s) entitled to each benefit, in the following order: First — To the beneficiary or beneficiaries designated by the employee or annuitant. Second — To the current spouse. Third — To the child or children in equal shares, with the share of any deceased child distributed to the descendants of that child. Fourth — To the parents in equal shares or the entire amount to the surviving parent. Fifth — To the duly appointed executor or administrator of the estate. Sixth — To the person(s) entitled under the laws of the state in which the employee was domiciled at the time of death.

567.222 Former Spouse

A lump-sum payment cannot be awarded to a former spouse by court order or divorce decree if there is a valid Designation of Beneficiary, a duly appointed executor or administrator, or any one of the relatives in the order of precedence survives the employee.

567.23 Designations of Beneficiaries

567.231 Employee Informed

At the time that an employee enters on duty in a position subject to CSRS the employing office informs the employee that:

a. Lump-sum benefits under the CSRS, unpaid compensation (567.3), and Federal Group Life Insurance are paid to the person(s) entitled in the order of precedence shown in 567.22.

b. A designation is made if the employee wishes: (1) to name person(s) not mentioned in the order of precedence or (2) to change the order of preference or the amount of shares.

c. A designation of beneficiary is for lump-sum benefit purposes only and does not affect the right of any person qualified to receive survivor annuity benefits. Survivor annuity benefits are payable either (1) by operation of law, or (2) as a result of an election made by a retiring employee.

567.232 **Employee Reminder**

Each employing office periodically reminds employees that beneficiary designations may be changed to reflect changes in family status.

567.3 Procedure Upon Death of an Employee or Annuitant

567.31 Contacting Next of Kin

When an employee dies, the employing office a) contacts the next of kin or emergency addressee and advises such person of benefits payable and of the right to apply for them and b) renders every assistance in completing: SF 2800, *Application for Death Benefits*; FE 6, *Claim for Death Benefits (Life Insurance)*; and SF 1153, *Claim for Unpaid Compensation of Deceased Civilian Employee*.

567.32 Notifying OPM

OPM is notified of the death of an annuitant as soon as possible. On receipt of the death notice, OPM a) initiates the filing of the *Application for Death Benefits* (SF 2800) and b) informs the interested parties of their rights.

567.33 Filing Death Claim Applications

567.331 **SF 2800**

The applicant files SF 2800 with the:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

567.332 **Minor Children**

SF 2800 and other death claim applications are filed on behalf of minor children by the guardian appointed by the court or, if no guardian has been or will be appointed, by the person having care and custody of the children.

567.333 **One Application**

If the current spouse is entitled to a benefit in his own right and also on behalf of the child(ren), he files only one SF 2800.

567.334 **SF 1153**

SF 1153 is filed through the employing office to the Eagan ASC.

567.34 Evidence

567.341 **Required**

Every Application for Death Benefits is accompanied by a) a certified copy of the death certificate issued for the employee and b) other evidence called for by the application.

567.342 **Additional**

OPM determines what benefits are payable under CSRS and, depending on the type of benefit payable and other circumstances in a particular case, may request the applicant to submit additional evidence. Such request does not normally delay settlement.

568 Management-Initiated Disability Retirement Procedures

Reference Note:
For additional material concerning the subject matter found in 568 through 568.24, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 60.

568.1 General

There are certain limited situations under which an employing office may initiate a disability retirement application on behalf of an employee. OPM will not accept an application filed by an employing office unless the conditions in 568.11 are met. OPM will not act on the application until it receives the appropriate documentation of the separation action.

568.11 Basis for Filing

An employing office may file an application for disability retirement on behalf of an employee who has 5 years of federal civilian service under the following conditions:

a. The employing office has issued a decision to remove the employee; and

b. The employing office concludes, after its review of medical documentation, that cause for the unacceptable performance, conduct, or attendance is due to disease or injury; and

c. The employee is institutionalized or, based on review of medical and other information, it concludes that the employee is incapable of making a decision to file an application for disability retirement; and

d. The employee has no personal representative or guardian (individual who would act and care for the employee); and

e. There is no immediate family member who is willing to file the application on behalf of the employee.

568.12 Medical Examination

568.121 Notifying the Employee

If it becomes necessary to order a medical examination under these provisions, the employee must be notified in writing to report for the examination. The notice must include the following:

a. A statement of the general scope and character of the examination.

b. The reasons for ordering the examination.

c. The consequence of failure to comply with the request.

d. The employee's right to be represented. The employee's representative must be provided with a copy of the notification.

568.122 Designating a Physician

Management shall designate the examining physician. The employee, however, is offered an opportunity to submit medical documentation from his or her personal physician for review and consideration.

568.123 **Information Provided Examining Physician**

The examining physician must be provided with a copy of all relevant medical information in the Postal Service's possession, the applicable standards and requirements of the position, and a detailed description of the duties of the position (job description), including the critical and essential elements of the job, physical demands, and environmental factors.

568.124 **Psychiatric Evaluation**

The following procedures must be followed when ordering a psychiatric examination:

a. *Basis for Requesting a Psychiatric Evaluation.* A psychiatric evaluation may be ordered only after the employee provides results of a general medical or psychiatric examination *or* a nonpsychiatric fitness-for-duty examination has been conducted, and, after review of the documentation or examination report, the medical officer concludes that a psychiatric evaluation is warranted for medical reasons.

b. *Employee Names Representative.* Appointment of a representative of the employee is required. Employees may name their own representative at any time.

c. *Employee Refuses to Name Representative.* If the employee does not name a representative voluntarily, a management official urges the employee to do so before a fitness-for-duty psychiatric examination is ordered by the medical officer.

d. *Management Appoints Representative.* If the employee persists in not naming a representative, management appoints one to receive copies of all notices, determinations, decisions, and other written communication issued to the employee under these procedures. Management may choose a member of the employee's family, union officer, veteran's service officer, or an employee not under the supervision of the affected employee's supervisor.

e. *Employee's Objection to Named Psychiatrist.* An employee or representative who objects to the psychiatrist named by the medical officer is requested to submit the names of three to five medical board-certified psychiatrists of his or her choice. The medical officer then selects a psychiatrist from the list, and management arranges for the examination.

568.125 **Cost of Medical Examination**

Any costs incurred as a result of a medical examination taken at the direction of the Postal Service and by a Postal Service appointed physician selected pursuant to 568.124e above shall be the responsibility of the Postal Service. The employee, however, is responsible for all costs incurred as a result of any medical examination conducted by a private physician selected by the employee.

568.126 **Management Decision**

To support a disability retirement under these provisions, management must conclude, after its review of the medical documentation, and in the opinion of the medical officer, that the cause for the unacceptable performance, conduct, or attendance is due to the employee's medical condition or illness.

If the employee is not institutionalized, management must also conclude that the employee is incapable of making a decision to file a disability retirement application. This conclusion must be based on a medical assessment by a Postal Service medical officer.

568.13 Filing Application

568.131 Employing Office Action

If all of the conditions in 568.11 have been satisfied, the employing office can proceed in filing a disability application on behalf of the employee.

568.132 Notice to Employee

The employing office must inform the employee, in writing, at the same time that it informs the employee of its removal decision that (a) a disability retirement application has been submitted to OPM on the employee's behalf, (b) the employee may review any medical information and obtain copies of any records at no expense, and (c) that the action does not affect the employee's right to submit a voluntary application for disability retirement.

568.133 Notice to OPM

When submitting an application for disability retirement to OPM under these procedures, the employing office must provide OPM with copies of the decision to remove the employee, the medical documentation, and any other documents required to show that the cause for removal is due to a medical condition. Following separation, OPM must be provided with a copy of the documentation of the separation.

568.2 OPM Action

568.21 Processing by OPM

OPM will not act on an application for disability retirement initiated by management until it receives the appropriate documentation of the separation. When OPM receives a complete application for disability retirement, it will notify the former employee that it has received the application. OPM will also provide the employee with an opportunity to submit additional medical documentation.

568.22 Decision

OPM will issue its decision, in writing, to the employee and to the employing office, through the Retirement Branch, Eagan ASC. The decision will include a statement of findings and conclusions, and an explanation of the right to request a reconsideration of OPM's decision.

568.23 Cancellation of Retirement

OPM will cancel any disability retirement when a final decision of an administrative authority or court reverses the removal action and orders the reinstatement of the employee.

568.24 Employee's Status Pending OPM's Decision

The employee will remain on the Postal Service's rolls pending the final disposition of an adverse action through the appropriate appeal procedures. The employee will not be retained on the rolls pending OPM's decision on the disability application once all appeal procedures have been exhausted.

569 General Retirement Information

Reference Note:
For additional material concerning the subject matter found in 569, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 40.

569.1 Retirement Counseling

569.11 Responsibility

The Postal Service ensures that retirement information and counseling are made available to Postal Service employees.

569.12 Retirement Annuity Estimates

Retirement annuity estimates are provided to all employees through the use of the National Retirement Counseling System (NARECS) as follows:

a. Upon request within 3 years of an employee's first optional retirement eligibility date, based on payroll and personnel system-generated retirement computation date.

b. Automatically twice each year once age and service eligibility criteria for optional retirement have been met.

569.13 Group Retirement Information Programs

569.131 Nature of Group Programs

The Postal Service ensures that at least one CSRS retirement information program is held each fiscal year. Sessions are to be open to all employees, regardless of age, years of service, and first date of optional retirement eligibility, and spouses and other interested parties may also attend. These programs are provided using a combination of media and facilitation, with dates, times, and other particulars of the sessions determined by local service personnel. Participation is voluntary and off the clock. Group information programs are supplementary to, not a substitute for, individual counseling as described in 569.14.

569.132 Group Program Content

During the retirement information programs, information on all subjects that may factor in retirement is presented to allow employees to plan constructively for their retirement years.

569.14 Individual Retirement Counseling

569.141 Nature of Individual Counseling

As part of the retirement process, employees may request individual retirement counseling from the Human Resources Shared Services Center (HRSSC). Counseling is provided by a retirement specialist at the HRSSC who can provide detailed information on retirement health benefits, life insurance, and other retirement-related benefits programs. These counseling sessions are conducted via telephone primarily, and they may involve use of a computer and/or electronic media, as appropriate. The retirement specialist may also direct the employee to other sources to obtain information specific to certain topics, including TSP and Social Security. The

sessions are on the clock if the retirement specialist is available to provide such counseling during the same tour as the employee.

569.142 **Counseling Session Content**

Before scheduling the counseling session, the retirement specialist orders an annuity estimate, based on the retirement effective date and type of retirement (optional, disability, etc.) requested by the employee, to be mailed to the employee's address of record.

During the counseling session, the retirement specialist:

a. Reviews the employee's retirement application and verifies that all appropriate documents are signed and dated.

b. Reviews the employee's annuity estimate and answers any questions raised by the employee.

c. Clarifies the employee's work and leave status up to the date of retirement.

d. Identifies the need for additional documents, proofs, affidavits, etc., if necessary.

e. Verifies the civilian and military service history and the advantages, if any, of deposits or redeposits.

f. Addresses other retirement-related benefits and payments, including but not limited to, Alternative Fund Annuity (AFA), health benefits, life insurance, terminal leave, Thrift Savings Accounts, and flexible benefits.

569.143 **Advice to Employee**

In providing advice to employees, the retirement counselor reminds the employee that:

a. Although information is provided on various provisions and options under the retirement law, final choices (except in the case of management-initiated disability retirement) are the decision of the employee.

b. Any estimate of annuity is preliminary and subject to final determination by OPM.

569.2 Retirement Forms

569.21 Guidelines for Processing Personnel Actions

Handbook EL-301, *Guidelines for Processing Personnel Actions*, contains information on processing retirement forms in connection with personnel actions.

569.22 Requisitioning Forms

Installations are expected to maintain a supply of retirement forms sufficient to meet anticipated needs. Such forms are requisitioned from the area supply center under regular requisitioning procedures.

569.3 Retirement Account Information

The official individual retirement records are maintained by the Eagan ASC. Questions pertaining to an employee's retirement account (including the amount of retirement deductions) which cannot be answered locally are forwarded by

management to the retirement section of the Eagan ASC. The individual's retirement records covering service in any federal agency or prior postal service with a break in employment of 4 days or more are on file with OPM.

569.4 Information Source for Separated or Retired Employees

Questions relating to the amount of annuity to which a separated or retired employee is entitled, or to specific benefits of survivors of employees or of annuitants, are referred to the:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

569.5 Information Source for Employees

Questions relating to administration, or questions requiring interpretation of the Civil Service retirement law or regulations, are referred to the:

MGR COMPENSATION
EMPLOYEE RESOURCE MANAGEMENT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-4213

569.6 Federal Income Tax

569.61 Taxable Annuities

The "three-year rule" was repealed by the Tax Reform Act of 1986 for any individual whose annuity starting date is after July 1, 1986. In general, this rule provided that annuities were tax-free, to the extent that employee contributions were made, for up to 3 years. Annuities effective after July 1, 1986 are subject to the "general rule" under the Internal Revenue Code. This rule provides that each monthly annuity payment is made up of two parts: (1) the tax-free part (which represents a return of employee contributions) and (2) the taxable balance. The tax-free part, once calculated, is a specific dollar amount which remains in effect until an annuitant has recovered all of the contributions made to the retirement fund. At that time, the entire monthly annuity becomes taxable. Publication 721, *Comprehensive Tax Guide to U.S. Civil Service Retirement Benefits,* available from the Internal Revenue Service, explains how the federal tax rules affect CSRS annuities.

569.62 Federal Income Tax Withholding

CSRS annuities are subject to federal income tax withholdings unless an annuitant elects not to have tax withheld. If an annuitant elects not to have tax withheld, he may have to make estimated tax payments. Generally, the tax withheld or estimated tax, or the total of both, must cover at least 90 percent of an annuitant's total tax for the year or 100 percent of the tax shown on the annuitant's return for the previous year, whichever is less. Annuitants elect the amount they wish to have withheld on Form W-4PA, which is available from OPM.

569.63 Federal Income Tax Questions

Questions relative to any aspect of federal income tax are referred to the District Director of Internal Revenue.

569.7 Privacy Act Considerations

569.71 General

Retirement records contain information about individuals. As such, they may be handled and disclosed only in accordance with the Privacy Act and implementing instructions.

569.72 OPM Records

Those records which are sent to OPM become the OPM's records. Retired employees making privacy requests specifically for those records should, therefore, direct their requests to the:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

569.73 Postal Service Records

Copies of an individual's retirement records and related correspondence may be maintained within the Postal Service in one of two ways: either in the personnel area as part of the privacy system entitled *USPS 120.070, Personnel Records — General Personnel Folders (Official Personnel Folders and Records Related Thereto)*, or in the PDC as part of the privacy system entitled *USPS 050.020, Finance Records — Payroll System*. Employees making requests specifically for access to or update of these records direct their requests to the nearest Postal Service personnel office for processing.

570 Social Security and Medicare

571 General Information

571.1 Overview

This subchapter on Social Security and Medicare is designed to be illustrative and provide general guidance. Employees with specific questions concerning their Social Security or Medicare should address those questions to the nearest office of the Social Security Administration. Social Security information is also available on the Internet at *http://www.ssa.gov* or by phone at 1-800-772-1213 and TTY 1-800-325-0778.

571.2 Social Security

571.21 Objectives

Social Security (SS) is the federal government's basic method of providing a continuing income to workers and their families when their earnings are terminated or reduced because of retirement, disability, or death. Social Security insurance payments are not meant to replace all lost earnings;

therefore, employees are encouraged to supplement Social Security payments with savings, private pensions, investments, or other insurance.

571.22 Programs

The Social Security Act and related laws have established a number of programs to accomplish the above objectives. Retirement, survivors, and disability insurance payments, commonly known as Social Security Benefits, are among the programs administered by the Social Security Administration (SSA).

571.3 Medicare

The Health Care Financing Administration (HCFA) is responsible for administering the federal health insurance program commonly known as *Medicare*. This program was established to provide comprehensive health insurance protection for people age 65 or older and certain disabled people. Medicare is composed of two parts — hospital insurance and medical insurance. In most instances, a person must file an application for benefits and must meet certain eligibility requirements to actually receive benefits under those programs.

572 Coverage

572.1 Employees Covered

572.11 Social Security

Employees covered for Social Security include:

a. Casual employees.

b. Temporary employees.

c. Substitute rural carriers.

d. Auxiliary rural carriers.

e. Rural carrier reliefs.

f. Rural carrier associates.

g. All employees newly hired on or after January 1, 1984, including employees with previous federal service (other than rehired annuitants) with a break in service 365 days or longer, and any other employees not covered by the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), or any other federal retirement system and not excluded by 572.2.

572.12 Medicare

Employees covered for Medicare include:

a. All employees covered by 572.11.

b. Individuals whose employment began under CSRS or any other federal retirement system prior to January 1, 1984.

572.2 Exclusions From Social Security and Medicare

Employees excluded from Social Security and Medicare include:

a. Contractors such as mail messengers, star route contractors, clerks in charge of contract stations, and job cleaners.

b. Special delivery messengers paid on a fee basis.

c. Persons hired because of an emergency such as fire, flood, or earthquake.

572.3 FERS Employees

All Social Security and Medicare contributions, eligibilities, benefits, rights, and privileges are determined the same for FERS participants as for any other covered participant stated in 572.1.

573 Social Security and Medicare Contributions

573.1 Federal Insurance Contributions Act (FICA) Taxes

573.11 Employee/Employer Payments

a. The Postal Service and covered employees each pay equal amounts of FICA taxes to the U.S. Treasury Department through employee payroll deductions and matching Postal Service contributions.

b. All employees listed in 572.11 contribute amounts for the full Social Security coverage (Social Security benefits and Medicare); while employees hired prior to January 1, 1984, and covered by the CSRS, contribute for Medicare coverage only.

573.12 Effective Percentage Rate

573.121 Full Coverage

Beginning in 1989, the Postal Service, and all employees covered under Social Security as listed in 572.11 and CSRS employees who transferred to FERS each pay 7.51 percent of the employee's gross annual earnings (including cost-of-living adjustments and premium pay differentials). The total contribution rate for both Social Security and Medicare benefits, however, is scheduled to change to 7.65 percent beginning in 1990 and remaining constant through 1999.

573.122 Medicare Coverage Only

Employees covered for Medicare only contribute 1.45 percent of their gross wages with the Postal Service contributing a like amount. The Medicare rate is scheduled to remain the same through 1999.

573.13 Base Earnings

The maximum amount of annual earnings that can be used for Social Security purposes and on which contributions are based is $65,400 in 1997. The earnings maximum may be adjusted annually according to the increase in earnings level.

573.14 FICA Inquiries

Direct inquiries on FICA payroll deductions to the Director, Eagan ASC.

573.2 Allowances Not Subject to FICA Taxes

Allowances not subject to FICA taxes include:

a. Clothing allowances.

b. Territorial cost-of-living allowances paid to employees in Puerto Rico, Virgin Islands, Hawaii, Alaska, and Guam.

c. Equipment maintenance allowances.

d. Lock pouch allowance.

574 Quarters of Coverage

574.1 Social Security Quarter of Coverage

Quarters of coverage to qualify for Social Security benefits and Medicare are earned when employees have performed a certain quantity of work at a job covered by Social Security. A Social Security quarter of coverage (SSQC) is any calendar quarter (a 3-month period beginning the first day of January, April, July, and October) in which employees, prior to 1978, were paid at least $50 in wages for work that was covered by Social Security. From 1978, employees have been credited with one quarter of coverage (up to a maximum of 4 annually) for a specified amount of earnings. Each year, under a formula in the Social Security Act, the Secretary of Health and Human Services determines the amount of earnings that will equal a quarter of coverage. The amounts needed to earn a quarter of coverage will be determined by November 1 of each preceding year and are published in the Federal Register. This figure is based on increases in the average total wages of all workers.

574.2 Federal Quarter of Coverage (Medicare)

574.21 CSRS Employees

Section 278 of Public Law 97-248, the Tax Equity and Fiscal Responsibility Act of 1982, extended Medicare coverage to federal/postal employees covered by the CSRS and required them to pay the Hospital Insurance portion of the FICA tax beginning January 1, 1983.

574.22 Earned Federal Quarters of Coverage

Through payment of the tax, those employees earn *actual* federal quarters of coverage (FQCs) for periods of service after January 1983 in the same manner that Social Security quarters of coverage are earned.

574.23 Deemed (Credited) FQCs

Deemed FQCs are quarters of coverage deemed to have occurred before January 1, 1983. Any person employed by the federal government/Postal Service before January 1, 1983 who also worked at any time during January 1983 may receive *deemed* FQCs for each quarter of federal/postal service performed before January l, 1983, provided the quarter:

a. Was not covered under the regular Social Security System and

b. Would have qualified as a Social Security quarter of coverage had the employee's federal/postal employment been covered by the Social Security Act.

574.24 Combining Earned and Deemed FQCs

Total FQCs (deemed and actual) may be used alone, or in combination with regular Social Security quarters of coverage (SSQCs), in order to meet the number of quarters required for Medicare coverage.

574.25 Establishing Deemed FQCs

574.251 Using OPM Form 1528

If an employee would not be insured using only FQCs earned after January 1983 or in combination with SSQCs, evidence must be provided to the SSA in order to establish deemed FQCs. The most viable method of establishing this evidence is by use of the Office of Personnel Management (OPM) Form 1528, *Notification of Earnings for Medicare Eligibility,* which provides a listing of gross earnings, as shown on postal records, for a maximum of 10 calendar years prior to 1983.

The Eagan ASC will complete and certify, in triplicate, OPM Form 1528 for all career employees who were active on the rolls in January 1983, but have subsequently separated, or are still employed and are old enough to qualify for Medicare (age 65 or older). The original will be given to the employee, and two copies will be permanently retained in the employee's official personnel folder (OPF). OPM Form 1528 may be presented to HCFA in order to receive credit for deemed FQCs.

574.252 Using Other Evidence

In addition to OPM Form 1528, the following constitute acceptable proof of pre-1983 earnings:

a. W-2 forms.

b. Pay slips.

c. A signed statement from the employing agency certifying to the amount of wages paid each year as shown on the agency's records.

574.253 By Special Request

If none of the above proofs can be obtained, or where less than 10 years of earnings history is available, the HCFA may request pre-1983 earnings information from:

CIVILIAN PERSONNEL RECORDS
NATIONAL PERSONNEL RECORDS CENTER
NATL ARCHIVES AND RECORDS ADMINISTRATION
111 WINNEBAGO ST
ST LOUIS MO 63118-4126

574.3 Insured Status

A person must be insured under the Social Security Program before retirement, survivors, or disability insurance benefits can be paid to the person or the person's family. Different sets of requirements must be met for each type of benefit. Insured status is determined by the number of quarters of coverage credited to a person's Social Security record as follows:

a. *Fully Insured.* At least one quarter of coverage for each calendar year elapsing after 1950 or after age 21, whichever is later, and up to the earliest of age 62, death, or disability. The requirements range from a minimum of six to a maximum of forty quarters of coverage and are dependent upon the worker's year of birth, or year or age of death, or disability. A fully insured status is only one requirement for determining whether a particular type of benefit will be paid or provided. It does not mean that all types of benefits can be obtained on the person's Social

Security record, nor does it affect the amount of benefits that can be paid.

b. *Currently Insured.* Six quarters of coverage during the thirteen-quarter period ending the quarter in which the worker either dies or becomes entitled to disability benefits, whichever is earlier. Currently insured status is sufficient for payment of a limited number of benefits.

c. *Disability Insured.* Fully insured and at least twenty quarters of coverage in the last forty quarters through the quarter in which disability occurs. A special insured status is needed to qualify for disability insurance benefits or to establish a period of disability. A person disabled because of blindness need only acquire fully insured status. Workers disabled before age 31 must meet less stringent requirements.

574.4 Coverage Requirements for Benefits

Quarters of coverage required in order to be fully insured for Social Security retirement and Medicare benefits:

Year of Birth	Quarters of Coverage
1913	24
1914	25
1915	26
1916	27
1917	28
1918	29
1919	30
1920	31
1921	32
1922	33
1923	34
1924	35
1925	36
1926	37
1927	38
1928	39
After 1928	40

575 Benefits

575.1 Social Security

575.11 Application Required

Social Security benefits are not paid automatically. Claimants must file an application for benefits with the nearest Social Security Office.

575.12 Retirement Benefits

A fully insured employee is eligible to receive monthly retirement benefits as early as age 62, but at a reduced rate. Employees receive the full benefits rate if they wait until age 65 before filing for benefits. Under the Social

Security Amendments of 1983, the retirement age gradually rises to age 66 by the year 2005 and age 67 by the year 2027. The law does not affect the availability of reduced benefits at age 62. If workers meet the eligibility requirements, Social Security retirement payments are also made to their dependents. Contact SSA for an explanation of which dependents are eligible for benefits.

575.13 Disability Benefits

575.131 Worker Receiving Benefits

To receive disability benefits under the Social Security Program, an individual must provide proof from a doctor, hospital, or clinic providing treatment, attesting to the worker's inability "to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that has lasted or is expected to last 12 months or to result in death." Additionally, the impairment must preclude an individual's ability to engage "in any kind of substantial gainful activity which exists in the national economy, regardless of whether such work exists" in the immediate area of residence.

After a 5-month waiting period, a worker who becomes disabled is eligible to receive disability payments provided that the individual is both fully and disability insured. In addition to being "fully insured," workers disabled at age 31 or older must have had 5 years (twenty quarters) of coverage in the last 10 years prior to becoming disabled. A delay of over 12 months in making application for disability benefits may result in losing benefits; however, there are special conditions which warrant an extension.

575.132 Dependents Receiving Benefits

Disability payments are also made to disabled worker's dependents. The disabled worker may contact the SSA for an explanation of necessary eligibility requirements for disability benefits.

575.14 Survivor's Benefits

Benefits are payable to the family upon a covered worker's death at any age provided that the worker is fully or currently insured. Eligible survivors of a fully insured worker will be determined by SSA.

575.2 Medicare (Hospital and Medical)

575.21 Coverage

Medicare consists of two health insurance programs:

a. Hospital insurance (Part A) is a basic plan which provides payments for inpatient hospital care, posthospital extended care service, posthospital home health-care services, outpatient hospital diagnostic services, and hospice care. Federal and postal employees contribute FICA taxes through payroll deductions for Part A coverage.

b. Medical insurance (Part B) is a voluntary supplementary plan which provides payments for medically necessary doctor's services, outpatient hospital services, medical services and supplies, home health services, outpatient physical therapy, and other home health-care services. Part B is financed through monthly premiums paid by the enrollee with the federal government paying a like amount.

575.22 Eligibility

575.221 Age Sixty-Five or Older

The following provisions apply:

a. *General.* Practically everyone 65 or older is eligible for Medicare. Employees are not required to retire in order to attain Part A hospital insurance protection at age 65.

b. *Automatic Enrollment.* Persons entitled to Social Security retirement or disability benefits will automatically be enrolled at age 65 in both the basic hospitalization plan (Part A) and the voluntary supplementary medical insurance plan (Part B). Those eligible for automatic enrollment must be given an opportunity to decline the Part B coverage.

c. *Enrollment by Application.* Federal and postal employees who are eligible for Medicare, Part A, on the basis of federal/postal employment and who are not otherwise entitled to Social Security retirement and disability must apply for hospital insurance in order for it to begin at 65. Employees who continue to work after age 65 also must file an application for Part A Medicare coverage to begin at age 65. Those eligible should file an application for Part A coverage about 3 months before their 65th birthday.

(1) Anyone eligible for Part A who is not automatically enrolled in Part B may apply for the Part B medical insurance coverage. No Social Security or federal/postal work credits are needed to become enrolled in Part B, but a monthly premium is required.

(2) The initial Part B enrollment period for each person is the 7-month period beginning with the first day of the third month before the month in which age 65 is attained or, for the disabled, the first month of eligibility for Part A coverage.

(3) The employee may also sign up for Part A any time after the initial enrollment period, but if the employee does not sign up for Part B during the initial enrollment period, the premiums increase.

575.222 Under Age Sixty-Five

The following people under 65 are eligible:

a. Disabled people who have been receiving (or who are entitled to) Social Security disability benefits for 2 consecutive years or more.

b. People insured under Social Security (and their spouses and children) who need dialysis treatment or kidney transplants because of chronic kidney disease.

575.23 If an Employee Works After Age Sixty-Five

575.231 Same Health Benefits Offered

An employer must offer workers age 65 or older the same health benefits under the same terms and conditions as those offered to workers under 65. An employee who continues to work after 65 has the option to accept or reject coverage under the Federal Employees Health Benefits Program (FEHBP).

575.232 **Written Explanation**

Employees and their spouses age 65 or older must be provided with a written explanation of all available health plans and of their options under these plans. Specifically, this written explanation must include information about the consequences of electing coverage under FEHBP and the effects of such a choice on Medicare coverage.

575.233 **Election in Writing**

Employees must also be given an opportunity to make an election in writing. If the employee accepts the FEHBP coverage, Medicare will become the secondary health insurance payer. But, if the FEHBP is rejected, Medicare will remain the primary health insurance payer. As indicated in 575.221c any employee who will continue to work after age 65 must file an application for Part A in order for Medicare protection to begin at age 65.

575.3 Events That Can Affect Benefits

575.31 Social Security

Benefit payments will be affected if a retiree under age 70 returns to work and earnings exceed the annual exempt amount. A total annual exempt amount is determined each year for people 65 or over, and another for people under 65. In future years, the annual exempt amounts will increase automatically according to the rise in the level of average wages. If earnings exceed the annual exempt amount, $1 is withheld in benefits for each $2 of earnings above the limit. Starting in 1990, $1 in benefits will be withheld for each $3 in earnings above the limit for people in the 65 to 69 age group. Beginning in 2000, the age at which this withholding rate applies will increase as the retirement age increases.

575.32 Medicare

If an employee has Medicare hospital insurance because of entitlement to Social Security benefits on a spouse's work record, the protection will end if entitlement to benefits ends. If hospital insurance is obtained as the spouse of a federal employee, the protection will end if the employee and spouse divorce before the marriage has lasted 10 years. If hospital insurance is based on the employee's own Social Security work record or own federal/ postal employment, the protection will continue for life.

575.4 Elimination of Retirement Windfall Benefits

575.41 Purpose

The 1983 amendments to the Social Security law provide for a modified benefit formula (MBF) designed to eliminate windfall Social Security benefits. The Social Security benefit computation formula has always been weighted to replace a higher portion of preretirement earnings for workers with low earnings than for workers with substantial earnings under Social Security. Although this weighted formula is intended to benefit workers with a history of low earnings, it also works to the advantage of persons who had substantial income from jobs not covered by Social Security. The MBF eliminates the excess benefit provided to such persons by using a less heavily weighted benefit formula to calculate benefits. Also, the provisions of the MBF guarantee that the reduction in the Social Security benefit cannot

exceed one-half of that part of the pension based on noncovered employment after 1956.

575.42 When the Modified Benefit Formula Applies

The modified formula applies when a worker is first eligible, after December 31, 1985, for both a Social Security retirement or disability benefit (excluding Railroad Retirement) *and* a pension from employment not covered by Social Security. However, the formula will not apply to workers who have 30 years of Social Security coverage, and it will have a lesser effect on workers with 26 to 29 years of coverage under Social Security. Also, employees hired on or after January 1, 1984, who became mandatorily covered by Social Security are not subject to the modified computation provisions.

575.5 Computation of Benefits

575.51 Step 1 — General Computation of Average Indexed Monthly Earnings

Retirement benefits are generally computed using a worker's yearly earnings beginning with 1951 (or with attainment of age 22, if later) up to the year the employee reaches age 62. Only earnings up to the maximum creditable under Social Security for each year may be used. The yearly amounts are indexed to account for increases in coverage earnings in the economy since the time they were earned. By adding the indexed earnings and dividing by the total months in the years used, excluding up to 5 years of low or no earnings, the Average Indexed Monthly Earnings (AIME) is determined. In disability cases, the AIME is computed using earnings up to the year the disability begins. With both retirement and disability claims, up to 5 years of low or no earnings may be dropped from consideration in computing the AIME.

575.52 Step 2 — General Computation of Primary Insurance Amount

575.521 Without Modified Benefit Formula

A Social Security benefit is weighted by dividing the AIME into three tiers or levels (see 575.53). The dividing points change each year for newly eligible workers as average earnings levels change. The monthly benefit is computed by taking 90 percent of first-tier earnings, 32 percent of second-tier earnings, and 15 percent of third-tier earnings. Thus, workers with low average earnings receive a higher percentage of their earnings. The results are added to obtain the basic benefit rate which is the Primary Insurance Amount (PIA). This amount is then rounded to the next lower multiple of $.10 if it is not already a multiple of $.10. The benefit is actuarially reduced if retirement benefits are paid before age 65.

575.522 With Modified Benefit Formula

Under the MBF, the weighting will be phased out by reducing the percentage in the first tier by 10 percent per year from 1986 to 1990. The MBF will be fully effective for workers who attain age 62 or become disabled in 1990 or later. The second- and third-tier percentages will remain unchanged.

575.53 Transitional Provisions

Effective for persons first eligible for *both* (1) a pension based on noncovered employment *and* (2) a Social Security Retirement or Disability Benefit in:

Year of Eligibility	Percentage of First Tier Earnings to Be Used in Benefit Computation
1986	80
1987	70
1988	60
1989	50
1990 & later	40
Percentages of the 2nd and 3rd band of earnings will remain the same.	

Years of Substantial Earnings	Percentage of First Tier Earnings to Be Used in Benefit Computation
29	No less than 80
28	No less than 70
27	No less than 60
26	No less than 50
Percentages of the 2nd and 3rd band of earnings will remain the same.	

575.54 Examples of Social Security Benefits Computations — Primary Insurance Amount (PIA)

575.541 General Formula

The general formula for computing PIA is as follows. The dollar amount limits for each tier in the formula are as stated in Social Security Publication No. 05-10070, March 1997, and are subject to change.

First Tier	90% of AIME through $455
Second Tier	32% of AIME from $456 through $2,741
Third Tier	15% of AIME over $2,741

575.542 Computation Example Using General Formula — Employee Without Noncovered Pension Benefit

Computation for a worker with an AIME of $1,200 and *no noncovered (CSRS) pension benefit* is shown below.

First Tier	90% of $455	=	$409.50
Second Tier	32% of $745 ($1,200 minus first $455)	=	$238.40
Third Tier	15% of $0	=	0.00
	PIA	=	$647.90

575.543 Computation Examples Using Modified Benefit Formula — Employees With Noncovered Pension Benefits

Computations for workers with AIMEs of $1,200 and *noncovered (CSRS) pension benefits,* becoming eligible for benefits after January 1, 1990, are shown below.

The Modified Benefit Formula provisions provide a guarantee that the reduction in Social Security benefit cannot exceed one-half of that part of the pension based on noncovered employment. To determine if the guarantee

applies, a comparison of the first tier computations at 90 percent and at 40 percent is necessary.

First Tier @ 90% of $455	=	$409.50
First Tier @ 40% of $455	=	$182.00
Difference between 90% and 40% factors above (reduction in benefits due to MBF computation)	=	$227.50

Example 1 — Noncovered Pension Benefit of $550

50% of $550 (noncovered pension benefit)	=	$275.00
Thus: $227.50 (MBF reduction) NOT > $275.00 (50% of noncovered benefit)		

As the reduction in benefits when using the MBF computation ($227.50) is not greater than 50 percent of the noncovered pension ($275.00), the guarantee does not apply and the 40 percent factor is used to compute the PIA.

First Tier	40% of $455	=	$182.00
Second Tier	32% of $745 ($1,200 minus first $455)	=	$238.40
Third Tier	15% of $0	=	0.00
	PIA	=	$420.40

Example 2 — Noncovered Pension Benefit of $250

50% of $250 (noncovered pension benefit)	=	$125.00
Thus: $227.50 (MBF reduction) > $125.00 (50% of noncovered benefit)		

As the reduction in benefits when using the MBF computation ($227.50) is greater than 50 percent of the noncovered pension ($125.00), the guarantee does apply and the PIA is computed as below.

First Tier	50% of $250 (noncovered pension)	=	$125.00
Second Tier	32% of $745 ($1,200 minus first $455)	=	$238.40
Third Tier	15% of $0	=	0.00
	PIA	=	$363.40

575.6 Government Pension Offset

575.61 Purpose

The purpose of the government pension offset is to eliminate windfall payments to retired government workers who have their own pensions and who also would receive Social Security benefits as a spouse or surviving spouse. The government pension offset applies *only* to Social Security benefits for a spouse or surviving spouse. It does not apply to Social Security retirement or disability benefits based on a person's own work covered by the program even if the person also receives a government pension. Social Security benefits paid to spouses and surviving spouses are offset by the amount of any public (federal, state, local) retirement benefits payable to the spouse on the spouse's own work in noncovered public employment.

575.62 **Exceptions**

The following provisions apply:

a. Employees may be exempt from the pension offset if both of these requirements are met:

(1) They began to receive, or were eligible to receive, a federal, state, or local government pension *before December 1982*. This means that the age and length-of-service requirements for the pension must have been met before December 1982 even though application for the pension was not made before then.

(2) They satisfy all the requirements for the spouse's or surviving spouse's Social Security benefits in effect in January 1977. At that time, a divorced woman's marriage must have lasted at least 20 years rather than 10 years as required today, and a husband or widower must have received at least one-half of his support from his wife.

b. Even if employees do not met these criteria, they still may be exempt from the offset beginning with Social Security benefits payable December 1982 if *both* of these requirements are met:

(1) They were receiving, or were eligible to receive, a federal, state, or local government pension before July 1, 1983.

(2) They were receiving at least one-half of their support from their spouse. This provision applies to men and women.

c. In addition to the exceptions mentioned earlier, the offset will not apply if *any one* of these requirements is met:

(1) The government service which the pension is based on is covered by Social Security on the last day of employment; or (b) The employee is entitled to Social Security benefits as a spouse, or surviving spouse, based on an application filed before December 1977.

(2) The government pension that the spouse is receiving is not based on the spouse's own earnings.

(3) The employee elected to transfer into FERS on or before December 31, 1987. The government offset applies only to Social Security benefits for a spouse or surviving spouse. It does not apply to Social Security retirement or disability benefits based on a person's own work covered by the program even if the person also receives a government pension.

575.63 **Amount of Offset**

If the employee is not exempt from the offset, the amount of the government pension that will be used for calculating the offset against the spouse's or surviving spouse's Social Security benefits will depend on when the spouse first became eligible for the pension (not when the spouse actually applies for it):

a. Before July 1983 — All of the pension will be used for any benefits payable for months before December 1984. Effective with December 1984, the offset amount is two-thirds of the pension.

b. July 1983 or later — Two-thirds of the pension will be used.

The offset works much the same way that benefits are offset when a person is entitled to more than one type of Social Security benefit. For example, the Social Security check paid to a spouse or surviving spouse (widow, or widower) is reduced by the amount of any Social Security benefit that person earned in his or her own right.

580 Federal Employees Retirement System

Additional Material:
References to additional material concerning the subject matter in some sections of this chapter are indicated in boxed sections identified as "Reference Notes."

581 General

Reference Note:
For additional material concerning the subject matter found in 581, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 10 and 20.

581.1 Scope

See 580 covers the basic portion of FERS. Social Security is covered in 570. The Thrift Savings Plan is covered in 590. The CSRS is covered in 560.

581.2 Administration

OPM administers the basic portion of FERS. The FERS laws, policies, and regulations issued by OPM, including those governing employee eligibility and benefits, are controlling in the event of conflict with the information in this subchapter.

581.3 Employees Covered

FERS applies to:

a. Employees whose initial career appointment was January 1, 1984, or later;

b. Employees whose initial career appointment was prior to January 1, 1984, but who subsequently had a break in service of 366 days or more and had less than 5 years of creditable civilian service prior to January 1, 1987;

c. Career employees who elected to be covered by FERS.

581.4 Exclusions

FERS does not apply to:

a. Noncareer employees;

b. Employees who had 5 or more years of creditable civilian service under CSRS rules as of December 31, 1986, even though none of this service was covered by CSRS deductions (such as substitute rural carriers) unless they elect FERS coverage;

c. Employees previously covered by CSRS who have a break in service of 365 days or less;

d. Employees serving under appointments limited to 1 year or less; and

e. Employees covered by another retirement system.

582 Creditable Service

582.1 General

Reference Note:
For additional material concerning the subject matter found in 582.1 through 582.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 10 and 20.

582.11 Types of Service

Generally, civilian service performed for the federal government or the U.S. Postal Service may be creditable for retirement purposes. Military service may be creditable under certain circumstances (see 582.7).

582.12 Specific Creditable Civilian Service

The following service is creditable civilian service under FERS

a. Service performed after December 31, 1986, for which deductions were not refunded to the employee.

b. Service performed prior to January 1, 1989, that would have been creditable under CSRS rules provided the employee was subject to retirement or has made a deposit for the service, neither of which has been refunded to the employee since becoming subject to FERS.

c. Service performed on or after January 1, 1989, when deductions for the FERS basic were withheld from salary provided such deductions were not refunded to the employee.

d. Service performed under CSRS prior to transferring to FERS provided deductions were not refunded to the employee after becoming subject to FERS. (This CSRS time became FERS upon transferring.)

582.13 Time Credit

Generally, full-time credit is allowed for periods of government employment between the dates of an employee's appointment and separation.

Credit is not allowed for that period which exceeds 6 months of LWOP in a calendar year.

582.14 Breaks in Service

Periods of separation of 3 calendar days or less are not deducted in computing total creditable service.

Periods of LWOP while performing military service are not included when determining LWOP in excess of 6 months in a calendar year (see 582.13).

Periods when the employee was receiving OWCP benefits are not considered breaks in service (see 582.4).

582.2 Deductions Refunded

Service for which deductions were refunded to the employee after becoming subject to FERS is no longer creditable for either eligibility to retire or calculation of the annuity. Once refunded, deductions may never be redeposited.

582.3 Part-Time Service

Retirement benefits that include part-time employment will be prorated by a ratio of the part-time hours worked to the number of hours a full-time employee would have worked.

582.4 Employee Receiving OWCP Benefits

Reference Note:
For additional material concerning the subject matter found in 582.4, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 102
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 10 and 20.

582.41 Employee on Leave Without Pay (LWOP)

Credit is allowed for the entire period that an employee receives OWCP benefits if the employee is carried on the Postal Service rolls in LWOP status.

582.42 Employee Separated

Credit is allowed for a period of separation during which a former employee (not an annuitant) was in receipt of OWCP benefits, provided the employee is later reemployed in the Postal Service (or federal service). Annuitants who are reemployed after a period of separation during which they received OWCP benefits in lieu of an annuity receive credit for the separation only after they have qualified for a redetermination of the annuity. See 586.65, Reemployed 5 Years or More.

582.5 Employee Restored After Erroneous Removal or Suspension

Reference Note:
For additional material concerning the subject matter found in 582.5 through 582.6, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 10 and 20.

582.51 Policy

An employee whose separation or suspension is determined to have been improper and who is restored retroactively is considered for retirement

purposes as having properly been in the service during the intervening period of erroneous separation or suspension.

582.52 Determining Retirement Credit

If restoration is with entitlement to pay, the employee's basic pay over the intervening period is subject to regular retirement deductions and the employee receives credit for the entire period.

If restoration is without entitlement to pay, retirement credit is allowed for as much of the intervening period without pay as does not exceed 6 months in a calendar year (see 582.13).

582.6 Employee Granted LWOP to Serve Full-Time in Employee Organizations

If an employee is granted LWOP to serve as a full-time officer or employee of an organization composed primarily of federal and/or postal employees, the following action must be taken:

a. *Employing office:*

(1) Notify the employee of his or her right to elect, in writing, within 60 days, to continue retirement coverage, subject to payment of the required contributions that would have been deducted had she or he been in a pay status.

(2) Set up a follow-up system to remind the employee that election must be filed within 60 days of beginning LWOP.

(3) If, after being contacted, the employee refuses to make an election, document the action taken. Failure to make an election is considered an election not to continue retirement coverage. A copy of the election (or employing office's documentation) is filed in the employee's OPF.

b. *Employee:*

(1) File an election to continue retirement coverage for as long as in LWOP. The election must be filed with the employing office within 60 days of entering LWOP.

(2) Pay or arrange to have paid to the Eagan ASC (if election is to continue retirement coverage), on a current basis, both the employee and agency contributions that would be applicable if employee were in a pay status.

(3) Payment of the employee and agency contributions must be completed and not refunded to the employee.

Note: If an employee on LWOP serving as a full time officer or employee of an employee organization declines to continue retirement coverage, none of this time is creditable for retirement purposes.

582.7 Military Service

Reference Note:
For additional material concerning the subject matter found in 582.7, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 22 and 23.

582.71 Types of Service

Honorable active service in the Armed Forces of the United States; in the commissioned corps of the Public Health Service after June 30, 1960; or in the commissioned corps of the National Oceanic and Atmospheric Administration after June 30, 1961, can become creditable service upon completion of the required military deposit. Military service does not include service in the National Guard except when ordered to active duty in the service of the United States.

582.72 Military Service Prior to January 1, 1957

Military service performed prior to January 1, 1957, is creditable for retirement. No deposit is required for this service to be creditable.

582.73 Military Service After December 31, 1956

Military service performed after December 31, 1956, is creditable only when a deposit is completed prior to separation from service (see 582.5).

582.74 Required Conditions

Military service must have been performed before the date of separation from the service and must have been terminated by honorable discharge or under other honorable conditions.

582.75 Double Credit Not Permitted

An employee may not receive credit for both civilian service and military service covering the same periods of time.

582.76 Service Credit Deposit Required

582.761 Amount of Deposit

The amount of deposit for post-1956 military service is 3 percent of basic military pay plus applicable interest.

582.762 Charging Interest

The following provisions apply:

a. *Grace Period.* No interest is charged if the deposit is completed by December 31, 1989, or prior to completion of 3 years from the date an employee becomes subject to FERS, whichever is later.

b. *Rate of Interest.* Interest is charged at a rate as determined by the Secretary of the Treasury for each calendar year that equals the overall average yield to the Fund during the preceding fiscal year from all obligations purchased by the Secretary.

582.77 Military Retired Pay

Receipt of military retired pay bars the crediting of military service toward the FERS basic annuity except when one of the following conditions is met:

a. The retired pay is awarded for a service-connected disability incurred in combat with an enemy of the United States; or

b. The retired pay is awarded for a service-connected disability caused by a instrumentality of war and incurred in the line of duty during a period of war; or

c. The retired pay is awarded under Chapter 67 of Title 10, United States Code; or

d. The employee waives the military retired pay.

In all of the above situations the military service is subject to the post-1956 military service deposit requirements (see 582.73).

582.78 Waiver of Military Retired Pay

582.781 General

An applicant for retirement receiving military retired pay which bars the use of the military service in the computation of a FERS basic annuity may elect to give up military retired pay. The military service represented by the retired pay is then subject to the normal deposit requirements. After waiving the military retired pay and completing any required deposit, the service may be added to the civilian service in computing the FERS basic annuity.

582.782 Procedures

An employee who decides to waive military retired pay:

a. *Completes the required post-1956 military service deposit at any time prior to retirement.*

b. Notifies the appropriate Military Finance Center, at least 60 days before the retirement date, of the decision to waive military retired pay in order to utilize the military service in computing the FERS basic annuity. The notice includes:

   (1) The employee's full name, military rank, and serial number;

   (2) The desired date that military retired pay is to stop (the day before annuity begins); and

   (3) A request that the Military Finance Center notify OPM of the effective date of the waiver.

c. Attaches a copy of the waiver request to SF 3107, *Application for Immediate Retirement*. If acknowledgment of the waiver is received from the Military Finance Center before the retirement application is submitted to OPM (through the Eagan ASC), attaches a copy of the acknowledgment of the waiver.

582.8 Transfers to FERS

Reference Note:
For additional material concerning the subject matter found in 582.8, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 11.

Employees who elect to transfer to FERS and have 5 or more years of creditable civilian service prior to their transfer have both frozen creditable service under CSRS and creditable service under FERS. Should these employees separate and withdraw their retirement contributions, they permanently forfeit all credit for the FERS time and may never redeposit the FERS contributions. However, should these employees return to the federal service, they are again placed in FERS, based on their prior election.

583 Annuities

583.1 General Requirements

Reference Note:
For additional material concerning the subject matter found in 583.1, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 41.

583.11 Conduct

An annuity may not be paid to any employee who has ever been convicted of an offense involving the national security of the United States.

583.12 Time

To be eligible for an annuity an employee must have at least 5 years of creditable civilian service.

583.13 Age and Service

Employees separated for any reason, except as stated in 583.11, are eligible for optional retirement and an immediate unreduced annuity if they meet one of the following combinations of age and service:

a. Age 62 with 5 years of creditable civilian service.

b. Age 60 with 20 years of creditable service including 5 years of creditable civilian service.

c. The minimum retirement age (MRA) with 30 years of creditable service including 5 years of creditable civilian service.

583.14 Minimum Retirement Age

The minimum retirement age (MRA) is determined by an individual's year of birth, as follows:

Year of Birth	MRA
Before 1948	55 Years
1948	55 Years and 2 Months

Year of Birth	MRA
1949	55 Years and 4 Months
1950	55 Years and 6 Months
1951	55 Years and 8 Months
1952	55 Years and 10 Months
1953–1964	56 Years
1965	56 Years and 2 Months
1966	56 Years and 4 Months
1967	56 Years and 6 Months
1968	56 Years and 8 Months
1969	56 Years and 10 Months
1970 and After	57 Years

583.15 Immediate Reduced Annuity

In addition to the immediate unreduced annuities listed in 583.13, an individual may choose an immediate reduced annuity under the following conditions:

a. The individual meets the minimum retirement age;

b. The individual has at least 10 years of creditable service including 5 years of creditable civilian service; and

c. The annuity is reduced by 5 percent per year for every year the individual is under age 62. This is prorated on the basis of 5/12 of 1 percent for every full month.

583.2 Requirements and Procedures by Types of Separations

583.21 Involuntary Separation

Reference Note:
For additional material concerning the subject matter found in 583.21, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 44.

An employee who is involuntarily separated from the service is entitled to an immediate annuity if the employee meets the following requirements:

a. Has completed 25 years of creditable service, including 5 years of creditable civilian service, regardless of age, or

b. Has completed 20 years of creditable service including 5 years of creditable civilian service and is 50 years of age or over.

c. The separation is not for cause on charges of misconduct or delinquency.

d. The employee has not declined a reasonable offer of another position.

583.22 Mandatory Retirement

Postal Inspectors are the only postal employees subject to mandatory retirement because of age. They are subject to mandatory retirement on the last day of the month in which they become 57 years of age or complete 20 years of law enforcement service if then over that age.

583.23 Disability Retirement Requirements

Reference Note:
For additional material concerning the subject matter found in 583.23, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 60.

583.231 Service

The employee must have completed at least 18 months of creditable civilian service.

583.232 Disability

The employee must, while employed under FERS, have become disabled because of a medical condition resulting in a deficiency in performance, conduct, or attendance; or if there is no deficiency, the disabling medical condition must be incompatible with either useful and efficient service or retention in the position.

583.233 Duration

The disabling medical condition must be expected to continue for at least 1 year from the date the individual became disabled.

583.3 Deferred Annuity

Reference Note:
For additional material concerning the subject matter found in 583.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 45.

583.31 Eligibility

An employee is eligible for a deferred annuity if the employee separates prior to qualifying for an immediate annuity and has at least 5 years creditable civilian service.

583.32 Commencement Date

If the employee has at least 5 years creditable the deferred annuity may begin the first day of the month following the month in which the individual attains age 62. If the employee has at least 10 years creditable service, including 5 years creditable civilian service, the annuity may begin as early as the first day of the month following the month in which the individual attains the minimum retirement age (see 583.14). These annuities may be subject to a reduction based on age (see 583.15).

583.33 Restriction

The individual must not withdraw his or her retirement contributions from the retirement fund in order to be eligible for a deferred annuity.

584 Types of Annuities

584.1 Annuity Without Survivor Benefits

Reference Note:
For additional material concerning the subject matter found in 584.1 through 584.25, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 50.

This type of annuity provides unreduced payments during the life of the retiree. There is no survivor annuity payable to anyone.

584.2 Annuity With Survivor Benefits

584.21 General

This type of annuity provides a retiring employee with reduced annuity payments and, upon the retiree's death, provides the current and/or former spouse(s) with survivor annuity payments. An annuity with full survivor benefits to the current spouse is automatic for a retiring employee who is married at retirement unless the current spouse consents to a different election.

584.22 Spouse Eligibility

584.221 Current Spouse Eligibility

To be eligible for a survivor annuity after the death of a retiree, the current spouse must have been married to the retiree for at least 9 months or be the parent of the retiree's child. This requirement does not apply if the retiree's death is accidental.

584.222 Election of Annuity for Former Spouses(s)

To elect a survivor annuity for a former spouse, the retiring employee must have been married to the former spouse for at least 9 months.

584.23 Maximum Survivor Annuity

The combined total of survivor annuity(ies) that can be provided to a current spouse and/or former spouse(s) cannot exceed 50 percent of the retiring employee's unreduced annuity.

584.24 Reduction in Annuity

The reduction in the retiring employee's annuity is 10 percent if the retiring employee chooses a full survivor annuity of 50 percent. The reduction is 5 percent if the retiring employee chooses a partial survivor annuity of 25 percent.

584.25 Effective Date

The survivor annuity(ies) commences on the day after the death of the retiree and ends on the last day of the month before the current or former spouses marries before age 55 or dies.

584.26 Annuity to Former Spouse(s) Based on a Court Order

Reference Note:
For additional material concerning the subject matter found in 584.26 through 584.29, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 52.

584.261 General

OPM must honor a court order/divorce decree that gives (awards or requires a retiring employee to provide) a survivor annuity to a former spouse. A court-ordered former spouse annuity takes precedence over an election to provide a survivor annuity to a current spouse. A retiring employee's annuity will be automatically reduced by OPM to provide a court-ordered former spouse annuity. Court orders are sent to:

COURT ORDER BENEFITS SECTION
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 17
WASHINGTON DC 20044-0001

584.262 Current Spouse Election

If a former spouse is entitled to a court-ordered survivor annuity, the retiring employee must make an election concerning a survivor annuity for the current spouse as if there were no court-ordered former spouse annuity.

584.263 Protection of Current Spouse's Entitlement

A retiring employee can protect a current spouse's entitlement to a survivor annuity by electing a full or partial survivor annuity for the current spouse at retirement. This is accomplished when:

a. The court order gives the former spouse the maximum survivor annuity, in which case the current spouse would not be entitled to a survivor annuity until the former spouse loses entitlement because of remarriage before age 55 or death; or

b. The court order gives the former spouse less than the maximum survivor annuity; in which case the current spouse would be entitled to a partial survivor annuity up to the amount elected, but not exceeding the difference between the court-ordered survivor annuity and 50 percent of the retiring employee's unreduced annuity. If the former spouse loses entitlement (because of remarriage before age 55 or death), the current spouse's annuity would be increased, if necessary, to the amount elected.

584.27 Annuity to Person With Insurable Interest

584.271 General

This type of annuity provides payments at a reduced rate during the life of the retiring employee. Upon the retiree's death, it provides a survivor annuity payable to the person designated. The person designated must have an insurable interest in the retiring employee. To have an insurable interest, the person must reasonably expect to derive financial benefit from the continued life of the retiring employee.

584.272 **Eligibility**

A retiring employee who is in good health and who is applying for a nondisability retirement may elect an insurable interest annuity. The retiring employee must submit proof of good health in a form prescribed by OPM.

584.273 **Insurable Interest — Presumed**

An insurable interest is presumed to exist with:

a. The current spouse;

b. A blood or adopted relative closer than first cousins;

c. A former spouse;

d. A person to whom the employee is engaged to be married;

e. A person with whom the employee is living in a relationship that would constitute a common-law marriage in jurisdictions recognizing common-law marriage.

584.274 **Insurable Interest — Other**

When an insurable interest is not presumed, the employee must submit affidavits from one or more persons with personal knowledge of the named beneficiary's having an insurable interest in the employee.

584.275 **Reduced Rate**

A retiring employee's annuity is reduced by 10 percent plus an additional 5 percent for each 5 years the person designated is younger than the retiring employee. The maximum reduction is 40 percent except when the retiring employee has a reduced annuity for a former spouse and an insurable interest for the current spouse. In this case the combined reduction may exceed the maximum 40 percent.

584.276 **Amount**

The amount of the annuity payable is 55 percent of the retiree's annuity after the insurable interest reduction.

584.28 Current Spouse's Consent

Married employees who elect less than a full survivor annuity for their current spouse must obtain their current spouse's consent on SF 3107-2, *Spouse's Consent to Survivor Election.* The current spouse's consent is required even if a former spouse will be awarded a survivor annuity by a court order. A waiver of the spousal consent requirement may be granted by OPM under certain conditions (e.g., whereabouts of the current spouse cannot be determined or there are exceptional circumstances regarding the current spouse which warrant such a waiver).

584.29 Surviving Child

Regardless of the type of annuity elected at retirement, a surviving child of the deceased retiree who (a) is under the age of 18 and is single and dependent on the retiree, (b) is over age 18 and is incapable of self-support because of a mental or physical disability incurred before age 18, or (c) is a full-time student under the age of 22 is entitled by law to a survivor annuity.

584.3 Election of Annuity

Reference Note:
For additional material concerning the subject matter found in 584.3, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 52.

584.31 Application

The type of annuity desired by the retiring employee is indicated on the application for retirement (SF 3701) at the time of retirement.

584.32 Election Coverage After Retirement

584.321 Eighteen-Month Reelection Period

Retirees who are married at retirement have 18 months from the time of retirement to change their decision not to provide a survivor annuity or to elect a higher survivor annuity. In either case, a deposit will be required for such an election. The deposit consists of the sum of the monthly differences between the annuity paid to the retiree and the annuity that would have been in effect since the time of retirement, plus a fee of 24.5 percent of the retiree's annual annuity if changing from no survivor annuity to full survivor annuity; or 12.25 percent if changing from either partial to full or none to partial survivor annuity.

584.322 Marriage Terminated

If an employee who is married at the time of retirement elects a survivor benefit for the current spouse and the marriage is terminated before the retiree dies, the reduction in annuity is eliminated unless the retiree elects to continue it or a qualifying court order requires the retiree to provide a former spouse annuity.

584.323 Marriage Terminated and Remarriage

A retiree who was married at the time of retirement may elect, within 2 years after a postretirement marriage, a reduced annuity to provide a current spouse annuity. A retiree making an election under this section must deposit an amount equal to the difference between the amount of the annuity actually paid to the retiree and the amount of annuity that would have been paid if the reduction elected had been in effect continuously since the time of retirement, plus 6 percent annual interest.

584.324 Marriage After Retirement

The following provisions apply:

a. *Change From Unreduced Annuity.* A retiree who was unmarried at the time of retirement may elect, within 2 years after a post retirement marriage, a reduced annuity to provide a current spouse annuity. A retiree who makes such an election must deposit an amount equal to the difference between the amount of the annuity actually paid to the retiree and the amount of annuity that would have been paid if a survivor benefit had been in effect continuously since the time of retirement plus 6 percent annual interest.

b. *Change From Person Having Insurable Interest.* An election of a reduced annuity with survivor benefits to a designated person having

an insurable interest may be changed to a reduced annuity with survivor benefits to the current spouse if the employee marries that person after retirement. This election must be made within 2 years of the post retirement marriage and may be made without deposit.

585 Employee's Retirement Account

585.1 Deduction From Current Earnings

Reference Note:
For additional material concerning the subject matter found in 585.1 through 585.2, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 30.

Each pay period a percentage of basic salary is deducted and withheld as the employee's contribution to the retirement fund.

585.2 Percentages Withheld

The percentage of basic pay withheld changes based on the year.

Year	Percentage
Prior to January 1, 1988	1.3
January 1, 1988 to December 31, 1989	0.94
January 1, 1990 and later	0.80

585.3 Service Credit Deposit

Reference Note:
For additional material concerning the subject matter found in 585.3 through 585.4, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 21.

585.31 General

Employees credited with civilian service prior to 1989 for which no retirement deductions were withheld may make a deposit for that service.

585.32 Amount of Deposit

The amount of deposit for a period of service prior to 1989 during which no retirement deductions were withheld is 1.3 percent of the basic pay for the service plus interest. The 1.3 percent rate applies regardless of when the service was performed or whether deductions would have been taken at 1.3 percent if they had been taken at the time the service was performed.

585.33 Reductions for Periods of No Deposit

An employee is not required to make a deposit for a period of nondeduction time prior to 1989. If no deposit is made, no credit will be given toward either eligibility to retire or the calculation of the annuity.

585.34 Survivor Deposits

If an employee was at the time of death eligible to make a deposit, the employee's survivor may make the deposit. A deposit cannot be made after adjudication of the survivor's application for benefits becomes final.

585.35 Deposit Applications

Deposits require SF 3108, *Application To Make Service Credit Payment For Civilian Service*. SF 3108 must be routed through the Eagan ASC for proper certification and/or listing of service history and for transmittal to OPM. OPM computes the amount due and furnishes the employee with instructions on how to make payment.

585.4 Redeposits

Employees who withdraw retirement contributions subject to FERS may never redeposit them, and the time represented is no longer creditable for any purpose. This involves not only deductions made while subject to FERS, but also any deposits made for nondeductions service prior to 1989.

An employee who transfers to FERS with eligibility for a CSRS annuity component (at least 5 years of creditable civilian CSRS service, not counting any service with CSRS Offset coverage) may make a redeposit for refunded CSRS service that is included in the CSRS component. Refunds of CSRS contributions for service performed before the establishment of FERS may also be redeposited under FERS rules.

585.5 Refund of Deductions

Reference Note:
For additional material concerning the subject matter found in 585.5, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 32.

585.51 Eligibility

To be eligible for a refund, the employee must be separated or transferred to a position not covered by FERS for at least 31 days and must not be eligible for an annuity. SF 3106, *Application for Refund of Retirement Deductions,* is required. In order to receive refunds, employees generally must notify their spouse and any former spouse(s) that they plan to file applications. Employees may be barred from receiving refunds if the refund would end the court-ordered right of any spouse or former spouse to future benefits based on employees' service.

585.52 Interest

Interest is paid on the refund at a variable rate provided the period of service which the refund covers totals more than 1 year. No interest is paid if the refund period is for 1 year or less.

585.53 Repayment

No repayment is permitted of a FERS refund. Payment of a refund results in permanent forfeiture of any FERS retirement rights based on the service represented.

586 Annuity Computation

586.1 Effective Date

Reference Note:
For additional material concerning the subject matter found in 586.1 through 586.32, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 42, 50 and 55.

586.11 Commencement

Annuities based on optional retirement commence on the first day of the month following separation. Annuities based on discontinued service retirement commence on the day after separation from the service. Annuities based on disability commence on the day after the employee separates or the day after pay ceases and the employee meets the requirements for entitlement to an annuity.

586.12 Ending

Annuity payments end on the day of the retiree's death or on the date the retiree becomes ineligible for a continuing annuity. Survivor annuities are paid through the last day of the month before death or any other terminating event, such as a survivor's remarriage.

586.13 Employee's Work and Leave Status

586.131 Use of Annual Leave Balance

Bargaining unit employees with leave balances subject to forfeiture must be counseled to use the excess annual leave prior to the effective date of their retirement.

586.132 Continuing Leave Status

Employees who have applied for disability retirement and who are unable to work while their applications are under review by OPM continue on the rolls in a leave status (either with or without pay) pending notification by OPM of its decision on the application.

586.2 Factors Affecting Annuity Computations

586.21 Primary Factors

Primary factors are:

a. Length of Creditable Service.

b. High-3 Average Pay.

586.22 Other Factors

Other factors are:

a. Retirement at MRA with less than 30 years service.

b. Failure to make a pre-1989 deposit.

c. Withdrawal of contributions for a prior period of service.

d. Election of Survivor Annuity or Insurable Interest Annuity.

e. Election of Alternative Annuity.

586.23 Determining Length of Service

For annuity computation purposes, length of service is determined by adding together all periods of the employee's creditable civilian service where deductions were not refunded and all creditable military service where a deposit was completed for post-1956 service as well as pre-1957 service where no deposit is required. After obtaining total service the fractional part of a month is dropped because the annuity is computed on the basis of years and months.

586.24 Determining High-Three-Year Period

586.241 Dates Included

The 3-year period starts and ends on the dates producing the highest average pay. The period need not start on the first day of any month or on the date of a pay change.

586.242 Consecutive

The 3-year period need not be continuous but must be consecutive.

Example: Two or more separate periods of employment may be joined provided there is not an intervening period of service to be considered.

586.25 Determining High-Three Average Pay Computation

586.251 Computation

The high-3 average pay is determined by averaging the rates of an employee's basic pay over a period of 3 consecutive years of creditable service, with each rate weighed by the period of time during which it was in effect.

586.252 Basic Pay

Basic pay for retirement purposes includes higher level pay but does not include cost-of-living adjustments (COLA, TCOLA), overtime pay, night differential, military pay, allowances, premium pay, or lump-sum terminal leave benefits.

586.3 Formula

586.31 Basic

The annuity of an employee is 1 percent of the high-3 average pay multiplied by total creditable service.

586.32 At Age Sixty-Two

If a retiring employee is at least age 62 and has at least 20 years of creditable service, the annuity is 1.1 percent of the high-3 average pay multiplied by total creditable service.

586.33 Annuity Supplement

Reference Note:
For additional material concerning the subject matter found in 586.33, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 51.

586.331 **Eligibility**

An employee who retires optionally at the MRA with at least 30 years of service, or who retires at age 60 with at least 20 years of service, is eligible for the annuity supplement. Law enforcement personnel who retire under the law enforcement provisions receive the annuity supplement beginning at retirement. Employees who retire under the discontinued annuity provisions will receive the annuity supplement beginning no sooner than the month in which they reach the MRA. The annuity supplement ends the last day of the month in which the employee becomes 62.

586.332 **Amount**

The supplement is computed by estimating the amount of a full Social Security benefit and multiplying it by a fraction comprised of the number of years of FERS creditable civilian service divided by 40. This benefit is then actuarially reduced by a percentage based on the retiree's year of birth.

586.333 **Reduction Based on Excess Earnings**

The supplement may be reduced depending on the amount earned after retirement. Any earnings above the amount set by the Social Security Administration each year will reduce the supplement by $1 for every $2 earned. This reduction does not apply to an individual who retires under the law enforcement provisions until he reaches the MRA.

586.4 Transferees to FERS

Reference Note:
For additional material concerning the subject matter found in 586.4, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 11.

Individuals who retire with frozen CSRS service as well as FERS service will have their annuity calculated under both retirement systems. The frozen CSRS service will be calculated using CSRS rules (see 566.3). The FERS portion will be computed using the FERS rules. Only a career high-3 average salary will be used for both calculations. The beginning and ending date of the total annuity are based on FERS rules. The FERS reduction for a survivor annuity will be applied to the total annuity, and the amount of the survivor annuity is determined by FERS rules. The annuity supplement is applicable only to the time actually served under FERS.

586.5 Disability Retirement

Reference Note:
For additional material concerning the subject matter found in 586.5, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 61.

586.51 Initial Computation — Under Age Sixty-Two

586.511 First Year of Disability

During the first year of disability the retiree will receive an amount equal to 60 percent of the high-3 average salary minus 100 percent of the Social Security benefit received.

586.512 Second and Succeeding Years

In the second and following years the amount of the disability annuity is 40 percent of the high-3 average salary minus 60 percent of the Social Security benefit received.

586.513 Exceptions

The above percentages do not apply to any individual who is eligible for optional retirement. In those cases the amount will be the same as an optional retirement.

586.52 Computation — Age Sixty-Two and Over

Employees who are age 62 or older at the time they are approved for disability retirement will have the annuity computed as though it were an optional retirement.

Example: John Doe age 63 is approved for disability retirement. He has four years of service. He receives 4 percent of his high-3 average salary.

586.53 Recomputation — Age Sixty-Two

All disability retirees will have their annuity recomputed at age 62. The annuity will be recomputed as though it were an optional retirement on the day prior to the retiree becoming age 62. The creditable service used will consist of the retiree's total service prior to the disability retirement plus the years between retirement and age 62. The high-3 will be the high-3 average salary at retirement increased by all intervening FERS COLAs.

586.6 Reemployed Annuitants — Additional Annuity

Reference Note:
For additional material concerning the subject matter found in 586.6, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 100 and 102.

586.61 Salary Payable

When a FERS retiree is reemployed in the federal government, the salary for the position is reduced by the annuity the retiree is receiving.

586.62 Eligibility

Retirees whose annuity continues upon reemployment are eligible for an additional annuity if they work the equivalent of 1 full year. If retirees work the equivalent of 5 full years, they may elect either the additional annuity or a recomputation of their total annuity.

586.63 Reemployed Less Than One Year

When retirees are reemployed for less than the equivalent of 1 full year, the retirement deductions withheld during their reemployment are, upon proper application, refunded to them.

586.64 Reemployed One Year or More

When retirees are reemployed for at least 1 full year or its equivalent they receive, upon separation from reemployment, an additional annuity based on the period of reemployment. The additional annuity is based on the same formula as a regular annuity but uses the average basic salary while reemployed rather than a high-3 average salary. If the retiree had a survivor annuity with his previous annuity, the additional annuity will be reduced to provide an additional survivor annuity.

586.65 Reemployed Five Years or More

When retirees are reemployed for at least 5 full years, or its equivalent, they may elect either an additional annuity or a redetermination of their annuity. The redetermination will include all prior creditable service plus the creditable service for the current reemployment.

586.7 Alternative Form of Annuity

Reference Note:
For additional material concerning the subject matter found in 586.7, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 53.

586.71 Eligibility

Employees diagnosed with a life-threatening medical condition who are eligible to retire under an optional retirement may choose the Alternative Form of Annuity (AFA). This option allows a refund of all employee contributions made to the FERS retirement fund in addition to an actuarially reduced monthly benefit. This option is not available to those employees filing for disability retirement. Also, even if the conditions for this alternative annuity (as outlined above) are met, if a court order has been established to provide annuity benefits for a former spouse, this election is not allowed. Married employees must have the current spouse's consent to elect an AFA.

586.72 Computation

To compute the AFA, the normal monthly annuity is first calculated. That monthly rate is then reduced by an amount equal to the retiree's lump-sum credit divided by the applicable present value factor for the retiree's attained age (in full years) at the time of retirement. A table of present value factors is published periodically.

586.73 Survivor Annuity

Election of an AFA has no impact on a survivor annuity. The survivor annuity is determined based on the retiring employee's unreduced annuity.

Note: The lump sum payable to nondisability retirees whose annuities commence after January 3, 1988, and before October 1, 1989, will be

broken into two portions. The first is payable at retirement and represents 60 percent. The remaining 40 percent, with interest, is paid 1 year after retirement. If no congressional action is taken, the lump sum returns to 100 percent on October 1, 1989.

586.8 Cost-of-Living Adjustments (COLA)

Reference Note:
For additional material concerning the subject matter found in 586.8, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 2.

586.81 Amount

The amount of the COLA is determined based on the growth in the Consumer Price Index (CPI). The COLA is generally 1 percent less than the increase in the CPI.

CPI Change	COLA
0%–2%	Same as CPI
2%–3%	2%
Over 3%	CPI Minus 1%

If a retiree's first increase falls within the first year after she or he begins to receive benefits, the increase will be prorated to cover the portion of the year in which benefits were paid.

586.82 Eligibility

586.821 Optional Retirement

Those retiring optionally (see 583.1) are eligible for COLA at age 62.

586.822 Involuntary Separation

Those retiring on a discontinued annuity (see 583.21) are eligible for COLA at age 62.

586.823 Disability

Those retiring on a disability (see 583.23) are eligible for COLA in the second year after the disability annuity begins.

586.824 Law Enforcement

Those retiring under the law enforcement provisions (see 583.22) are eligible for COLA at retirement.

586.825 Transfers to FERS

Those retiring with a combined frozen CSRS annuity and a FERS annuity are eligible for the CSRS COLA on the CSRS portion of the annuity from retirement, and the FERS COLA on the FERS portion of the annuity at age 62.

587 Death Benefits — Death in Service

Reference Note:
For additional material concerning the subject matter found in 587, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapters 70, 72, 73, 74, and 75.

587.1 Basic Employee Death Benefit

587.11 General

A basic employee death benefit is payable to the current spouse if the following conditions are met:

a. The employee dies after completing 18 months of creditable civilian service; and

b. The marriage has lasted at least 9 months; or

c. A child was born of the marriage; or

d. The death was accidental.

587.12 Amount

The basic employee death benefit consists of

a. 50 percent of the final annual rate of basic pay, and

b. $21,335.30 in 1998 and as adjusted under title 5, United States Code, 8462.

587.13 Payment

A spouse may elect to receive the basic employee death benefit as either

a. A one-time payment, or

b. Thirty-six equal monthly installments.

587.2 Survivor Benefit — Spousal

587.21 General

When an employee dies after completing at least 10 years of creditable service, the spouse is entitled to an annuity equal to 50 percent of the annuity the employee had earned through the day of death. This is in addition to the basic employee death benefit. (see 587.1)

587.22 Beginning and Ending Date

587.221 Beginning

An annuity begins on the day after the death of the employee on whose service the annuity is based.

587.222 Ending

An annuity ends on the last day of the month before the spouse remarries before age 55 or dies.

587.223 Reinstatement

If a current spouse annuity is terminated because of a remarriage, the annuity can be reinstated on the day of the termination of the remarriage. A former spouse annuity may never be reinstated.

587.3 Refund of Contributions

587.31 Eligibility

If there is no survivor entitled to monthly survivor annuity benefits, the employee's contribution to the retirement fund are paid in accordance with the normal order of precedence.

587.32 Normal Order of Precedence

a. First, to the beneficiary or beneficiaries designated by the employee on SF 3102, *Designation of Beneficiary;*

b. Second, to the widow or widower;

c. Third, to the child or children of the employee;

d. Fourth, to the parents of the employee or the surviving parent;

e. Fifth, to the duly appointed executor or administrator of the estate;

f. Sixth, to such other next of kin of the employee as OPM determines to be entitled under the laws of the domicile of the employee at the date of death.

587.4 Former Spouse(s)

Any benefit (or a portion of any benefit) payable to a current spouse is payable to a former spouse instead if the former spouse is entitled to the benefit under the terms of a qualifying court order.

587.5 Child Annuities

587.51 Eligibility

A surviving child of an employee who dies after completing 18 months of creditable civilian service is entitled to an annuity.

587.52 Rates of Annuities

The amount of the annuity payable is the difference between the amount that would be paid by CSRS (see 567.143) and the amount actually paid by Social Security. In cases where the Social Security amount exceeds the amount otherwise payable under CSRS regulations, no payments are made from the retirement fund.

587.53 Beginning and Ending Dates

587.531 Beginning Date

The annuity begins on the day after the employee dies.

587.532 Ending Date

An annuity ends on the last day of the month before the child:

a. Becomes 18 years old unless she or he is a full-time student or incapable of self-support;

b. Becomes capable of self-support after becoming 18 years old unless a full-time student;

c. Becomes 22 years of age if he or she is a full-time student and capable of self-support;

d. Ceases to be a full-time student after becoming 18 years of age;

e. Marries or dies.

587.54 Disabilities

A child is eligible for a continued annuity if the Social Security Administration finds that the child is incapable of self-support.

587.6 Procedures Upon Death of an Employee

587.61 Contacting Next of Kin

When an employee dies, the employing office (a) contacts the next of kin and advises such person of benefits payable and of the right to apply for them and (b) renders every assistance in completing SF 3104, *Application for Death Benefits.* The family should also be referred to the Social Security Administration and assistance should be provided concerning the Thrift Savings Plan (see 597.62g).

587.62 Filing Death Claim Applications

SF 3104 is filed with the Eagan ASC through the employing office or sent directly to the:

RETIREMENT OPERATIONS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 200
BOYERS PA 16020-0200

588 Management-Initiated Disability Retirement Procedures

Reference Note:
For additional material concerning the subject matter found in 588, refer to:

- *CSRS and FERS Handbook for Personnel and Payroll Offices*, Chapter 60.

588.1 General

There are certain limited situations under which an employing office may initiate a disability retirement application on behalf of an employee. OPM will not accept an application filed by an employing office unless the conditions in 588.21 are met. OPM will not act on the application until it receives the appropriate documentation of the separation action.

588.2 Procedures

588.21 Basis for Filing

An employing office may file an application for disability retirement for an employee who has at least 18 months of creditable civilian service when all of the following conditions are met:

a. The employing office has issued a decision to remove the employee;

b. The employing office concludes, after its review of medical documentation, that the cause for unacceptable performance, attendance, or conduct is disease or injury;

c. The employee is institutionalized or, based on a review of medical and other information, the employing office concludes that the employee is

incapable of making a decision to file an application for disability retirement;

d. The employee has no personal representative or guardian;

e. The employee has no immediate family member who is willing to file an application on her or her behalf.

588.22 Notice to Employee

The employing office must inform the employee, in writing, that: (a) a disability retirement application has been submitted to OPM on the employee's behalf; and (b) the employee may review any medical information and obtain copies of any records at no expense; and (c) the action does not affect the employee's right to submit a voluntary application for disability retirement or any other retirement benefit to which he or she is entitled under FERS.

588.23 Notice to OPM

When submitting an application for disability retirement to OPM under these procedures, the employing office must provide OPM with copies of the decision to remove the employee, the medical documentation, and any other documents required to show that the cause for removal is due to a medical condition. Following separation, OPM must be provided with a copy of the documentation of the separation.

588.3 Processing by OPM

588.31 Required Documentation

OPM will not act on an application for disability retirement initiated by management until it receives the appropriate documentation of the separation. OPM will notify the former employee when it has received the completed application. OPM will also provide the former employee with an opportunity to submit additional medical documentation.

588.32 Decision

OPM will issue its decision, in writing, to the former employee and to the former employing office through the Retirement Branch, Eagan ASC. The decision will include a statement of findings and conclusions and an explanation of the right to request a reconsideration of OPM's decision.

588.4 Cancellation of Retirement

OPM will cancel a disability retirement when a final decision of an administrative authority or court reverses the removal action and orders the reinstatement of the employee.

588.5 Employee's Status Pending OPM's Decision

The employee will remain on Postal Service rolls pending the final disposition of an adverse action through the appropriate appeal procedures. The employee will not be retained on the rolls pending OPM's decision on the disability application once all appeal procedures have been exhausted regarding the adverse action.

589 General Retirement Information

Reference Note:
For additional material concerning the subject matter found in 589, refer to:
- *CSRS and FERS Handbook for Personnel and Payroll Offices,* Chapter 40.

589.1 Retirement Counseling

589.11 Responsibility

The Postal Service ensures that retirement information and counseling are made available to Postal Service employees.

589.12 Retirement Annuity Estimates

Retirement annuity estimates are provided to all employees through the use of the National Retirement Counseling System (NARECS) as follows:

a. Upon request within 3 years of an employee's first optional retirement eligibility date, based on payroll and personnel system-generated retirement computation date.

b. Automatically twice each year once age and service eligibility criteria for optional retirement have been met.

589.13 Group Retirement Information Programs

589.131 Nature of Group Programs

The Postal Service ensures that at least one FERS retirement information program is held each fiscal year. Sessions are to be open to all employees, regardless of age, years of service, and first date of optional retirement eligibility, and spouses and other interested parties may also attend. These programs are provided using a combination of media and facilitation, with dates, times, and other particulars of the sessions determined by local service personnel. Participation is voluntary and off the clock. Group information programs are supplementary to, not a substitute for, individual counseling as described in 589.14.

589.132 Group Program Content

During the retirement information programs, information on all subjects that may factor in retirement is presented to allow employees to plan constructively for their retirement years.

589.14 Individual Retirement Counseling

589.141 Nature of Individual Counseling

As part of the retirement process, employees may request individual retirement counseling from the Human Resources Shared Services Center (HRSSC). Counseling is provided by a retirement specialist at the HRSSC who can provide detailed information on retirement health benefits, life insurance, and other retirement-related benefits programs. These counseling sessions are conducted via telephone primarily, and they may involve use of a computer and/or electronic media, as appropriate. The retirement specialist may also direct the employee to other sources to obtain information specific to certain topics, including TSP and Social Security. The

sessions are on the clock if the retirement specialist is available to provide such counseling during the same tour as the employee.

589.142 **Counseling Session Content**

Before scheduling the counseling session, the retirement specialist orders an annuity estimate, based on the retirement effective date and type of retirement (optional, disability, etc.) requested by the employee, to be mailed to the employee's address of record.

During the counseling session, the retirement specialist:

a. Reviews the employee's retirement application and verifies that all the appropriate documents are signed and dated.

b. Reviews the employee's annuity estimate and answers any questions raised by the employee.

c. Clarifies the employee's work and leave status up to the date of retirement.

d. Identifies the need for additional documents, proofs, affidavits, etc., if necessary.

e. Verifies the civilian and military service history and the advantages, if any, of deposits or redeposits.

f. Addresses other retirement-related benefits and payments, including but not limited to, Alternative Fund Annuity (AFA), health benefits, life insurance, terminal leave, Thrift Savings Accounts, and flexible benefits.

589.143 **Advice to Employee**

In providing advice to employees, the retirement counselor reminds the employee that:

a. Although information is provided on various provisions and options under the retirement law, final choices (except in the case of management-initiated disability retirement) are the decision of the employee.

b. Any estimate of annuity is preliminary and subject to final determination by OPM.

589.2 Retirement Forms

589.21 Processing

Handbook EL-301, *Guidelines for Processing Personnel Actions,* contains information on processing retirement forms in connection with personnel actions.

589.22 Requisitioning Forms

Installations are expected to maintain a supply of retirement forms sufficient to meet anticipated needs. Such forms are requisitioned from the materiel distribution centers under regular requisitioning procedures.

589.3 Information Source for Separated or Retired Employees

Questions relating to the amount of annuity to which a separated or retired employee is entitled, or to specific benefits of survivors of employees or of annuitants, are referred to the:

RETIREMENT SERVICE CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 200
BOYERS PA 16020-0200

589.4 Information Source for Employees

Questions relating to administration or questions requiring interpretation of the Federal Employees Retirement System law or regulations, are referred, through channels, to the:

MGR COMPENSATION
EMPLOYEE RESOURCE MANAGEMENT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-4213

589.5 Federal Income Tax

589.51 Taxable Annuities

Annuities under FERS are subject to the general rule under the Internal Revenue Code. This rule provides that each monthly annuity payment is made up of two parts: (a) the tax-free part (which represents a return of employee contributions) and (b) the taxable balance. The tax-free part, once calculated, is a specific dollar amount which remains in effect until a retiree has recovered all of the contributions made to the retirement fund. At that time the entire monthly annuity becomes taxable.

589.52 Federal Income Tax Withholding

Annuities are subject to federal tax withholding unless a retiree elects not to have tax withheld. Retirees who elect not to have tax withheld, may have to make estimated tax payments. Generally, the tax withheld or estimated tax, or the total of both, must cover at least 90 percent of the retiree's total tax for the year or 100 percent of the tax shown on the retiree's return for the previous year, whichever is less. Retirees may elect the amount they wish to have withheld on Form W-4P, which is available from OPM or the IRS.

589.53 Federal Income Tax Questions

Questions relative to any aspect of federal income tax must be directed to the Internal Revenue Service.

589.6 Privacy Act Considerations

589.61 General

Retirement records contain information about individuals. As such, they may be handled and disclosed only in accordance with the Privacy Act and implementing instructions. (See *Administrative Support Manual* 353.)

589.62 OPM Records

Those records which are sent to OPM become OPM's records. Retired employees making requests under the Privacy Act for such records should, therefore, direct their requests to the:

RETIREMENT SERVICE CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 200
BOYERS PA 16020-0200

589.63 Postal Service Records

Copies of an individual's retirement records and related correspondence may be maintained within the Postal Service in one of two ways: either in the personnel area as part of the privacy system entitled USPS 120.070, *Personnel Records — General Personnel Folders (Official Personnel Folders and Records Related Thereto)*, or in the Eagan ASC as part of the privacy system entitled "USPS 050.020, Finance Records — Payroll Systems." Employees making requests specifically for access to or update of these records direct their requests to the nearest Postal Service personnel office for processing.

590 Thrift Savings Plan

591 Overview

591.1 Description

591.11 Administration

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for federal employees. It was authorized by Congress in the Federal Employees' Retirement System Act of 1986. The plan is administered by an independent government agency, the Federal Retirement Thrift Investment Board, whose sole purpose is to operate the plan for the benefit of the participants. Policies and regulations of the board are controlling in the event of conflict with the information contained in this subchapter.

591.12 Further Information

TSP has established a TSP Web Site at *http://www.tsp.gov* to provide employees with general information, forms, and publications. Two telephone response systems are available for general information as well as personal account information. The TSP ThriftLine at (504) 255-8777 is an automated voice response system, and the Text Telephone at (504) 255-5113 is designed for hearing impaired employees. The TSPBK08, *Summary of the Thrift Savings Plan for Federal Employees,* and other TSP materials are available at local personnel services offices and on the Web site.

591.2 Open Season

Open season is the period during which employees may make an election with respect to the TSP.

a. There are two open seasons each year.

b. Each open season lasts for 2 and 1/2 months with the election period being the last month of the open season.

c. Open seasons are from May 15 through July 31 and from November 15 through January 31.

591.3 Eligibility to Contribute

591.31 General

All career employees are permitted to contribute to the TSP. The earliest date career employees may begin contributing is determined by their date of employment.

591.32 New Career Employees

A career employee is eligible to make an election to begin contributing to TSP beginning with the second open season after the career appointment. An employee who is hired during an open season, but before the election period, has the current open season counted as one of the required two. For example:

a. Career employees hired from January 1 through June 30 are first eligible to make an election during the open season from the following November 15 through January 31.

b. Career employees hired from July 1 through December 31 are first eligible to make an election during the open season from the following May 15 through July 31.

591.33 Rehired Employees

A career employee who is reemployed and who was eligible to contribute to the TSP during a previous appointment may make an election during the first open season after being reemployed. An employee rehired to a career position who was not eligible to contribute during a previous appointment is treated as a new employee. For example:

a. Previously eligible employees rehired as career employees from January 1 through June 30 may make an election that July.

b. Previously eligible career employees rehired as career employees from July 1 through December 31 may make an election that January.

591.34 Reemployed Annuitants

591.341 Eligibility

Reemployed annuitants are eligible to participate in TSP as follows:

a. CSRS reemployed annuitants may participate regardless of the retirement code in the reemployed position (Code 1, 5, 4 or 2), unless reemployed under Public Law 101-509 (Federal Employees Pay Comparability Act of 1990).

b. FERS reemployed annuitants may participate only if reemployed under FERS. Appointments to intermittent positions or under Public Law 101-509 are not covered by FERS.

c. A reemployed annuitant's first eligible date to participate is determined by whether the reemployment follows a TSP break in service

(separation from federal service of 31 or more full calendar days), as follows:

(1) If no break in service of 31 days or more has occurred, the TSP-1 election on file is immediately effective, with contributions and loan payments, if any, resuming upon reemployment. For FERS annuitants, the automatic 1 percent contribution and matching contributions, if any, resume.

(2) If a break in service of 31 days or more has occurred and the reemployed annuitant was ever previously *eligible to participate* in TSP, the reemployed annuitant is eligible to make an election during the first open season following the appointment. If not previously eligible, the reemployed annuitant must wait until the second open season following the appointment to make an election.

(3) A reemployed annuitant who elects to transfer to FERS is eligible to participate in TSP immediately, regardless of whether a break in service has occurred.

591.342 **Contributions**

Contributions made by a reemployed annuitant are based on the basic salary for the position prior to the required reduction for the annuity she or he is receiving.

591.35 Transfers From Another Agency

CSRS and FERS employees who transfer from other federal agencies must have their TSP loan payment, automatic (1 percent) contributions, and employee and matching contributions (if any) continue without interruption. Personnel services offices must submit TSP-19, *Transfer of Information Between Agencies,* to the Eagan Accounting Service Center (ASC).

591.36 Dual Appointments

Federal or Postal Service employees serving in an appointment covered by CSRS or FERS who receive another federal appointment, career or noncareer, are eligible to participate in TSP under each appointment. Pursuant to Office of Personnel Management (OPM) regulations, an employee covered by a retirement system under any one appointment must be covered by the same retirement system under all other appointments. Personnel service offices must submit TSP-19 to the Eagan ASC to advise of current enrollment elections. Participation rules for dual appointments include the following:

a. Employees covered by FERS receive the automatic (1 percent) contribution under both appointments.

b. An employee's TSP-1 on file under the first appointment determines TSP contributions and fund allocations for a subsequent appointment until the next TSP election period. The employee is not permitted to make a new election outside an open season as a result of the subsequent appointment. If the employee's contribution election is expressed as a percentage of pay, each agency deducts this percentage. If the employee's contribution election is expressed as a

dollar amount, only the first appointing agency deducts this amount from the employee's pay.

c. Beginning with the first open season following the second appointment, agencies treat the employee separately for purposes of TSP elections.

591.4 Permitted Actions

591.41 Open Season

During an open season an eligible employee may submit an election to:

a. Begin contributions.

b. Change the dollar amount or percentage of current contributions.

c. Reallocate current contributions to different investment funds.

d. Terminate contributions.

591.42 Interfund Transfers

An interfund transfer is the movement of money already in the employee's account among the investment funds. This movement does not affect contributions from future payroll deductions. Employees are allowed one interfund transfer per month, using the TSP ThriftLine or submitting TSP-30, *Interfund Transfer Request,* to the TSP Service Office.

591.5 Elections

591.51 Form Required

To submit an election an eligible employee must complete Form TSP-1, *Thrift Savings Plan Election Form,* and submit it to the personnel office.

591.52 Number Permitted

Except for an election to terminate contributions, an employee may make only one election during an open season.

591.53 Effective Dates

TSP-1 open season election forms submitted to personnel services offices become effective as follows:

a. Forms received May 15 through June 30 become effective in the first full pay period in July. Forms received in the month of July become effective the earliest possible pay period, subject to Distributed Data Entry and Distributed Reporting (DDE/DR) processing guidelines.

b. Forms received November 15 through December 31 become effective in the first full pay period in January. Forms received in the month of January become effective the earliest possible pay period, subject to DDE/DR processing guidelines.

c. Forms to terminate elections are effective the first full pay period beginning after receipt.

591.54 Election Period

The election period is the last calendar month of an open season and is the earliest period during which an open season election, other than a termination, can become effective.

591.55 Belated Elections

If it is determined that an employee was unable for reasons beyond the employee's control to make an election within the time limits, a belated election may be accepted within 30 calendar days after such determination. The belated election is effective the first pay period after the personnel office accepts the election form.

591.6 CSRS Transfers to FERS

CSRS or CSRS Offset employees who transfer to FERS are permitted 30 days from the effective date of the transfer to submit a TSP election. The election becomes effective the pay period following receipt of the TSP-1.

591.7 Booklets

The booklet TSPBK08, *Summary of the Thrift Savings Plan for Federal Employees,* contains additional information and is available to employees at personnel services offices and on the Web site.

592 Contributions

592.1 Basic Pay

All contributions to the TSP are based on basic pay. Basic pay includes higher level pay but does not include cost-of-living adjustments (COLA, TCOLA), overtime pay, night differential, military pay, allowances, premium pay, or lump-sum terminal leave payments.

592.2 Contribution Rates

Contributions must be made in whole percentages or whole dollar amounts.

592.3 Maximum Contribution Rates

592.31 FERS Employees

A FERS employee may contribute a percentage of basic pay up to a maximum of 10 percent or a whole dollar amount which does not exceed 10 percent of basic pay. Contributions are withheld each pay period.

592.32 CSRS Employees

CSRS and CSRS offset employees may contribute a percentage of basic pay up to a maximum of 5 percent or a whole dollar amount which does not exceed 5 percent of basic pay. Contributions are withheld each pay period.

592.4 Automatic Contributions

592.41 FERS Employees

The Postal Service automatically contributes an amount equal to 1 percent of the employee's basic salary every pay period. This agency automatic (1 percent) contribution starts the first pay period in the first election period that the employee is eligible to contribute and is made even if the employee chooses not to contribute. The employee's salary is not affected by this automatic contribution.

592.42 CSRS Employees

There is no agency automatic (1 percent) contribution for CSRS employees.

592.5 Matching Contributions

592.51 FERS Employees

The Postal Service matches employee contributions on a dollar for dollar basis through the first 3 percent of basic pay the employee contributes. The next 2 percent of basic pay the employee contributes is matched at the rate of $0.50 for every $1.00 (see chart below).

Employee Contributions	USPS Automatic and Matching Contribution	Total Contributions
0%	1%	1%
1%	2%	3%
2%	3%	5%
3%	4%	7%
4%	4.5%	8.5%
5%	5%	10%
Over 5% through 10%	5%	5% Plus Employee Contribution

592.52 CSRS Employees

There are no agency matching contributions for CSRS employees.

592.6 Vesting of Contributions

592.61 CSRS Employees

Employees are immediately vested in their own contributions and all earnings attributable to these contributions.

592.62 FERS Employees

Employees are immediately vested in their own contributions, the matching contributions and the earnings attributable to these contributions. Employees are vested in the agency automatic (1 percent) contribution and earnings associated with this contribution after attaining 3 years of creditable civilian service as determined by their TSP Service Computation Date. Employees who die in service are considered automatically vested in the agency automatic (1 percent) contributions. Employees on the rolls between 1/1/84 and 12/31/86 who were automatically converted to FERS on 1/1/87 received a 1 percent retroactive contribution for that time frame and were immediately vested in the retroactive contribution.

592.7 Maximum Contribution Amount

No employee, regardless of salary, may contribute more than $10,000 in 1998 to the TSP. This amount is adjusted annually by the Internal Revenue Service (IRS) based on cost-of-living changes.

592.8 Taxes

592.81 Federal Income Taxes

All contributions to the TSP are made on a before-tax basis. The money contributed to the plan is not included when federal income taxes are calculated. TSP contributions are subject to Medicare and Social Security taxes.

592.82 State Income Taxes

The majority of the states that have income taxes also consider contributions to the TSP on a before-tax basis. Whether TSP contributions are tax deferred is determined by the law of the state where the employee resides.

592.9 Insufficient Earnings

592.91 Employees on LWOP

Since an employee on leave without pay (LWOP) for an entire pay period does not have any basic salary, there are no contributions to the TSP, including the agency automatic (1 percent) contribution.

Exception: Employees on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees are permitted to make contributions to the TSP. The allowable contributions are based on the basic pay with the Postal Service and must be withheld from pay by the organizations paying them. The organizations make the decision whether or not to make the agency automatic (1 percent) contribution and matching contributions for FERS employees.

592.92 Reduced Earnings

Each pay period, an employee's TSP contribution is determined based upon the basic pay earned for that pay period. Elected TSP contributions are adjusted as follows:

a. If an employee's elected percentage or dollar amount exceeds the net pay available in a particular pay period, no TSP deductions are made for that pay period.

b. If a *whole dollar* amount is elected and the amount exceeds 10 percent for FERS or 5 percent for CSRS of the employee's basic pay for a particular pay period, the deduction is reduced to the maximum percentage allowed.

593 Investments

593.1 Funds Available

TSP is composed of three funds: the Government Securities Investment Fund (G Fund), the Fixed Income Index Investment Fund (F Fund), and the Common Stock Index Investment Fund (C Fund):

a. *G Fund.* The G Fund consists exclusively of investments in short term nonmarketable U.S. Treasury securities specially issued to the TSP. G Fund investments earn interest at a rate that is equal, by law, to the

average of market rates of return on U.S. Treasury marketable securities that are outstanding with 4 or more years to maturity.

b. *F Fund*. The F Fund is invested primarily in the Barclays U.S. Debt Index Fund, a commingled bond index fund designed to track as closely as possible the Lehman Brothers Aggregate (LBA) index. The LBA represents U.S. Government, corporate, and mortgage-backed securities sectors of the fixed-income securities market. These securities, which include bonds, notes, and debentures, usually pay interest semiannually until maturity.

c. *C Fund.* The C Fund is invested primarily in the Barclays Equity Index Fund, a commingled stock index fund that tracks the Standard & Poor's 500 Index (S&P 500). A commingled fund is a fund in which the assets of many plans are combined and invested together.

593.2 Investment Options

593.21 Fund Allocation

Employees may allocate all or any portion of TSP contributions among the three investment funds (in 5 percent increments).

593.22 Changing Investments

Employee requests to change the allocation of *future* contributions are submitted on TSP-1 to personnel services offices during open season periods. Requests to change the allocation of any *existing* account balance are processed as described.

593.3 Participant Statements

593.31 Frequency

Every employee who has a TSP account receives a participant statement every 6 months. The statement will normally be mailed approximately 30 days prior to an election period.

593.32 Contents

The participant statement contains current information on the balance in the account and a summary of the activity in the account during the previous 6-month period. It also provides information such as the rates of return for the various funds for the statement period. Specific information includes:

a. Name.

b. Social Security number.

c. Beginning and ending balance.

d. The amount of principal and earnings in each fund by source of contributions.

e. An itemization of all transactions affecting the account during the covered period.

593.33 Distribution

Participants receive a statement directly from the Federal Retirement Thrift Investment Board. Statements are mailed to the participant's address of record with the Postal Service. Active employees may change their address

only by submitting PS Form 1216, *Employee's Current Mailing Address*, to their personnel services office.

593.34 Transactions

593.341 Types of Transactions

The statement will show the following types of transactions, whenever applicable.

a. Contributions.

b. Earnings.

c. Withdrawals.

d. Forfeitures.

e. Loan Activity.

f. Transfers Between Funds.

g. Adjustments.

593.342 Information Concerning Transactions

The following information concerning each transaction will also be shown.

a. Pay period the transaction occurred.

b. Investment fund affected.

c. Source of contributions.

d. Amount of the transaction.

594 Adjustments

594.1 Responsibility

The Postal Service is responsible for correcting any improper or erroneous TSP withholding. An adjustment may be made to an employee's TSP account only if it is covered by these procedures.

594.2 Elections Not Processed

594.21 Reason Beyond Employee Control

When an employee fails to enroll, or is delayed in enrolling or making changes to a previous election for reasons beyond the employee's control, but not because of any Postal Service action, the personnel services office may accept a belated election. The belated election is effective the first pay period after the personnel services office accepts the election form. No retroactive contributions are permitted for any pay periods prior to the effective date of the election.

594.22 Administrative Error

If an election form is turned in by an employee during an open season and for whatever reason not processed on time, the election must be processed retroactively as soon as the administrative error is discovered. The appropriate adjustment is then processed.

594.3 Overdeductions

594.31 Correction

In cases where the nonprocessing of an election form, or the incorrect processing of an election form, results in an overdeduction of contributions, the correct election must be processed via DDE/DR immediately with the same effective date as the original error.

594.32 Excess Contributions

Excess contributions are not permitted to remain in an employee's TSP account. At the time the excess contributions are returned to the employee, they will be subject to normal income taxes. Personnel services offices must notify the Eagan ASC Payroll Processing Branch of the error in writing, attaching copies of all TSP-1 elections in effect for the period in which the erroneous overdeductions occurred.

594.33 Amount of Adjustment

The employee will receive the full amount that was overdeducted even if the adjustment involves the C and/or F fund, and there has been an investment loss. If the full amount is not refunded, the employee may file a claim. (See 594.7.)

594.34 Earnings

Any earnings which may have been posted to the employee's account as a result of the excess contributions will remain in the account unless the refund of excess contributions has the effect of liquidating the account.

594.4 Underdeductions

594.41 Correction

In those instances where the nonprocessing of an election form or the incorrect processing of an election form results in an underdeduction, the correct election must be processed immediately via DDE/DR with the same effective date as the election containing the error.

594.42 PS Form 6886, Thrift Savings Plan Request for Retroactive Contributions

Subsequent to correction of the error a PS Form 6886, *Thrift Savings Plan Request for Retroactive Contributions,* must be prepared. PS Form 6886 must be prepared in all instances of underdeductions even if the employee does not wish to contribute make-up contributions.

594.43 Preparation

The personnel services office prepares a PS Form 6886 after the correction of the administrative error via DDE/DR. It must be completed with the employee's name, Social Security number, and finance number, as well as the total pay periods in which the administrative error occurred, what percentage or amount was in error and the correct percentage or amount that is now being deducted. Personnel must then calculate the estimated total amount of the underdeduction and enter it on the form. Once all of these items have been completed, the original of the form is sent to the employee while personnel retains a copy pending return of the form from the employee.

594.44 Decision

The employee decides whether to contribute make-up contributions. Make-up contributions are contributed through payroll deductions. The employee is required to make a decision within 30 days of receipt of the form. If an employee does not return the form within 30 days, that individual forfeits the right to contribute make-up contributions.

594.45 Disposition

594.451 No Return of PS Form 6886

If the employee does not return the PS Form 6886 within 30 days, personnel officials (1) annotate the copy "No Reply Within 30 Days — No Action Taken" and (2) file the form in the employee's OPF.

594.452 No Make-up Contributions

An employee who chooses not to contribute make-up contributions simply checks the appropriate block, signs the form, and returns it to personnel where the form is certified and filed in the employee's OPF as a permanent record.

594.453 Make-up Contributions

An employee who wishes to contribute make-up contributions chooses the number of pay periods over which contributions will be made. The minimum number of pay periods for make-up contributions is one. The maximum number of pay periods is four times the number of pay periods over which the error occurred. Whenever multiple pay periods are involved, the make-up contributions will be in equal amounts each pay period. In no instance may anything less than the full amount of the adjustment be deducted. The employee cannot elect make-up contributions for a portion of the period that was in error.

594.46 Processing

594.461 Upon receipt of a signed PS Form 6886 requesting make-up contributions, the personnel services office reviews the form, signs and dates it, and forwards the original to the Eagan ASC address on the form. Personnel retains and files a copy in the employee's OPF.

594.462 The Eagan ASC verifies that the amount on the form is correct. If the estimated total deduction entered by the personnel office is incorrect, the PS Form 6886 will be returned to personnel indicating the correction. The employee must be notified, and the correction must be annotated on the form in the OPF. Personnel returns the corrected PS Form 6886 to the Eagan ASC for processing if the employee still wishes to contribute make-up contributions.

594.463 If the employee has insufficient wages to withhold the full amount for the pay period, no contribution is made. These periods do not count against the number of pay periods chosen for make up contributions. When the employee has sufficient wages again, make-up contributions resume and continue until the full amount has been withheld or the employee elects to discontinue them.

594.464 If there is insufficient net pay to make all the TSP contributions, the regular TSP contributions will take precedence over the employee's make-up contributions.

594.465 Employees making up an underdeduction will have make-up contributions allocated in accordance with the TSP-1 election currently in effect. If the employee was erroneously denied participation in TSP, a separate TSP-1 may be completed for each open season that occurred during the period of underdeduction. If the employee fails to make a current election, all make-up contributions are designated to the G fund for the period of underdeduction.

594.466 Once the make-up contributions have begun, the employee may choose to terminate them. However, the decision to terminate is irrevocable. A PS Form 6886 must be prepared showing the employee's decision to terminate the make-up contributions. Personnel then signs and dates the form, and sends it to the Eagan ASC. A copy of the PS Form 6886 terminating the make-up contributions is attached to the PS Form 6886 in the OPF which requested the make-up contributions.

594.467 If an employee transfers to another agency, the new agency must be advised of the error. If the new agency advises that the employee elects to contribute make-up contributions, or to continue make-up contributions that began before the transfer, coordination between the personnel services offices and the Eagan ASC is necessary.

594.468 Earnings attributable to the period of underdeduction (if any) are posted to the employee's account in accordance with TSP lost earnings regulations.

594.5 Erroneous Retirement System

Whenever an action is processed correcting an employee's retirement system from CSRS to FERS or from FERS to CSRS, the employee is permitted to complete a new election form(s) in the same manner as if the erroneous classification had not occurred. If the error spanned more than one election period, the employee may elect to participate, change amounts or distributions, or terminate coverage according to the rules pertaining to the relevant open season. The procedures for underdeductions in 594.4 and overdeductions in 594.3 must be followed. Only the most current election form is entered at the DDE/DR site. A copy of all applicable election forms must be attached to PS Form 6886 or PS Form 2240 when it is sent to the Eagan ASC.

594.6 Back Pay Awards

594.61 General Rule

An employee receiving a back pay award must be made whole with respect to participating in the TSP. The procedures in 594.62 and 594.63 must be followed when processing back pay awards.

594.62 Erroneous Separation

The employee may elect participation or termination of elections in the same manner as though the separation did not occur. The most current election form must be processed at the DDE/DR site to begin or terminate withholdings when the employee is returned to the rolls. When the back pay claim is sent to the Eagan ASC, a copy of the election form(s) must be

included. The Eagan ASC computes the TSP amount and withholds it from the back pay award. The USPS contributions are computed as appropriate.

594.63 Continuous Service

Employees who receive a back pay adjustment and who are not separated from service receive an adjustment for contributions only if they previously elected coverage. The adjustment is processed automatically.

594.7 Claim Procedure

594.71 General Rule

If there is a dispute between the findings of the Postal Service relating to an employee's entitlement to make-up contributions, or the amount refunded as a result of an administrative error was less than the amount previously withheld, the employee may file a claim for correction with the personnel services office.

594.72 Review of Claim

All employee claims must be reviewed to determine whether the claim relates to an error made by the Postal Service or by the Federal Retirement Thrift Investment Board. If the claim relates to Board errors, the claim must be sent within 10 days of receipt to:

THRIFT SAVINGS PLAN SERVICE OFFICE
NATIONAL FINANCE CENTER
PO BOX 61500
NEW ORLEANS LA 70161-1500

The employee must be advised of the referral.

594.73 Postal Service Decision

When the claim relates to the Postal Service, the personnel services office must provide the employee with a decision within 30 days. If the decision is to deny the claim, the denial must be in writing and must contain the following information:

a. The reason for the denial, with references.

b. A description of any additional material or information necessary to approve the claim with an explanation of why it is necessary.

c. Steps to be taken if the employee wishes to appeal the decision.

594.74 Employee Appeal Rights

The employee may appeal the denial, in writing, within 30 days after receipt of the decision, to the appropriate Human Resources manager or designee. Under no circumstances may the designee be the same individual who originally denied the claim.

594.75 Final Decision

The final decision must be made, in writing, within 30 days after receipt of the employee's appeal. There is no administrative appeal of the Postal Service's final decision. Since all administrative remedies have been exhausted, the employee is eligible to file suit in the appropriate federal district court upon receipt of the Postal Service's final decision, or within 30 days of submission of the employee's appeal, if no final decision has been issued.

594.76 Time Limitation

An employee wishing to submit a claim under this section must do so within 1 year of receipt of the Earnings Statement reflecting the error, or 1 year of the close of the first election period following receipt of the Thrift Savings Plan Participant Statement reflecting the error, whichever comes first. The time limit does not apply to Postal Service initiated corrections.

595 Termination of Contributions

595.1 Definition

A termination is an election by an employee who is already contributing to the TSP to stop contributions.

595.2 Submissions

Employees may submit Form TSP-1, *Election Form,* to terminate contributions at any time.

595.3 Effective Date

Elections to terminate contributions are effective no later than the first day of the first pay period beginning after the date the election form is submitted to personnel.

595.4 Subsequent Elections

595.41 Submitted During Open Season

An employee who makes an election during open season to terminate contributions may make an election during the next open season to begin contributing again.

595.42 Submitted Other Than Open Season

An employee who makes an election at any time other than during an open season to terminate contributions may not make an election to contribute to TSP until the second open season following the termination.

595.43 Effective Date for Subsequent Elections

The following table shows the earliest date when contributions may resume following an election to terminate. Elections are always effective no sooner than the first full pay period in the election period. While the chart shows January 1 and July 1, the actual date will be the beginning of the first full pay period in that month. Open seasons are listed separately.

Effective Date of Termination	Resume Contributions
February 1–May 14	January 1
May 15–July 31	January 1
August 1–November 14	July l
November 15–January 31	July 1

596 Loans

596.1 Eligibility

Employees must have at least $1,000 of their own contributions and the earnings associated with those contributions in their TSP account to be eligible to apply for a loan.

596.2 Types of Loans

596.21 Residential Loans

Residential loans are only for the purchase of a primary residence.

596.22 General Purpose Loans

General purpose loans can be used for any purpose.

596.3 Applications

596.31 TSP-20, Thrift Savings Plan Loan Application

This form is provided to any eligible employee who requests it. The employee is responsible for completing the form and submitting it to the TSP Service Office.

596.32 Documentation

Residential loans require documentation as specified on the TSP-21-R, *Residential Loan Documentation,* which is mailed to the employee by the TSP Service Office following acceptance of the TSP-20. There is no loan documentation requirement for general purpose loans.

596.4 Interest

596.41 Rate

The interest rate charged on the loan is the latest available interest rate for the G Fund at the time the application is received. The interest rate will be shown on the Loan Agreement the employee receives from the TSP Service Office.

596.42 Guarantee

The interest rate is guaranteed for 45 days. If the TSP Service Office does not receive the signed Loan Agreement within that time frame, the application is cancelled.

596.43 Duration

Once the Loan Agreement is signed and received by the TSP Service Office within the established time frames the interest rate is fixed for the life of the loan.

596.44 Payment

The interest along with repayments on loan principal paid by an employee is deposited into the employee's TSP account.

596.45 Taxes

Because the interest paid by the employee is paid into the employee's TSP account, the interest is not tax-deductible and is not tax-deferred.

596.5 Restrictions

596.51 Amounts

596.511 Minimum Amount

The minimum an employee can borrow is $1,000. Employees must have at least $1,000 of their own contributions and the earnings associated with those contributions in their TSP account to be eligible to apply for a loan.

596.512 Maximum Amount

The Federal Employees' Retirement System Act (FERSA) of 1986 and Internal Revenue Code (IRC) limit the amount employees can borrow. Employees can never borrow more than $50,000 nor more than the total of their own contributions and the earnings associated with those contributions. The employee contribution and associated earnings balance and previous TSP activity are additional factors that determine maximum funds available for loan purposes (see 596.7).

596.52 Duration

596.521 Minimum Duration

The minimum length of a loan is 1 year.

596.522 Maximum Duration

The maximum length for a general purpose loan is 4 years. The maximum length for a residential loan is 15 years.

596.53 Collateral

The employee is not required to put up any property or other security for a loan.

596.54 Basic Pay Test

When employees apply for a loan, they are required to show that they will have at least 10 percent of their basic pay left each pay period after the loan payment is made. Employees will be required to submit copies of their most recent earnings statements to the TSP Service Office for this purpose.

596.55 Number of Loans

Employees may have two outstanding loans at any time. However, they may have only one residential loan at a time.

596.56 Spousal Rights

FERSA provides certain rights to spouses of TSP participants. Therefore, employees must indicate marital status on the TSP-20. Married CSRS employees must supply the spouse's name and address, as the TSP Service Office must *inform* the present spouse upon receipt of the loan application. Married FERS employees must have spousal *consent* for loans, acknowledged by the spouse's signature on the Loan Agreement supplied by the TSP Service Office. Exceptions to spousal rights provisions are explained in TSP loan material.

596.57 Court Orders

Certain court orders on file at the TSP that award payment from the account to someone other than the employee place a hold on the account and disallow approval of loan applications (see 598.1).

596.6 Loan Repayment

Loans must be repaid in substantially equal installations through automatic payroll deductions. Employees who wish to repay their loans in full must contact the TSP Service Office which will supply them with the full repayment amount. Employees then pay the full amount directly to the TSP Service Office, which will notify the Postal Service to end the automatic deduction. No partial direct payments are permitted.

596.7 Additional Information

The booklet, TSPBK04, *Thrift Savings Loan Program*, contains additional information and should be provided to employees interested in the loan program.

596.8 Verification of Participant's Account

Employees who wish a verification of their TSP account balance for a financial institution should have the financial institution write to:

THRIFT SAVINGS PLAN SERVICE OFFICE
CLIENT LIAISON AND COUNSELING SECTION
NATIONAL FINANCE CENTER
PO BOX 61502
NEW ORLEANS LA 70161-1500

The request must include the participant's name, Social Security number, date of birth, and the participant's signature authorizing the release of the information. The financial institution should enclose a self-addressed, stamped envelope.

597 Withdrawal of Funds

597.1 Eligibility

TSP is a long-term savings program designed to provide retirement income. Funds may be withdrawn upon retirement, separation, or death. In addition, in-service withdrawals may be made under limited circumstances (see 597.3).

597.2 Withdrawals Upon Separation

597.21 Withdrawal Options

Persons who have separated or retired are provided several options for the withdrawal of TSP funds. These options are:

a. *Life annuity* — This is a monthly benefit paid to the separated person (or his or her survivor) for life. (Refer to TSPBK05, *Thrift Savings Plan Annuities.)*

b. *Single payment distribution* — This is a distribution of the entire account balance in one payment.

c. *Monthly payments* — This distribution is made in a series of payments calculated over a fixed number of months or in a fixed dollar amount until depletion of the account balance.

d. Transfer to an Individual Retirement Account (IRA).

597.22 Mandatory Automatic Cashout

Persons separated with vested account balances of $3,500 or less are subject to the TSP automatic cashout procedures. Unless the TSP Service Office is in receipt of a TSP-70, *Withdrawal Request,* advising of the election of a withdrawal option as listed in 597.21 or an election to leave money in the TSP, funds are automatically paid.

597.23 Required Minimum Distribution

Regulations passed under the Thrift Savings Plan Act of 1996 (Public Law 104–208) taking effect in March 1998 regarding TSP withdrawal elections provide as follows:

a. Employees who separate after they reach age 70 1/2 must withdraw their TSP accounts (or begin receiving monthly payments) by April 1 of the year following the year in which they separate.

b. Separated participants must withdraw their TSP accounts (or begin receiving monthly payments) by April 1 of the year following the year in which they reach age 70 1/2.

c. Separated participants who do not make a withdrawal election by the deadline have an annuity purchased for them by the TSP (refer to booklet TSPBK05, *Thrift Savings Plan Annuities).*

597.24 Spousal Rights

597.241 Vested Account Balances of More Than $3,500

FERSA provides certain rights to spouses of TSP participants. Married participants with vested account balances of more than $3,500 must satisfy the spouses' rights requirement before the withdrawal option requested may be processed. A spouse of a FERS participant is entitled to a survivor annuity under a joint life annuity. Employees electing to purchase a different type of annuity, a single payment withdrawal, or a series of monthly payments must include a statement signed by their spouse waiving spousal right to the required annuity. A spouse of a CSRS participant must be *notified* of the elected withdrawal option and any future change to that election. Exception to spousal rights requirements are explained in TSP withdrawal material.

597.242 Vested Account Balances of $3,500 or Less

For withdrawals of vested account balances of $3,500 or less, see 597.22.

597.3 In-Service Withdrawals

597.31 Type of Withdrawal

In-service withdrawals provide employees an opportunity to withdraw funds from their TSP accounts while still employed, including employees in nonpay status. Two types of in-service withdrawals are available:

a. *Age-based withdrawal* — This option allows employees who are 59 1/2 or older a one-time opportunity to withdraw all or a portion of the vested account balances.

b. *Financial hardship withdrawal* — This option allows employees (regardless of age) who demonstrate financial hardship an opportunity to withdraw their own contributions and the earnings on those contributions, up to the amount of the documented hardship.

597.32 Application

TSP-75, *Age-Based In-Service Withdrawal Request,* and TSP-76, *Financial Hardship In-Service Withdrawal Request,* are available from the TSP Service Office, the Web site, or the personnel services offices.

597.33 Restrictions

597.331 Pay Period Contributions

Employees who receive *financial hardship* in-service withdrawals may not make employee contributions to their TSP account for a period of approximately 6 months. This 6-month period is called a noncontribution period. The noncontribution period begins on the first day of the pay period following the 46th day after the date the funds are disbursed. The noncontribution period ends on the first day of the pay period following the 226th day after the funds are disbursed. FERS employees in pay status continue to receive the agency automatic (1 percent) contribution.

597.332 Spousal Rights

FERSA provides certain rights to spouses of TSP participants. Therefore, employees must indicate marital status on the TSP-75 and TSP-76. Married CSRS employees must supply spouse's name and address, as the TSP Service Office must *inform* the present spouse upon receipt of the in-service withdrawal request application. Married FERS employees must have spousal *consent* for in-service withdrawals, acknowledged by the spouse's signature on the in-service withdrawal request application. Exceptions to spousal rights provisions are explained in TSP withdrawal material.

597.333 Court Orders

Certain court orders on file at the TSP that award payment from the account to someone other than the employee place a hold on the account and disallow approval of in-service withdrawals (see 598.1).

597.4 Death

597.41 Prior to Separating

If an employee dies while still employed, the balance in the TSP account is distributed in accordance with Form TSP-3, *Designation of Beneficiary.* If no designation of beneficiary is on file, the account is distributed in accordance with the order of precedence required by law:

a. To the surviving spouse.

b. If none, to the child or children and descendants of deceased children.

c. If none, to any surviving parents.

d. If none, to the duly appointed executor or administrator of the estate.

e. If none, to the next of kin who is entitled under the laws of the state in which the employee is living at the time of death.

597.42 After Separation

Any remaining balance is paid in the same manner as in 597.41 unless an annuity was purchased, in which case benefits are provided according to the annuity contract.

597.5 Spousal Rights

Federal law grants certain rights to spouses and former spouses regarding TSP funds. The TSP must take these rights into consideration when participants apply to withdraw funds after separation or while actively employed, or apply to borrow funds under the TSP loan program (see 596.56, 597.24, and 597.332).

597.6 Withdrawal Packages

597.61 Personnel Services Office Responsibilities

597.611 Separations and Retirements

All TSP participating employees who separate or retire must receive a TSP Withdrawal Package at the time of separation. TSP participating employees are all employees who have a TSP account, including FERS employees who are not contributing and only receiving agency automatic (1 percent) contributions and employees who are not currently contributing but who have established an account in the past.

597.612 Deaths

Representatives (family members or other interested individuals) of deceased participating employees, including those in a nonpay status, who request to file death claim applications must be provided a TSP Withdrawal Package. Deceased employees are considered automatically vested in any agency automatic (1 percent) contributions and earnings associated with those contributions (see 597.611 for a definition of participating employees).

597.62 Contents

The following materials must be included in all TSP Withdrawal Packages:

a. TSPBK02, *Withdrawing Your TSP Account.*

b. TSP70, *Withdrawal Request,* with TSP-70-T, *Transfer Information,* attached.

c. TSP-3, *Designation of Beneficiary.*

d. TSP-9, *Change of Address for Separated Participants.*

e. TSP-16, *Exception to Spousal Requirements.*

f. TSP-17, *Application for Account Balance of Deceased Participant.*

g. Important Tax Information About Payments From Your Thrift Savings Plan Account.

597.7 Additional Information

The booklets TSPBK02, *Withdrawing Your TSP Account Balance,* and TSPBK12, *TSP In-Service Withdrawals,* contain additional information concerning participant's options.

597.8 Return to Federal Service

If an individual reenters government service after separating or retiring with a vested balance, the following applies:

a. *Forfeited Balance.* Any amount that was forfeited as a result of the previous separation remains forfeited.

b. *Civilian Service.* Prior periods of civilian service that are still creditable are added to the current period to determine vesting.

c. *Withdrawing Fund in Equal Installments.* If the individual is receiving equal installments from TSP, the installment will stop upon reemployment.

d. *Receiving an Annuity.* If the individual is receiving an annuity, it will continue upon reemployment.

598 Court Orders

598.1 Types

The Federal Retirement Thrift Investment Board honors orders for the enforcement of outstanding child support or alimony obligations under regulations issued at 5 CFR Part 1653. The Board also honors the following retirement benefits court orders that are issued in connection with a divorce, annulment, or legal separation and that meet the requirements of the Board's regulations:

a. Preliminary court orders issued prior to final decrees, for the purpose of freezing a participant's TSP account.

b. Final court orders.

c. Amendatory court orders issued subsequent to a decree for the purpose of amending the decree with respect to the TSP.

598.2 Requirements

A qualifying Retirement Benefits Court Order must meet the following criteria to be honored by the Board:

a. The order must *expressly relate* to the TSP account.

b. The amount of entitlement in the order must be *clearly determinable.*

c. The order must require payment to a person other than the TSP participant.

598.3 Notification

The Board notifies participants of any court orders received against their accounts and advises that the account has been frozen to prevent withdrawal of funds and loan opportunities. The Board also informs participants of its decision regarding such court orders and, if applicable, gives them information about how to appeal.

598.4 Effect on Withdrawal Options

A participant's choice of a withdrawal option cannot conflict with the provisions of a valid court order. If there is a court order on file with the Board and the participant selects an option that cannot be processed because of the court order, the participant is notified and asked to make another choice.

598.5 Effect on Loans

A qualifying court order may restrict the employee's ability to receive a loan. The TSP reviews each court order individually to determine its effect.

598.6 Address

Qualified court orders must be submitted to:

THRIFT SAVINGS PLAN SERVICE OFFICE
NATIONAL FINANCE CENTER
PO BOX 61500
NEW ORLEANS LA 70161-1500

598.7 Additional Information

The booklet TSPBK11, *Information About Court Orders,* contains additional information concerning handling of court orders. This booklet is available at personnel services offices or on the Web site.

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6 Employee Relations

610 Employee Services

611 Scope

Service programs help employees understand their jobs better and eliminate many distractions caused by personal job-related problems. Employees are encouraged to ask supervisors or officials for advice or assistance on important matters even if unrelated to business. The vice president of Employee Resource Management must approve employee services not listed in this subchapter.

612 Information Media

612.1 Responsibility

Supervisors inform their employees on all official matters affecting them through printed material or bulletin boards.

612.2 Methods

612.21 Official Directives

Major subject manuals are the basic source documents outlining Postal Service operational policies. Postal Bulletins, management instructions, handbooks, memorandums of policy, etc., instruct, explain, or detail the implementation of a specific policy or regulation.

612.22 Unofficial Communications

Newsletters, memos, etc., are communications used for information only.

612.23 Bulletin Boards

612.231 Utility and Convenience

Bulletin boards serve as a means of providing to employees information of interest, such as that required by law or regulation, official management information, and items of general interest. Bulletin boards are to be placed in sufficient numbers and in locations convenient to employees — at or near employee entrances, lunchrooms, locker rooms, or elsewhere in the work area. It is useful to separate board space into broad categories for different types of material, such as:

a. *Required by Law or Regulation.* Required material that tends to be permanent includes notices about:

(1) Local fire emergency plan.

(2) Occupational Safety and Health Act — OSHA Poster 2203 must be prominently posted at each work location.

(3) Office of Workers' Compensation Programs (OWCP).

(4) Unemployment Compensation Protection for Federal Employees.

(5) Equal Employment Opportunity (EEO).

b. *Official Management Use.* Items that should be dated and removed when outdated include notices about:

(1) Job opportunities.

(2) Benefit plans.

(3) Events affecting working conditions.

(4) Changes in work schedules.

(5) Changes in wage rates.

c. *General Interest.* General interest material includes notices about:

(1) Lost and found items.

(2) Social and recreational events.

(3) Blood donor programs.

(4) Food price changes.

(5) Public transportation schedules.

(6) Meetings.

(7) Combined Federal Campaign.

(8) Parking regulations.

(9) Housing.

612.232 Suitability

Only suitable material should be posted on bulletin boards. It is the responsibility of the installation head to ensure the appropriate use of bulletin boards. In addition to providing bulletin board space for management use, the installation head must provide bulletin board space for union use consistent with the terms of the applicable collective bargaining agreement.

612.24 Employee Lockers

612.241 Issuance

Issue personnel PS Form 4943, *Locker Record,* to assign employee lockers. Employees are required to sign the form to acknowledge that use of the locker by other persons or exchanging lockers without authority of the issuing office is prohibited. Upon separation or transfer, employees must return their locker key to the appropriate facility official.

612.242 Maintenance and Inspection

Employee lockers are for official use only and must be kept clean and presentable. The use of personal locks is not permitted. Employee lockers are subject to inspection by authorized personnel. Provisions governing locker inspections are provided in applicable collective bargaining agreements.

613 Credit Unions

613.1 Authority

Employee credit unions in the Postal Service, as in all federal departments or agencies, are chartered according to the Federal Credit Union Act (12 U.S.C. 1753–1754). That Act gives the power to direct and control the Federal Employees Credit Union Program to the National Credit Union Administration, an independent agency in the executive branch of the government. Credit unions may also be chartered under state laws and are generally supervised by the banking department of the state involved. The address of the National Credit Union Administration follows:

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET
ALEXANDRIA VA 22314-3428

613.2 Space Allowance

The Postal Service will authorize, if available, a suitable location (other than workroom floor space) for credit unions in postal buildings. If the area is accessible through the workroom only, membership in the credit union is restricted to Postal Service employees (active and retired). Other federal employees in the same building may not join unless the credit union is situated so that it is unnecessary to enter the postal workroom. Credit union business cannot be conducted from any post office service window.

613.3 Employees With Credit Union Duties

Postal personnel who are employees, officers, officials, or board members of employee credit unions are not entitled to Postal Service compensation for credit union duties. They have the option of annual leave or leave without pay (up to 8 hours daily) to perform credit union activities — provided they can be spared from their regular duties.

614 Food Services

614.1 Policy

The Postal Service provides food services, including provision of snacks and beverages, that cannot be conveniently obtained at reasonable prices from commercial sources and that are required for the health, comfort, or efficiency of postal employees while on duty. The Randolph-Sheppard Act, as amended in 1974, dealing with the operation of vending facilities by a blind vendor, applies to the Postal Service.

614.2 Operation

614.21 Responsibility

Food service facilities in central lunchrooms and in satellite work areas — manual, vended, or a combination — are under the control of the installation head. This responsibility may not be delegated to any employee committee.

614.22 Management

Employees should expend only minimal time and effort in food management. Therefore, these operations are contracted out to professional in-plant food management firms and concessionaires, including qualified food service operations established by state licensing agencies for the blind.

614.3 Types

As conditions warrant, an installation may have three distinct types of food service operations. Subject to the provisions of the Randolph-Sheppard Act, as amended in 1974, priority consideration is given to the state agency for the blind for the operation of any of the following food services:

a. *Central Lunchroom or Cafeteria.* An employee lunch room or cafeteria, either manual or vended, may be established to provide necessary food service to an installation's employees. Cafeterias are contracted for on a break-even basis to provide wholesome food at the lowest practical cost.

b. *Vending in Work Areas.* Vending machines with snacks, beverages, tobacco products, etc., may be installed at or near employee workstations.

c. *Blind Vending Facility.* Food service and vending stands are established in postal facilities through arrangements with state licensing agencies for the blind. Every effort is made to cooperate with state licensing agencies to implement this program. As opportunities arise, postal officials notify state agencies of additional vending facilities to be operated by the blind under the Randolph-Sheppard Act.

614.4 Funds

A fee of 1 1/2 percent of net sales is paid to the Postal Service by all vendors operating under contract. This "operating fee" offsets utilities costs to the Postal Service. No operating fees or commissions are charged to blind vendors operating under permit.

Disposition of funds depends on the source:

a. *From Central Lunchroom or Cafeteria.* The Postal Service must neither profit from nor subsidize the operation of a central lunchroom or cafeteria. Contractors operating these services do not pay a commission to the Postal Service. After 1 1/2 percent of net sales (operating fee) is deducted for reimbursement of utilities, any funds generated from operating a central lunchroom or cafeteria are redistributed to lunchroom patrons through reduced food costs for items sold or vended. These funds are not turned over to the employee social and recreational committee.

b. *From Work Area Vending.* After 1 1/2 percent of net sales is deducted for reimbursement of utilities (operating fee), commissions and/or other income from vending machines in employee work areas is first shared with the state agency for the blind in accordance with the Randolph-Sheppard Act (see Handbook EL-602*, Food Service*

Operations). The remaining income is assigned to programs devised by the employee social and recreational committee.

615 Social Recreational Program

615.1 Policy

Management encourages employee social and recreational programs. These programs help ensure the mental and physical well-being of personnel and assist in recruiting and retaining employees.

615.2 Discrimination

It is the policy of the Postal Service to provide equal employment opportunity for everyone, without regard to race, color, religion, sex, age (40 and above), national origin, or physical or mental handicap. This policy applies to all employment matters, including but not limited to, recruitment, hiring, assignments, promotions, transfers, benefits, and discipline. Such discrimination is thus prohibited in employee social and recreational programs.

615.3 Committees

615.31 Membership

The installation head organizes and chairs the committee. To ensure that all employees are fairly represented, the balance of the committee includes a representative from each craft designated by the unions representing those crafts, and a member from supervision designated by the organization representing the supervisory employees.

615.32 Requirements

615.321 Income From Vending Operations

An employee social and recreational committee must be established in each installation where employees receive income from vending machines or other enterprises. This committee may not have management responsibilities for such vending operations.

615.322 Meetings and Duties

Members of the employee social and recreational committee must be permitted by their supervisor to attend committee meetings called by the chairperson. They must also be permitted to perform duties relating to functions of the committee while on the clock, subject at all times to the needs of the Postal Service.

615.33 Responsibilities

The employee social and recreational committee represents all employees in the installation. It is responsible for administering social and recreational funds and administering programs for the benefit of all employees in the installation. The committee is specifically responsible for:

a. Receiving, safeguarding, disbursing, and accounting for employee social and recreational funds.

b. Developing and publicizing well-rounded social and recreational programs that contribute to the benefit of all employees. No single individual, group, or organization may be permitted to:

(1) Attach its name as a sponsor of an activity or event financed and sponsored by the social and recreational fund.

(2) Use such events in any way for the furtherance of its organizational objectives.

c. Expending employee social and recreational funds for the social and recreational activities of all employees. No monies may accrue to the benefit of a single group, organization, or individual.

d. Publishing annually the financial status of the employee social and recreational fund for the information of all employees.

e. Advising the food service officer about the manner in which the vending operation in work areas is meeting employee needs and about pricing policies that should be established on vended items.

615.34 Constitution

Employee social and recreational committees must operate within the framework of a constitution prepared by the committee and approved by the installation head (see Exhibit 615.34). The committee may modify the sample format to meet local conditions; however, the constitution must require that:

a. The committee operations comply with applicable Postal Service rules and regulations.

b. The expenditure of funds of the social and recreational committee are by a three-fourths vote.

c. The accounting and auditing of all funds are as prescribed in these instructions.

615.35 Bylaws

Employee social and recreational committees must operate under bylaws prepared by the committee and approved by the installation head. (See Exhibit 615.35 for a sample of bylaws.)

Exhibit 615.34
Sample Constitution

Constitution

Article I — Name: Post Office Employee Social and Recreational Committee.

Article II — Purpose: This committee is organized (1) to provide social and recreational activities for the benefit of all postal employees, and (2) to receive such funds as may accrue to the committee and use them advantageously for the purpose and objectives as set forth above. No profits shall accrue to the benefit of any single group, organization, or individual.

Article III — Membership: The installation head shall be chairman of the committee. There shall be a representative of the committee for each craft or occupational group of employees and supervisors. Appointments to the committee shall be in the manner prescribed in Postal Service regulations. With the approval of the committee and the installation head, committee members may be compensated for the service they perform, as such members, outside their normal duty hours.

Article IV — Time and Place: The employee social and recreational committee shall meet regularly, but in any event, no less than once each 6 months. Special meetings may be scheduled by the committee (1) at a regular meeting, (2) when called by the installation head, or (3) when three-fourths of the members petition the chairman, in writing, for such a meeting. A proposed agenda must be submitted with the request. The chairman will set the date of the meeting not later than (number) days after receipt of the request. Members shall be notified of the time, place, and date of the meeting at least (number) days before the meeting. The committee shall meet on official time.

Article V — Officers: The officers of this committee shall be chairman (installation head), secretary, and treasurer. The secretary and the treasurer shall be elected at the first meeting. Their terms shall be for 1 year, and election shall be by a majority of the committee. All vacancies in the office of secretary or treasurer occurring before completion of term of office shall be filled from the committee through an election by the committee and shall run until the end of the predecessor's term.

Article VI — General Duties: The committee shall function in all respects as a normal committee with a majority controlling within the limitations prescribed by this constitution and bylaws. It shall be the duty and obligation of appointed members to accept, and carry out to the best of their ability, any and all duties assigned to them.

Article VII — Motions: Any motion involving expenditure of the committee's funds shall be carried by three-fourths vote. All other motions may be carried by a majority vote. A secret vote may be called by any member of the committee, on any motion, and may not be denied. On oral motions, names of dissenting members of the committee shall not be noted in the minutes unless the dissenters so request. The chairman, or his or her designee, shall vote. This provision does not restrict the authority of the installation head in his or her capacity as installation head.

Article VIII — Subcommittees: The committee may form subcommittees when needed. All subcommittee reports must be considered and approved by the committee before final action can be taken.

Article IX — Amendments: Amendments of this constitution may be proposed in writing by the chairman or by three members of the committee. No action may be taken on proposed amendments until the meeting following the one at which the proposed amendment has been read. A three-fourths vote of the committee is required to amend this constitution. No part of the constitution or its bylaws may conflict with Postal Service regulations. THE FOREGOING CONSTITUTION WAS PRESENTED TO A FULL COMMITTEE ON [__*date*__] AND WAS ADOPTED ON THAT DAY.

Signature _____ Signature _____

Signature _____ Signature _____

Signature _____ Signature _____

Signature _____ Signature _____

Date _____ Postmaster _____

Exhibit 615.35
Sample Bylaws

Bylaws

1. **Order of Business:** Order of business and conduct of meetings must be in accordance with Roberts' Rules of Order:
   a. Roll call.
   b. Reading of minutes of previous meeting.
   c. Treasurer's report.
   d. Reports of officers.
   e. Election of officers (when required).
   f. Reports of committees or subcommittees.
   g. Reading of communications.
   h. Unfinished business.
   i. New business.
   j. Adjournment.
2. **Attendance:** Normally attendance at all regular meetings is limited to designated representatives and alternates. Visitors and observers must be approved in advance. It is the duty of all appointed members to attempt to attend all meetings. Members are obligated to notify their alternate representatives that they are unable to attend a meeting so that the alternate may attend. At the first meeting of the new committee, there shall be present also any superseded officers of the previous committee for the purpose of effecting an orderly transition from the old committee to the new one.
3. **Quorum:** Three-fourths of the full committee is required as a quorum for the transaction of business. All expenditures for employee social and recreational activities require a three-fourths vote of the full committee.
4. **Chairperson:** The installation head is the chairperson who either presides at all meetings or designates an official staff member to attend in his or her absence. The chairperson has the powers and duties usually incident to such an office: signing all checks, bank drafts, authorizations, and vouchers of the treasurer as may be ordered by the committee; voting; and having the power to call special meetings whenever it is deemed necessary.
5. **Secretary:** The secretary attends all meetings of the committee, takes minutes of the proceedings, transcribes them in a permanent record, and furnishes a copy of these minutes to each member within (number) days after the meeting. The secretary keeps a record of all recreational and social activities and such other records as may definitely establish and maintain a history of its activities; makes public all appointments to the committee and names of elected officers; and prepares an annual report for the benefit of all postal employees. It shall further be the secretary's obligation to send out such correspondence deemed necessary by the committee. In the treasurer's absence, the secretary must countersign checks and bank drafts with the chairperson.
6. **Treasurer:** The treasurer receives receipts and pays all bills incurred by the committee and makes the necessary deposits by the (date) day of each and every month in such depositories as designated by this committee. The treasurer also keeps a permanent record of all bills and deposits; prepares a written report of the financial condition of the committee, showing the receipts and disbursements, at each meeting of the committee; countersigns, with the chairperson, all checks and bank drafts; and furnishes all financial reports, as required by postal regulations.
7. **Expenditures:** All checks and/or bank drafts must be signed by the chairperson and countersigned by the treasurer or the secretary.
8. **Profits:** Normally, not more than 10% of all profits received during a year may be carried over to the next year.
9. **Compliance with Postal Service Regulations:** The committee must operate under its constitution and these bylaws and in accordance with the law and Postal Service regulations and instructions.
10. **Amendment:** Amendment to these bylaws may be made in the same manner as set forth in the constitution.
11. **Suspension:** These bylaws may be suspended only by unanimous consent of this committee.

615.4 Employee Social and Recreational Fund

615.41 Purpose

The fund provides a financial basis for the support of well-rounded social and recreational programs that benefit all employees of the installation.

615.42 Source of Funds

Funds may be derived from the following sources:

a. Sale of nonalcoholic beverages, candy, cigarettes, and other consumable products by vending machines located in work areas under the following conditions:

(1) Employee committees may not operate vending facilities. (See Handbook EL-602, *Food Service Operations,* for exception.)

(2) The Postal Service contracts for vending services except for those operated under permit by the blind.

(3) Vending commissions are paid directly to the Postal Service except for income provided by the Postal Service to a state licensing agency for blind vendors under the Randolph-Sheppard Act.

b. Interest on savings accounts and other investments in U.S. Savings Bonds or other securities.

c. Proceeds from the sale to employees of tickets to dinners, picnics, parties, recreational activities, and discount merchandise and travel.

615.43 Funds Excluded

Monies received from the following operations are not employee social and recreational funds and are not to be included in the records or reports:

a. Stands or vending machines operated by blind persons under permit.

b. Funds from the operation of a cafeteria or lunchroom, including income from vending machines located in the operating areas of these eating facilities.

c. Coffee shared by a group of employees on a nonprofit basis.

d. Honor systems where the money received covers only the cost of the items available.

e. Voluntary contributions such as those incident to the death or illness of fellow workers.

f. Donations of gifts from any source. These are in violation of the Code of Ethical Conduct (see 660) and may not be accepted under any circumstances.

g. Proceeds from recycling projects.

615.44 Prohibited Activities

The sponsorship of insurance programs, relief or assistance funds, hardship loans, etc., are prohibited as a social and recreational program activity. Solicitations to supplement amounts contributed, or made available from the employee social and recreational fund, may not be conducted on on-the-clock time, nor may any amounts collected be included in committee fund records and reports.

615.45 Safekeeping of Funds

615.451 Records

One committee member should maintain the records and another committee member handle the funds when the amount of money involved warrants such division of duties.

615.452 Single Fund

The employee social and recreational committee is responsible for the proper safeguarding of employee social and recreational funds. All funds received throughout a postal installation must be turned over to the employee designated to handle such funds. Only one fund may be maintained for each postal installation. Separate funds may not be maintained by stations or branches.

615.453 Balance Under $100

When the average balance of a fund is less than $100, the employee social and recreational committee decides whether to maintain a bank or credit union account. Funds not deposited in a bank or other savings institution must be given the best protection available so that unauthorized persons do not have access to them. Normally, a safe should be used.

615.454 Balance Over $100

When the average balance of a fund is $100 or more, all funds, except those retained as petty cash, must be deposited in a bank or credit union. Deposits should be made as frequently as necessary consistent with the type and amount of funds received.

615.46 Requirements for Banking and Investment of Funds

615.461 One Checking Account

No more than one checking account should be maintained without the approval of the district Finance manager. Checking accounts must be carried in commercial banks insured by the Federal Deposit Insurance Corporation unless no such insured bank is available locally. The balance in a checking account (including normal float of outstanding checks) should ordinarily not exceed by any substantial amount the balance required to avoid service charges or the balance required to meet 30 days' cash expenditures, whichever is larger.

615.462 Reserve Funds

Current funds not required in the checking accounts and all reserve funds must be:

a. Carried in interest-bearing accounts in federal credit unions or in federally insured banks or savings institutions, if available locally. The balance in any individual bank or institution may not exceed $100,000.

b. Invested in federal government securities registered in the name of the organization and held in a safe deposit box or other secure depository.

615.463 No Long-term Accumulation

Social and recreational funds must be disbursed for the benefit of all employees and should not accumulate over the years.

615.47 Expenditures of Funds

615.471 General Benefit

Employee social and recreational funds are for providing recreational and social activities for the benefit of all postal employees. Expenditures should not be made that will benefit only a single group, organization, or individual.

615.472 Appropriate Expenditures

There are many types of expenditures that may properly be made that will be for the benefit of all the employees. Questions relating to the appropriateness of intended expenditures should be referred to the district manager. Contributions to the following types of projects would be appropriate expenditures for the employee social and recreational committee:

a. Gift to an employee or wife of an employee for a new baby, provided the same criteria are used for all employees.

b. Retirement gift for an employee, provided the same criteria are used for all employees.

c. Expression of sympathy for a death in the immediate family, provided the same criteria are used for all employees.

d. An annual party, picnic, or other outing for all employees.

e. Seasonal and holiday nonsectarian decorations.

f. Sports programs.

g. Recreational activities available for all employees.

h. Scholarships for children of postal employees, provided the same criteria are used for all employees' children.

i. Microwave ovens, refrigerators, games and recreational equipment for the swing room.

615.473 Inappropriate Expenditures

Contributions to the following types of projects would not be appropriate expenditures and should not be made by the employee social and recreational committee:

a. Public charities.

b. Travel and/or expenses of employee organization official to attend meetings.

c. Political campaigns.

d. Projects that alter or affect working conditions at postal installations.

615.5 Records and Files

615.51 Ledger

A designated member of the committee at each postal installation maintains in a bound ledger a record of all monies received by or disbursed from the fund. (See Exhibit 615.5 for instructions for setting up and maintaining a ledger.)

615.52 Checkbook

Pre-numbered checks should be used for disbursements of $10 or more. Smaller disbursements may be made from petty cash. The member of the

employee social and recreational committee authorized to sign checks should not be the same person who receives and deposits funds. (See Exhibit 615.5 for instructions.)

615.53 Record of Assets

A permanent record of all accountable property owned by the employee social and recreational committee should be maintained. Such property includes assets purchased outright, under lease, and on an installment plan, and assets donated. (See Exhibit 615.5 for instructions.)

615.54 Supplies Inventory

All supplies on hand should be inventoried by physical count at the end of each fiscal year, or more often if desired. The chairperson of the committee must sign the statement. Records of inventories should be retained for 2 years from date of inventory. (See Exhibit 615.5 for instructions.)

615.55 Unpaid Obligations

All unpaid bills should be listed at the end of each fiscal year, or more often if desired. All unpaid obligations except those listed in the record of assets should be included. The chairperson of the committee should sign the list. The list should be retained for 2 years. (See Exhibit 615.5 for instructions.)

615.56 Files

The employee social and recreational committee at each postal installation must maintain chronological files of any of the following documents or other similar documents pertaining to the operation of the fund:

a. Paid invoices showing date paid (with any delivery tickets attached to the related invoice).

b. Bank statements and related paid checks.

c. Statements from outside vending machine owners covering commissions received by fund or other items.

d. Supplies inventory and list of unpaid obligations.

e. Financial statements, audit reports, and comments by the district Finance manager.

f. Constitution and bylaws, agreements, or regulations covering operations, and minutes of committee meetings.

Exhibit 615.5

Instructions for Keeping Records and Files for the Employee Social and Recreational Committee

Keeping Records and Files for the Employee Social and Recreational Committee	
Handling the Funds — *Appointed Funds Handler*	

Safekeeping	■ Keep all monies received in one fund.
	Separate funds may not be maintained by stations or branches of one installation.
	If the average balance of a fund is…
	■ less than $100, then
	  ■ decide whether to keep funds in a safe place (such as a safe) or to maintain a bank or credit union account.
	■ $100 or more, then
	  ■ keep all funds except petty cash in a single bank or credit union account.
	  ■ make deposits as frequently as necessary, consistent with type and amount of funds received.
	  ■ keep excess funds in an interest-bearing account in a federal credit union or federally insured bank or savings institution.

Checks	■ Use pre-numbered checks for all disbursements over $10 (which can be paid from petty cash). ■ Complete each stub in ink as the check is issued. ■ Periodically reconcile the check stub balance with the bank statement. *The committee member authorized to sign checks should not be the same person who receives and deposits funds.*
Keeping a Ledger — *Appointed Committee Member*	
Permanent Record	■ Use a bound ledger to keep records of receipts and disbursements. ■ Use permanent ink to make all entries.
Columns	■ Put the following headings (at a minimum) at the head of the columns on each page: **Date Explanation Receipts Disbursements Balance** *When the number and type of disbursements, make it practicable to record each of the different types of separate columns, then use additional columns, including one headed Total Disbursements.*
Entries	■ Insert the words “balance forwarded” as the first entry on each page. ■ Record each different transaction on a separate line of the ledger. ■ Fill in each page of the ledger completely, except when the end of a reporting period or an audit requires the balance to be recorded before a page is filled. *Do not make an entry when funds are deposited in the bank or credit union because such amounts should have been recorded as a receipt at the time they were received.*
Balances	■ Record column balances by drawing a single line under the last daily transaction on a page and entering beneath this line the total of each individual column amount. ■ Subtract the total of the disbursements from the total of the beginning balance and receipts to determine the balance to be carried forward to the next page. ■ Insert the balance you have found as the “balance forwarded” on the first line of the Balance column on the following page. *The balance must always represent the amount of cash on hand in the bank or credit union.*

Errors	If you…
	■ make an error before the balance is forwarded to the new page, then
	  ■ draw a single line through the incorrect entry.
	  ■ insert the correct entry immediately above.
	  ■ initial the correction
	■ discover an error on a page for which the balance has already been forwarded, then
	  ■ record the correction on the next blank line in the column that will bring the ledger into agreement with cash on hand.
	  ■ reference the page number and the line being corrected.

Keeping Records and Files for the Employee Social and Recreational Committee	
Keeping Records — *Appointed Committee Member*	
Property Assets	■ Maintain a permanent record of all accountable property purchased outright, under lease, or on an installment plan or donated. ■ For each item show name, serial number, location, date received, purchase price, amount of periodic payments, and amount still unpaid.
Supplies	■ Inventory all supplies by physical count at the end of the fiscal year, or more often if desired. ■ List each item under a heading for the building where located on the date of inventory. ■ Show item description, quantity, unit cost (taken from amount on most recent bill), and total cost. ■ Get signature from chairperson of committee. ■ Keep record for 2 years.
Unpaid Obligations	■ List all unpaid bills at the end of the fiscal year, or more often if desired. ■ Include all unpaid obligations except those listed in connection with assets in that record. ■ Show the date of the bill, name of vendor, description of purchase, amount due, and date due. ■ Get signature from chairperson of committee.

Files	■ Maintain chronological files of any of the following or similar documents pertaining to the operation of the fund:
	  ■ Paid invoices, showing date paid, with any delivery tickets attached.
	  ■ Bank statements and related paid checks.
	  ■ Statements from outside vending machine owners covering commissions received by fund or other items.
	  ■ Supplies' inventory and list of unpaid obligations.
	  ■ Financial statements, audit reports, and comments by the district Finance manager.
	  ■ Constitution and bylaws, agreements or regulations covering operations, and minutes of committee meetings.

Sample Ledger Sheet

Date	Account Title (Explanation of Expenditure)	Receipts	Disbursements	Balance

615.6 Reports

615.61 Frequency

All employee social and recreational committees must prepare statements each fiscal year, or more frequently if desired, to show the financial condition of the fund. The committee must complete original forms by typewriter or in ink, using carbon for copies. The committee also must maintain files of all original reports for 2 years from the date prepared.

615.62 Report Format

A statement of receipts and disbursements must be prepared on PS Form 3241, *Statement of Receipts and Disbursements (Employee Social and Recreational Funds),* Exhibit 615.62. This statement must be signed by the chairperson and treasurer of the social and recreational committee. One copy of the prepared form is retained in committee files, copies are posted on employee bulletin boards, and the original and one copy are sent to the installation head. The installation head must forward one copy of the form to the district Finance manager with the audit report prepared as described in 615.7. Headquarters field units must forward one copy to the vice president and controller of Finance.

Exhibit 615.62

PS Form 3241, Statement of Receipts and Disbursements (Employee Social and Recreational Funds)

UNITED STATES POSTAL SERVICE®

Statement of Receipts and Disbursements

(Employee Social and Recreational Funds)

Post Office and ZIP + 4	For FY Ended	Read Instructions on Reverse

		Description	Vending Operation	Other Enterprises	Total
	1.	Beginning Cash Balance *(Must agree with ending cash balance, prior year)*			
Receipts	2.	From Vending Commissions			
Receipts	3.	From Interest or Dividends			
Receipts	4.	Other *(Itemize and describe on reverse)*			
Receipts	5.	Total Receipts *(2 + 3 + 4)*			
	6.	Total Beginning Cash Balance and Receipts *(1 + 5)*			
Disbursements	7.	Vending Expenses *(Itemize and describe on reverse)*			
Disbursements	8.	Total Vending Expenses			
Disbursements	9.	Profit From Vending Operation			
Disbursements / Employee Benefits	10.	Births, Deaths, Wedding Gifts			
Disbursements / Employee Benefits	11.	Retirements or Separations			
Disbursements / Employee Benefits	12.	Picnics or Dinners			
Disbursements / Employee Benefits	13.	Athletics			
Disbursements / Employee Benefits	14.	Newspaper and Magazine Subscriptions			
Disbursements / Employee Benefits	15.	Bank Service Charges and Employee Bonding Costs			
Disbursements / Employee Benefits	16.	Other *(Itemize and describe on reverse)*			
Disbursements / Employee Benefits	17.	Total Employee Benefits			
Disbursements	18.	Total Disbursements			
	19.	Ending Cash Balance			
Ending Cash Analysis	20.	Cash on Hand			
Ending Cash Analysis	21.	Cash in Checking Accounts			
Ending Cash Analysis	22.	Cash in Savings Accounts or Investments			
	23.	Total Cash *(Must agree with line 19)*			
	24.	Total Unpaid Obligations *(Bills received by committee not yet paid)*			
	25.	Total Unobligated Funds *(19 or 23 - 24)*			

Signature of Chairman	Date Signed	Signature of Treasurer	Date Signed

PS Form **3241**, February 1999 *(Page 1 of 2)*

Exhibit 615.62 (p. 2)

PS Form 3241, Statement of Receipts and Disbursements (Employee Social and Recreational Funds)

Other Receipts

Description	Amount
Total *(Post in item 4)* ▶	

Other Vending Expenses

Description	Amount
Total *(Post in item 7)* ▶	

Other Employee Benefits

Description	Amount
Total *(Post in item 16)* ▶	

Instructions

General

All copies must be signed and dated by the chairman and the treasurer of the Employee Committees.

Distribute as follows:

Original -- Retained by committee;
Copy 1 -- To District Manager of Finance with Audit Report; at Headquarters to Vice President, Controller;
Copy 2 -- To installation head, with audit report; and
Post a copy on the employee bulletin board.

If additional space is required, attach separate sheet and reference by item no.

Specific

1 Enter ending cash balance from last report.
2 Enter in the first column only income from sales or commissions from vending machines.
3 Enter income from interest or dividends in column headed "Other Enterprises."
4 Enter income from other enterprises in the second column.
5-6 Self-explanatory.
7 Show operating expenses ONLY. Enter in the first column expense for items essential to the vending operation in the sale of beverages, food, or commodities.
8-9 Self-explanatory.
10-16 Enter disbursements for employee benefits by category.
17-19 Self-explanatory.
20-22 Enter cash items by category. Line 23 should agree with Line 19. If the amount in Line 23 and the amount in Line 19 do not agree, attach an explanation.
23-25 Self-explanatory.

PS Form **3241**, February 1999 *(Page 2 of 2)*

615.7 Audits

615.71 Frequency

An annual audit must be made of employee social and recreational committee funds. More frequent audits may be made as circumstances dictate.

615.72 Recommendation for Audit

615.721 Installation Head

The head of each installation is required to recommend an independent audit as prescribed in 615.74 when the size and complexity of an operation justifies such action.

615.722 District Finance Manager

The district Finance manager reviews such recommendations and advises installation heads whether an independent audit should be made and may also require that an audit be made irrespective of any recommendations.

615.73 Internal Audit

When an independent audit is not made, the installation head appoints at least three employees as an audit committee. Normally, the audit committee should be made up of postal system auditors or accounting personnel. This committee may not include any employees responsible for receiving, disbursing, or having custody of funds connected with the vending operations. When three employees are not available, the installation head may make the examination.

615.74 Independent Audit

When the district Finance manager determines that an independent audit is advisable, this audit must be made in accordance with generally accepted auditing standards by independent certified public accountants, or independent licensed public accountants, certified licensed by a regulatory authority of a state or other political subdivision of the United States. If the installation head has a question as to whether public accountants in the area are certified or licensed by a regulatory authority, he or she must write to the district Finance manager. If public accountants are not licensed or certified, independent audits must be made by certified public accountants.

615.75 Audit Requirements

At a minimum, the audit committee's review must:

a. Determine that the employee social and recreational committee fund is being operated in accordance with prescribed instructions and bylaws.

b. Review the immediately preceding audit report for any improper practices previously noted.

c. Verify that the records are maintained properly and reflect cash on hand and in the bank. (This verification should be made on an unannounced or surprise basis.)

d. Determine that proper percentages for vending machine receipts are being paid and recorded.

e. Review all receipts from sources other than vending machines and interest or dividends.

f. Review all disbursements for their propriety.

615.76 Audit Report

615.761 Content

As a minimum, the audit report must include:

a. A brief statement of the work performed by the auditor or audit committee.

b. Copies of statement of receipts and disbursements as described in 615.62.

c. An opinion as to whether the employee social and recreational committee fund is being operated as prescribed by this instruction and committee constitution and bylaws.

d. An opinion on the statements prepared by the employee social and recreational committee with any adjustments recommended.

e. A detailed list of deviations from instructions, including disbursements for questionable or unauthorized purposes and other deficiencies.

615.762 Distribution

The audit report must be submitted in triplicate to the head of the installation within 60 days after the close of the fiscal year. A copy must be posted on employee bulletin boards. One copy of the report, signed by all members of the audit committee of the outside auditor, must be submitted promptly to the district Finance manager by the installation head.

615.77 Follow-Up Action

The installation head is responsible for seeing that proper practices are followed and deficiencies are corrected. Where deficiencies have been noted, the installation head should report to the district manager, by memorandum, the corrective action taken.

615.78 Review and Comments by District Finance Manager

The district Finance manager reviews the audit reports to determine that they are complete, and that there is no indication that the committee operations are not in accordance with the prescribed accounting instructions. If a report is considered inadequate, the district Finance manager may request additional information from the installation head or request further examination of the records. The district Finance manager may comment on significant items for the information of the installation head, the district manager, and the committee. Any evidence of deficiencies in internal controls, or financial irregularities of any kind, must be brought to the attention of the installation head.

615.79 Office of Inspector General Audit

The Office of Inspector General may periodically audit the employee social and recreational committee operations and funds, and must have complete access to all records and documents pertaining to the committee activities.

615.8 Tax Status of Social and Recreational Funds

615.81 Exemption

The Internal Revenue Service has ruled that employee social and recreational committees that are established and operated in accordance with these regulations are an integral part of the Postal Service, are not subject to federal income taxation, and are not required to file federal income tax returns.

615.82 Liability

Failure to adhere to the regulations may result in significant income tax liability for the employee and social recreational committee or for individual members of the committee.

616 Savings Bond Program

616.1 Payroll Savings Plan

The Postal Service cooperates with the Department of Treasury in the U.S. Savings Bond Program. The plan permits employees to authorize withholdings from their salary to purchase bonds.

616.2 Notification

616.21 Annual Savings Bond Drive

616.211 Organization

The PMG serves as chairperson for an annual bond drive and designates a vice president as vice-chairperson. The vice-chairperson selects a national coordinator and functional coordinators to conduct the drive. The drive is conducted primarily via direct mail to employees.

616.212 Participation

The drive is conducted throughout the Postal Service to encourage employee participation in the Savings Bond Program through payroll allotments. All employees except those serving in time-limited or intermittent appointments receive complete information and have an opportunity to participate in the plan, or to increase their present allotments. This decision must be the employee's alone without pressure or coercion, either direct or implied.

616.213 Supplies

Supplies for the drive are provided by the Department of Treasury.

616.22 Sustaining Program

Employees are reminded regularly of the financial advantages of bond investments. Imminent retirees are advised of the advantages of exchanging *Series E* for *Series H* bonds. All new employees must be told about the advantages of the program. During their orientation, each employee is given the opportunity to enroll in the payroll savings plan.

616.3 Enrollment

616.31 Authorization for Payroll Allotment

Employees complete PS Form 1192, *U.S. Savings Bond Authorization for Purchase and Request for Change,* to authorize deductions by pay period and to change deductions or bond denominations. During the annual Savings Bond Drive, the completed form is sent to the Eagan Accounting Service Center (ASC) for data entry. At all other times, authorization forms requiring data entry are forwarded to the local distributed data entry/data recording (DDE/DR) site.

616.32 Cancellation of Allotment

An employee may revoke the authorization at any time by requesting revocation in writing to the payroll office. Discontinuance is effective the first pay period beginning after the receipt of the written revocation by the payroll office.

616.33 Issuance and Refunds

The Eagan ASC issues and mails bonds when deductions are sufficient to pay for them. Bonds in denominations of $100 or more are dated the first day of the month in which the end of a pay period falls and when at least half of the purchase price is accumulated. The ASC also refunds withheld deductions insufficient to purchase a bond if the employee is separated from service or cancels withholding authorization.

616.34 Privacy of Records

Bond allotment records contain personal information about employees. Therefore, these records must be handled and disclosed only as stipulated in the Privacy Act and implementing instructions. Allotment records and related correspondence are maintained in the privacy system under USPS 050.020, Finance Records — Payroll System.

616.4 Reports

The Eagan ASC provides reports showing the number of employees currently enrolled by performance cluster and area, and percentage of participation. No lists or reports are to be created or maintained that contain the names and/or titles of participants or nonparticipants in the bond program.

617 Combined Federal Campaign Program

617.1 Annual Campaign

617.11 Purpose

The Combined Federal Campaign (CFC), established in 1961, provides a single, unified, efficient annual campaign in support of voluntary agencies that solicits contributions through payroll allotment. Employees contributing to the CFC help essential organizations meet the challenges of sickness and disease and minister to the needs of the aged, the handicapped, and the mentally ill. They provide aid that reaches as far as to Latin America, Asia, or Africa, and as close as to a member of the family or a next door neighbor.

617.12 Authorization

The Postal Service, in cooperation with the Office of Personnel Management (OPM), conducts this annual charitable fund-raising campaign pursuant to Executive Order No. 12353, as amended by Executive Order No. 12404, and all subsidiary units of such programs.

617.2 Organization

617.21 Local Federal Coordinating Committee

The Director of the Office of Personnel Management designates a group of federal officials as the Local Federal Coordinating Committee (LFCC), which conducts the CFC in a particular community. The LFCC, in turn, selects a Principal Combined Fund Organization (PCFO) to administer local campaigns.

617.22 Postal Service Organization

The postmaster general (PMG) serves as the U.S. Postal Service National Campaign Chairperson. The PMG appoints a national campaign vice-chairperson to initiate, promote, and monitor the campaign, who in turn designates a national campaign coordinator. The vice presidents of Area Operations serve as co-vice chairpersons for their geographic areas.

617.23 Loaned Executive Program

The loaned Executive Program is a CFC-sponsored program that trains mid-level managers from the federal civilian, military, and postal sector to plan and execute the annual fund-raiser. The loaned executive is assigned as an extension of the CFC professional staff to departments and/or agencies throughout the government to assist in all phases of the CFC.

617.3 Solicitation

617.31 Participation

Combined Federal Campaigns are conducted throughout the country. In areas where a campaign is authorized, postal employees are contacted and given the opportunity to contribute to the campaign. The decision to participate is strictly the employee's, without pressure or coercion, either direct or implied.

617.32 Time Frame

The solicitation of employees occurs for a period of 6 weeks between September 1 and December 15, as established by the LFCC.

617.33 Supplies

Specific campaign and publicity materials — i.e., the contribution information leaflet, poster, pledge cards, and list of organizations — are printed and supplied by the PCFO.

617.4 Contributions

617.41 General

Contributions to the CFC can be made through payroll allotment, cash, check, or money order. The minimum period of employment considered

reasonable for establishing an allotment is 3 months. Employees on detail to other offices can only contribute to the CFC through their home offices.

617.42 Authorization for Payroll Allotment

For payroll allotments, employees must complete, sign, and date CFC Form 100, *CFC Pledge Card,* authorizing the Postal Service to withdraw the monies from their pay, starting with the first pay period that begins in January and ending with the last pay period that begins in December. Pledge cards are sent to the CFC coordinator for verification. The CFC coordinator then forwards the cards to the Eagan ASC for data entry. After the official campaign has ended, new pledge forms requiring data entry are sent to the local DDE/DR site. DDE/DR sites retain the pledge cards for 6 months.

617.43 Cancellation of Allotment

An employee may revoke the authorization at any time by requesting revocation in writing to the payroll office. Discontinuance is effective the first pay period beginning after the receipt of the written revocation by the payroll office. A discontinued allotment must not be reinstated.

617.44 Cash Payments

Employees making cash, check, or money order contributions must also complete a pledge card. However, these cards are not submitted to the DDE/DR site but to the CFC coordinator for forwarding to the principal CFC organization. Checks and money orders must be made out to CFC and signed.

617.45 Privacy of Records

CFC Pledge Cards, once completed, contain personal information about employees. Therefore, these records must be handled and disclosed only as stipulated in the Privacy Act and implementing instructions. Allotment records and related correspondence are maintained in the privacy system under USPS 050.020, Finance Records — Payroll System.

617.5 Reports

Weekly reports are produced locally that show percentage of participation and percentage of goal accomplishment. Upon completion of the campaign, the Eagan ASC generates a report showing the number of employees making contributions through CFC via payroll deduction. No lists or reports are to be created or maintained which contain the names and/or titles of participants or nonparticipants in the campaign.

617.6 Recognition

617.61 Plaques

The CFC provides a recognition program for federal units that achieve high standards of CFC support. Plaques are awarded as visible indication of the community spirit and generous giving of employees.

617.62 Certificates

Certificates of Appreciation are available upon request from the loaned executive for keyworkers and team captains.

617.7 Further Information

For detailed information regarding rules, regulations, and instructions on how to run a campaign, see 5 CFR 950 and Publication 530, *U.S. Postal Service Combined Federal Campaign Operational Guidelines,* which is available from the material distribution centers and on the Postal Service Intranet.

620 Contests

621 Scope

This subchapter establishes the policy and procedures for contests and related awards.

622 Objective

Contests are intended to provide a motivational tool for improving performance in particular functions. Such programs can be used for, but are not limited to, safety awareness and sales promotion. Each contest must have a specific start and end date, and the purpose must be clearly defined.

623 Responsibilities

623.1 Approval Authorities

The appropriate district manager, senior plant manager, area vice president, or Executive Committee member approves a proposed contest. The level of approval is determined by the geographic scope of the contest.

623.2 Districts and Plants

The district manager or senior plant manager approves all proposed contests for a district or below. The approving official:

a. Determines the appropriateness of each proposed contest in terms of specific objectives to be achieved and approves or disapproves the contest and the awards to be presented.

b. Oversees the accountability of an approved contest in terms of monetary benefits, improved safety, improved customer services, etc.

c. Forwards a copy of the proposal for an approved contest to the area functional manager and the area Human Resources manager.

d. At the conclusion of each contest, evaluates the results against the objectives and submits a full report to the area functional manager.

623.3 Areas

623.31 Area Vice President

The area vice president approves all proposed area contests.

623.32 Area Functional Managers

The appropriate area functional manager:

a. Together with the area Human Resources manager, monitors each area contest to determine compliance with program criteria in 624.1.

b. Announces the contest winners.

c. Analyzes the results of each contest to determine its benefits to the Postal Service (for example, reduction in the number of motor vehicle accidents, or increase in the number of firms using ZIP+4) and provides the district manager or senior plant manager with any guidance appropriate for future contests.

623.4 Executive Committee Member

The appropriate Executive Committee member:

a. Approves all proposed national contests.

b. Monitors national contests to ensure compliance with program criteria in 624.1.

c. Announces contest winners.

624 Establishment

624.1 Criteria

Responsible officials:

a. Establish clear objectives, guidelines, and rules in advance.

b. Specify start and end dates.

c. Structure the contest to make it competitive. (If individual competition is involved, at least 10 employees must be included.)

d. Establish objectives that are clear and measurable.

624.2 Structure

To achieve the broadest possible participation and facilitate control, responsible officials ensure that each contest:

a. Is divided into competitive units, such as competition among plants or Post Offices. Competition may also be arranged between comparable units on a single tour, tour against tour, or station or branch against other stations or branches.

b. Includes all individuals involved in the activity at the organizational level of the contest.

c. Is conducted within a specific time frame, such as a month, a quarter, or a year.

d. Has objectives that (1) clearly state what is to be accomplished (for example, reduction in the number of motor vehicle accidents, or increase in the number of firms using ZIP+4); and (2) can be measured.

624.3 Contest Rules

Responsible officials ensure that all rules and procedures (1) are made clear before the contest begins; (2) are posted or distributed to each employee

involved; and (3) state the measurable objective that will be used to determine the winners.

625 Implementation

625.1 Eligibility

Employees are eligible to participate in all contests without regard to race, color, religion, national origin, sex, age, or physical or mental handicap.

625.2 Evaluation

625.21 Winners

Responsible officials ensure that (1) award decisions are based on the rules and procedures established for each contest; and (2) selection of the winning individual or group is based on a predetermined measurable objective.

625.22 Ties

Responsible officials resolve ties by chance drawing or other equitable form of elimination.

626 Types of Awards

626.1 Acceptable

Acceptable awards are characterized as follows:

a. Only noncash items such as trophies, plaques, pins, or gift certificates may be awarded.

b. The value of each award may vary from contest to contest or be graduated within a contest with progressive levels of competition.

c. To ensure maximum interest, prizes should be alternated periodically, or a variety of prizes should be made available for individual selection from a catalog.

d. Prizes offered must be appropriate for both sexes.

e. The maximum value of a contest award cannot exceed $500. (See ELM 470 for more information on awards.)

626.2 Unacceptable

Cash and cash equivalent items are not authorized as prizes.

627 Limitations

627.1 Numbers and Types of Contests

The following guidelines apply:

a. Sponsoring organizations may conduct no more than four contests per year.

b. Identical contests may not be carried over automatically from year to year.

c. Approval must be received before each contest, even if it is similar, or identical, to a previously authorized contest.

627.2 Expenditures

627.21 District and Plant Contests

The district manager or senior plant manager determines the total annual expenditure (publicity, printing, awards, pictures, certificates, etc.) for each contest. The expenditure should be offset by operational savings.

627.22 Area Contests

The area vice president determines the amount allocated for areawide contests.

627.23 National Contests

The appropriate Executive Committee member grants prior approval of the amount allocated for nationwide contests.

630 Ideas Program

631 Policy

The Postal Service encourages its employees to contribute constructive ideas that will improve customer satisfaction, generate revenue, increase productivity, reduce cost, and improve the competitiveness of the Postal Service in the marketplace. Ideas are to be promptly evaluated to ensure that their value is quickly realized and the responsible employees are immediately recognized.

632 Eligibility

All active career employees are eligible for nonmonetary recognition or a cash award for their ideas. Eligibility is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

633 Criteria

633.1 General Criteria

Ideas are eligible for nonmonetary recognition, whether adopted or not adopted, at the discretion of the evaluating supervisor or manager. To be eligible for a cash award under the Ideas Program a proposal must:

a. Trigger management action.

b. Result in an improvement to service, an increase in efficiency, or other substantial benefit. The proposal should involve a recommendation for change such as:

(1) Improving customer service and customer satisfaction.

(2) Increasing revenue generation.

(3) Improving safety performance.

(4) Improving productivity.

c. Adhere to all existing laws.

d. Not modify or otherwise relate to matters concerning wages, hours, or working conditions.

633.2 Engineering Criteria

A proposed change related to the improvement of equipment controlled by the Engineering Change Board (ECB) is eligible for a cash award when the following requirements are satisfied:

a. The equipment has been deployed for one year.

b. Equipment warranties are not jeopardized.

c. The idea is tested on only one unit of equipment.

d. The provisions and detailed procedures of Publication 101, *Engineering Change Board Organization and Operation,* are strictly followed.

634 Awards

634.1 General

Awards are based on the contribution of an employee's proposal to the Postal Service, as judged by management. Supervisors as well as managers may adopt and implement ideas and may give awards to the responsible employees.

634.2 Nonmonetary Awards

Nonmonetary awards provide supervisors and managers with a way to recognize employees for submitting ideas that are commendable but are not adopted locally or are not of sufficient scope or impact to support a cash award. These awards are determined locally and may include pins, certificates, plaques, or nominal gifts. These awards may not modify or otherwise relate to matters concerning wages, hours, or working conditions.

634.3 Cash Awards

634.31 Amounts

Cash awards for adopted ideas are as follows:

a. Up to $250 may be given to an idea originator by a supervisor or manager for proposing an idea that is implemented locally.

b. Up to $2,000 may be given to an idea originator by a PCES manager in a plant, district, area, or Headquarters unit who adopts and implements the idea operationwide.

c. Up to $10,000 may be given to an idea originator by the vice president of a functional organization who implements an idea nationwide.

d. Up to 10 percent of the amount of the idea originator's award may be given to the supervisor or manager who champions the idea by the PCES manager who implements the idea operationwide.

e. Up to $2,000 may be distributed among employees (originators not included) involved in testing and documenting the idea by the PCES manager if this award is approved by a vice president who adopts the idea nationwide.

634.32 Multiple-Level Awards

When a suggestion is adopted at more than one management level and more than one cash award results, subsequent cash awards are not reduced by the amount of any previous cash award given.

634.33 Deductions

A cash award is in addition to regular salary and is considered income under federal tax laws. Appropriate taxes and other involuntary deductions, e.g., tax levies and garnishments, are withheld from each award.

634.34 Acceptance

Acceptance of a cash award constitutes employee agreement to forego any further claim on the Postal Service by self, heirs, or assigns.

635 Records

All formally submitted ideas are maintained in the eIDEAS system. Awards made as a result of the Ideas Program are maintained in the eAWARDS.

636 Processing

636.1 Summary of Steps

For a summary of the steps required for processing idea proposals, see Exhibit 636.1.

636.2 Payment

Supervisors and managers process payments for adopted ideas through eAWARDS.

636.3 Presentation Ceremonies

Whenever possible, an installation head should provide an appropriate ceremony for each award and coordinate publicity with information personnel.

Exhibit 636.1
Idea Proposal Processing Summary

Initiation **Employee or Group of Employees**	**Submits idea to an immediate supervisor by logging into the eIDEAS application at *https://eideas.usps.gov/eideas*.**

Local implementation
Supervisor
	Decides whether idea is within ability to implement.
	If not…
	Coordinates with supervisor responsible for implementing proposed idea for assistance in the evaluation. Assisting supervisor is then responsible for responding to original supervisor.
	If so…
	Evaluates idea and decides which action to take.
	■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award.
	  ■ Notifies employee of decision.
	  ■ Implements idea in work area.
	  ■ Arranges to recognize employee with nonmonetary award or cash award up to $250 (see 634.2 and 634.3).
	■ Does not adopt idea but recognizes originator with nonmonetary award for submission of commendable idea.
	  ■ Notifies employee of decision.
	  ■ Arranges to recognize employee with nonmonetary award.
	■ Does not adopt idea.
	  ■ Notifies employee of decision.
	Decides whether to champion idea for wider implementation by bringing it to attention of district or plant manager.

Wider implementation
PCES plant, district, area, or Headquarters manager
	Decides whether idea is within ability to implement.
	If not…
	Coordinates with manager responsible for implementing proposed idea. Receiving functional manager is then responsible for responding to original supervisor.
	If so…
	Evaluates idea and decides which action to take.
	■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award.
	  ■ Notifies employee of decision.
	  ■ Implements idea in the plant, district, area, or Headquarters unit.
	  ■ Arranges to recognize employee with nonmonetary award or to recognize employee with cash award up to $2000 and championing supervisor with amount up to 10 percent of employee's award (see 634.2 and 634.3).
	■ Does not adopt idea.
	  ■ Notifies employee and supervisor of decision.
	If wider implementation may be appropriate, decides whether idea is within ability to test and document.
	If not…
	Submits idea directly to functional vice president for evaluation and award.
	If so…
	Tests idea for 6 months and documents feasibility.
	■ If feasibility is established, submits a documented proposal to functional vice president.

National implementation *Vice president*	**Evaluates idea and decides which action to take.** ■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award. ■ Notifies employee, supervisor, and manager of decision. ■ Arranges to have idea implemented nationally. ■ Arranges to recognize originating employee with nonmonetary award or to recognize employee with cash award up to $10,000 and, if indicated, provides an amount up to $2,000 to PCES plant, district, area, or Headquarters manager for distribution to those employees involved in testing and documenting proposal (see 634.2 and 634.3). ■ Does not adopt idea. ■ Notifies originating employee and championing manager.

640 Employee Claims

641 Nonbargaining Unit Employees

641.1 Policy

It is Postal Service policy to reimburse nonbargaining unit employees for loss or damage to their personal property when suffered in connection with, or incident to, their employment while on duty or while on postal property.

641.2 Requirements

Employee claims for reimbursement must meet these conditions:

a. The possession of lost or damaged property was reasonable or proper under the circumstances.

b. The damage or loss was not caused in whole or in part by a negligent or wrongful act of the employee.

c. The loss or damage did not result from normal wear and tear associated with day-to-day living and working conditions.

d. The loss or damage, taking into consideration depreciation, amounts to $10 or more.

e. The loss or damage claimed was not for a motor vehicle or the contents of a motor vehicle, *except* in cases where payment would be equitable, such as unjust acts of retaliation; extraordinary risk in performance of duty, as in connection with civil disturbance or common or natural disaster; or efforts to save government property or human life.

641.3 Claimants

641.31 Valid

Only those listed may file claims:

a. Postal employees.

b. Survivors in this order:

(1) Spouse.

(2) Children.

(3) Father, mother, or both.

(4) Brothers, sisters, or both.

641.32 Fraudulent

If investigation shows the claimant, or agent, intentionally misrepresented a claim for an item's cost, condition, repair, etc., the claim is denied — even though there is some actual damage. However, if the claim for another item is correct, that claim is paid. Disciplinary action will be taken if warranted.

641.4 Compensation

641.41 Lost or Destroyed Property

Compensation usually equals, but never exceeds, the actual value of property at the time of loss. Value is determined by purchase price (or value at time of acquisition), replacement cost, and salvage value. Depreciation is figured according to the type, age, and condition of item when lost or destroyed. Incidental expenses or losses are excluded.

641.42 Damaged Property

Compensation is usually the cost of repairs, not to exceed the actual value of property when damaged. If property is damaged beyond repair, compensation is the actual value at time of damage, less salvage value. Incidental expenses are excluded.

641.43 Third Party Recoveries

641.431 Insurance

If the loss amounts to $500 or more and is recoverable from an insurer or other third party, the employee must first request reimbursement from that source. If the loss is *less* than $500, the employee may file an employee claim instead. The employee must make an effort to recover a loss of any amount from a hotel or airline before submitting an employee claim.

641.432 Supplement

The Postal Service pays the difference between that insurer's payment and the actual loss, provided it is judged to be a valid claim. The Postal Service pays no part of a claim if the insurer or other third party pays more than the amount allowable.

641.433 Refunds

The employee must pay back the amount received from the Postal Service if the employee recovers the lost item or receives payment from an insurer.

641.5 Procedures

641.51 Time

Employees must present claims as soon as possible after the loss occurs and not later than 90 days from the date of loss or discovery of loss. Claims received after 90 days are acceptable only if the delay was not the claimant's fault.

641.52 Documentation

PS Form 2146, *Employee's Claim for Personal Property,* must be filed. However, any written document received within the period allowed is treated

as a proper claim if it provides substantiating information. All claims must be supported with evidence such as (a) date of purchase and (b) sales receipt or statement from seller showing price and date of purchase.

641.53 Submission and Initial Decisions

Employees submit claims based on the installation to which they are assigned. Submission of claims and initial determinations are as follows:

a. *Field Offices.* Submit claims to the district manager of Customer Service and Sales, who renders the initial decision.

b. *Area Offices.* Submit claims to the area Human Resources manager, who renders the initial decision.

c. *Headquarters and Headquarters Field Units.* Submit claims to the manager of Personnel Operations Support, who renders the initial decision.

d. *Inspection Service and Inspection Service Field Offices.* Submit claims to the deputy chief inspector of Administration, who renders the initial decision.

641.54 Disposition

The disposition of claims depends on the initial decision:

a. *Allowed Claim.* A settlement check is forwarded to the claimant. When a claim is only partially paid, a written explanation accompanies the check.

b. *Denied Claim.* A written explanation of the reason for the decision is forwarded to the claimant.

641.55 Appeal

A letter of denial may be appealed by the claimant within 15 days of receipt of the notification. Reasons and documentation must be furnished. The reviewer's decision is final and there is no further administrative appeal. An appeal is submitted as follows:

a. *Field Offices.* Submit appeal to the vice president of Area Operations.

b. *Area Offices.* Submit appeal to the vice president of Area Operations.

c. *Headquarters and Headquarters Field Units.* Submit appeal to the vice president of Employee Resource Management.

d. *Inspection Service and Inspection Service Field Offices.* Submit appeal to the chief postal inspector.

642 Bargaining Unit Employees

Bargaining unit employees are covered by provisions of their collective bargaining agreement.

650 Nonbargaining Disciplinary, Grievance, and Appeal Procedures

651 Disciplinary and Emergency Procedures

651.1 Scope

Part 651 establishes procedures for (a) disciplinary action against nonprobationary employees who are not subject to the provisions of a collective bargaining agreement, and (b) emergency action for conduct that also normally warrants disciplinary action.

651.2 Representation

Subject to prohibitions regarding Executive and Administrative Schedule (EAS)/Craft representation, employees have free choice of representation. Representatives designated by employees, if postal employees and if otherwise in a duty status, are granted a reasonable amount of official time to respond to notices of proposed disciplinary action, to prepare for and represent the employee at a hearing held in accordance with 652.24, and/or to represent an employee who has appealed a letter of warning or emergency placement in a nonduty status in accordance with 652.4. Employees covered under these provisions may request representation during investigative questioning if the employee has a reasonable belief disciplinary action may ensue.

651.3 Nondisciplinary Corrective Measures

Accountable managers/supervisors are responsible for the direct day-to-day performance management of subordinates. The accountable manager/supervisor monitors subordinates' performance and provides appropriate resources, coaching, and feedback to subordinates. The manager/supervisor is responsible for leading the employee to a higher level of achievement. Performance improvement should be a shared concern and effort between manager and employee. Early dialogue and guidance are critical to achieving positive results and continuance of an effective manager/employee relationship.

651.4 Emergency Placement in Off-Duty Status

An employee may be placed in an off-duty nonpay status immediately but remains on the rolls when he or she (a) exhibits characteristics of impairment due to alcohol, drugs or other intoxicant, (b) fails to observe safety rules, (c) fails to obey a direct order, (d) provides reason to be deemed potentially injurious to self or others, or (e) disrupts day-to-day postal operations in any other way. Placement in an off-duty nonpay status is confirmed in writing, stating the reasons and advising the employee that the action is appealable. The employee should be returned to duty after the cause for nonpay status ceases unless individual circumstances warrant otherwise. Use of these emergency procedures does not preclude disciplinary action based on the same conduct.

651.5 Letters of Warning

When warranted by the failure of nondisciplinary corrective measures or by the seriousness of the offense, a letter of warning may be issued. Letters of warning are usually issued by the employee's immediate supervisor. The written warning should contain (a) specific reasons for the letter and (b) a statement of applicable appeal rights. Letters of warning remain in the employee's official personnel folder (OPF) for a period of 2 calendar years unless otherwise resolved or cited in subsequent disciplinary action.

651.6 Letters of Warning in Lieu of Time-Off Suspensions

651.61 Policy

Letters of warning in lieu of time-off suspensions replace time-off suspensions for nonbargaining employees, except when required otherwise by statute, and except for employees in the Office of Inspector General, where time-off suspensions are an available form of discipline in addition to letters of warning in lieu of time-off suspensions. This policy does not preclude management from placing a nonbargaining employee in an indefinite nonpay, nonduty status when there is reasonable cause to believe the employee has committed a crime for which a sentence of imprisonment may be imposed.

651.62 Implementation

Letters of warning in lieu of time-off suspensions may be issued in lieu of either 7-day or 14-day time-off suspension only. Unless required by statute, suspensions of more than 14 days are prohibited except for indefinite suspensions referenced in 651.7. Letters of warning in lieu of time-off suspensions are equivalent to time-off suspensions as an element of past discipline and may be cited as such in future disciplinary actions.

651.63 Notice

Normally, the employee's immediate supervisor issues a proposed letter of warning in lieu of time-off suspension stating (a) specific and detailed reasons for the letter; (b) instructions for responding to it; (c) the right of the employee or representative to review all material relied upon in the action; and (d) when, where, and from whom the material is available.

651.64 Response

The employee and/or his or her representative may respond to the proposed letter of warning in lieu of time-off suspension in writing and/or in person to the deciding official (management at a higher level of authority than the individual who issued the proposed letter of warning in lieu of time-off suspension) within 10 calendar days of receipt.

651.65 Decision

The deciding official, after consideration of the facts of the case and the employee's response, issues a letter of decision after the expiration of the 10-calendar day period for reply, but no later than 30 calendar days following the receipt of the employee's response. The decision letter will advise the employee that he or she may appeal in writing within 15 calendar days of receipt of the letter of decision.

651.66 Retention

Letters of warning in lieu of time-off suspensions remain in the employee's OPF for 2 years unless otherwise resolved or cited in subsequent disciplinary action.

651.7 Adverse Actions

651.71 Definition

Adverse actions are defined as discharges, suspensions of more than 14 days, furloughs for 30 days or less, and/or reductions in grade or pay.

651.72 Policy

Adverse action may be taken against an employee (a) because lesser measures have not resulted in the correction of deficiencies in behavior or performance, (b) because of the gravity of the offense, or (c) for nondisciplinary reasons, such as the correction of a position misranking.

651.73 Notice

Unless the circumstances of a particular case make it impractical, the employee's immediate supervisor issues a written notice of proposed adverse action. This notice includes (a) the action proposed, with specific and detailed reasons; (b) the instructions for responding to the notice; (c) a statement of the right of the employee or representative to review all material relied upon in proposing the action and when and where the material is available for review; and (d) the name of the official rendering the decision. The proposal also advises the employee that a reasonable amount of official time is allowed for the preparation and presentation of a reply if the employee is otherwise in a duty status and that the proposed action will be effected no sooner than 30 calendar days after the employee receives the notice.

651.74 Response

The employee or representative may respond to the notice of proposed adverse action in writing, in person, or both, to the deciding official or designee identified in the notice. The employee or representative may respond and present evidence, including affidavits, within 10 calendar days from receipt of the notice. The time limits for responding to a proposed adverse action may be extended by the deciding official or designee for reasonable cause.

651.75 Decision

The deciding official, who must be higher in authority than the proposing official, considers the employee's response and gives a written decision, including reasons for the decision, as soon as possible after the employee's time to respond has expired, but no later than 60 calendar days following the receipt of the employee's response. In field installations, the installation head or designee usually makes the decision. In other offices, the decision is made by a branch manager or above. If the decision is to effect the adverse action or to modify it to a lesser penalty, the employee's appeal rights, including Merit Systems Protection Board (MSPB) appeal rights, if applicable, are stated.

651.76 Duty Status

The employee, unless otherwise provided in 651.77, remains in a pay status, either on the job or on administrative leave, at the option of the employer, during the notice period. The notice period must be at least 30 calendar days, unless covered by 651.77. Discharged or indefinitely suspended employees who appeal remain on the rolls in a nonpay, nonduty status until the disposition of the case through the chosen appeal procedures. Normally, disposition of the case would be a final decision from the MSPB or a Step I decision in an administrative 650 appeal. In cases where the MSPB has mitigated an adverse action in an initial decision and the Postal Service files an appeal, the employee's status will be handled in accordance with MSPB regulations regarding interim relief.

651.77 Exceptions to Thirty-Day Notice

When there is reasonable cause to believe an employee is guilty of a crime for which a sentence of imprisonment may be imposed, the advance notice before effecting the adverse action may be reduced to no less than 7 calendar days. At the expiration of the reduced notice period, the decision is issued at once. If the decision is to suspend the employee indefinitely, the individual remains on the rolls in a nonpay, nonduty status pending a final decision or until the suspension is otherwise terminated. If the decision is to remove the employee, the individual remains on the rolls only if a timely appeal is filed.

652 Appeal Procedures

652.1 Scope

Part 652 establishes appeal procedures for employees not subject to the provisions of a collective bargaining agreement. These procedures do not:

a. Deprive an employee of the right to a remedy for an allegation of discrimination through equal employment opportunity procedures or

b. Deprive a preference eligible or other entitled employee of the right to appeal an adverse action to the MSPB. When MSPB rights are exercised, the employee waives access to the appeal procedures in 652.2.

652.2 Appeal of Adverse Actions

652.21 Coverage

Upon receipt of a letter of decision ordering an adverse action, the following employees may appeal:

a. All nonprobationary EAS and PCES Level I employees and all employees of the Office of Inspector General.

b. EAS, PCES Level I, and Office of Inspector General employees who have completed a minimum of 12 months of combined service, without a break of a workday, in positions in the same line of work in the Civil Service and the Postal Service — unless any part of this service followed a temporary appointment in the competitive service with a definite time limitation.

652.22 Exclusion

Officers (PCES Level II) are not covered by these procedures.

652.23 Appeal to Step 1

652.231 Field Employees

These employees may submit a written request for a hearing, or waiver of a hearing, within 15 calendar days of receipt of a letter of decision on an adverse action. This appeal is made to the Step 1 official (Headquarters vice president Labor Relations or designee). A copy of the appeal is sent by the appellant to the official taking the action, who forwards the case file to the Step 1 official.

652.232 Headquarters, Headquarters Field Units, Inspection Service, and Office of Inspector General Employees

These employees may submit a written request for a hearing, or waiver of a hearing, to the Step 1 official (vice presidents, chief inspector, inspector general, or designees) within 15 calendar days of receipt of a letter of decision on an adverse action. A copy is sent by the appellant to the official taking the action, who forwards the file to the Step 1 official.

652.233 Exceptions

In cases where a vice president or other officer reporting directly to the postmaster general (PMG) is the deciding official, the PMG or designee is the sole appellate official. These exceptions apply to both 652.231 and 652.232. In cases in the Office of Inspector General where an assistant inspector general or the deputy inspector general is the deciding official, the inspector general, or designee, is the sole appellate official.

652.24 Hearings

652.241 Action If No Hearing Requested

If the appellant does not request a hearing, the Step 1 official determines whether the issues on appeal can be decided on the record and on written submissions by the appellant and management. If the issues on appeal can be decided on the record and on written submissions, the Step 1 official will issue a final decision letter within 21 calendar days of receipt of the Step 1 appeal. If the appeal cannot be judged fairly without a hearing, the Step 1 official arranges for a hearing to be scheduled as described in 652.242.

652.242 Action When Hearing Requested

a. If the appellant requests a hearing, a neutral hearing officer is assigned by the Step 1 official within 10 calendar days of receipt of a request for a hearing. The hearing is held as soon as possible, but no later than 75 calendar days from the date the hearing officer is assigned. The hearing is usually conducted at the installation or office where the appellant is located. The hearing officer will provide the parties notice of the hearing schedule as soon as possible but in no event shall the employee receive less than 14 calendar days' notice of the hearing.

b. Before the hearing, both management and the appellant will advise the hearing officer of their choice of representative witnesses and the nature of their testimony. All relevant documents and witness information, not already exchanged, will be exchanged between both parties as directed by the hearing officer.

c. Conduct of the hearing is informal but consistent with the orderly presentation of the case. Testimony is given under oath or affirmation. While legal rules of evidence do not apply, testimony and evidence are held within reasonable bounds of relevancy. The appellant and the employer have the right (1) to be present at the hearing, (2) to be represented, (3) to present evidence and witnesses, and (4) to cross-examine the other party's witnesses. The appellant, if in a duty status, and his or her representative, if a postal employee in a duty status, are granted a reasonable amount of official time to prepare for the hearing. The appellant may choose self-representation.

652.243 **Management Obligation for Witnesses**

Management has an obligation to make available witnesses who are postal employees and approved by the hearing officer as having relevant testimony, unless it is administratively impractical to do so. In these cases, witnesses may be required by the hearing officer to answer written questions or testify via a alternative means.

652.244 **Workhours Compensation**

Postal Service employees are compensated for any straight-time hours spent at the hearing that are part of their regularly scheduled workday if they are in a duty status at the time of the hearing. These employees include the appellant, the appellant's representative, and approved witnesses. Witnesses are not present at the hearing except when testifying, unless they are also acting as a representative. Only one Postal Service employee acting as a representative of the appellant will be compensated by the Postal Service.

652.245 **Noninterference Rule**

The appellant, representative, and witnesses shall not be subject to restraint, interference, coercion, discrimination, or reprisal.

652.246 **Transcript**

Normally, a court reporter or other qualified person will make a written transcript of the hearing proceedings. The hearing officer will arrange for the transcription. The office or installation initiating the adverse action will pay all costs of the transcription. If a written transcript cannot be obtained because of geographical remoteness or other unusual circumstances, an exception to the procedures must be authorized in advance by the Step 1 official.

652.247 **Attorney Fees**

Attorney fees are not applicable to appeals covered in 650.

652.25 Post Hearing

652.251 **Hearing Officer Action**

The hearing officer prepares a proposed decision to include findings of fact and a determination whether the charge(s) is/are sustained. The hearing officer forwards the proposed decision, the transcript of the hearing, and all other records regarding the appeal to the Step 1 official within 30 calendar days following the hearing.

652.252 **Step 1 Official Action**

Upon receipt of the hearing officer's proposed decision, the Step 1 official reviews it and the case file to determine if the hearing officer's proposed

decision will be accepted or rejected. The Step 1 official will determine if the hearing officer's proposed decision is supported by the facts of the case; is in accordance with postal regulations or with postal policy; and, in Office of Inspector General cases, complies with Office of Inspector General policy. If the Step 1 official determines the hearing officer's proposed decision is inconsistent with the facts of the case or is not in accordance with postal regulations or with postal policy and/or Office of Inspector General policy as applicable, the Step 1 official may reject the hearing officer's proposed decision and issue a final decision which is in accordance with the aforementioned criteria. The Step 1 official will issue a final decision letter either accepting or rejecting the hearing officer's proposed decision within 21 calendar days of receipt of the file. If the hearing officer's proposed decision is rejected by the Step 1 official, the final decision letter will provide explanations for rejecting of the hearing officer's proposed decision. The decision of the Step 1 official is the final decision, and there are no further appeal rights. The final decision letter will be transmitted to the employee with a copy to the employing office for any necessary implementation. A copy of the written transcript of the hearing will be enclosed with the final decision.

652.3 Appeal of Letters of Warning in Lieu of Time-off Suspensions and/or Time-off Suspensions for Office of Inspector General Employees

The employee may appeal the letter of decision in writing within 15 calendar days of receipt. If the employee is assigned to Headquarters or a Headquarters field unit or is in the Inspection Service, or if an area vice president is the deciding official in an action taken, the request is directed to the vice president of Labor Relations at the address shown in the letter of decision. If the employee is assigned to the Office of Inspector General, the request is to be directed to the Inspector General, or designee, at the address shown in the letter of decision. If the employee is assigned to a field installation, the request is directed to the area Human Resources manager at the address shown in the letter of decision. The review of the appeal is based solely on the record, and there is no opportunity for the employee or his or her representative to meet with the reviewing official. The reviewing official issues a written decision, and there is no further right of administrative appeal.

652.4 Other Appealable Actions

652.41 Coverage

Employees in EAS-17 and below and Office of Inspector General Bands A, B, and C employees, regardless of length of service, may appeal letters of warning, emergency placement in a nonduty status, and other matters not covered by 652.2 by using the procedures in 652.42 through 652.44.

PCES Level I and EAS-18 and above employees and Office of Inspector General Band 1 and above employees have access to these procedures only to appeal discipline in the nature of a letter of warning and emergency placement in a nonduty status.

652.42 Step A

An employee or representative states the appeal in writing to the immediate supervisor within 10 calendar days of learning the appeal's cause. The employee or representative has the opportunity to discuss the appeal with the supervisor during this period. The supervisor gives a written decision within 5 calendar days after receipt of appeal. If this timeframe is impossible because of extenuating circumstances, the decision must explain the reason(s) for the delay.

652.43 Step B

A field employee or representative may submit a written appeal to the installation head within 7 calendar days after receipt of the Step A decision. (If the installation head is the immediate supervisor, appeals are made to the next higher level of management.) A Headquarters, Headquarters field unit, Inspection Service, or Office of Inspector General employee or representative may appeal within the same time limits to the next higher level of management (superior to the supervisor), at minimum a manager or above. The appeal must include the employee's name, title, grade, location, nature of appeal, and basis for appeal. Upon receipt of the appeal, the Step B official discusses the appeal with the employee or representative and renders a decision in writing within 10 calendar days after receipt of the appeal. Usually this decision is final.

652.44 Review

The employee or representative may request a review of the Step B decision. The request of an employee administratively responsible to the area vice president is directed to the area Human Resources manager. The request of a Headquarters, Headquarters field unit, or Inspection Service employee is sent to the vice president of Labor Relations, or designee, with a copy to the Step B official, who forwards the file to the reviewing official. If the employee is assigned to the Office of Inspector General, the request for review is to be directed to the Inspector General or designee. The request is in writing and gives specific reasons why the employee believes the Step B decision should be reviewed. The request is made within 15 calendar days from receipt of the Step B decision. The reviewing official replies in writing and states the disposition of the employee's request. This reply is final.

652.5 Alternative Dispute Resolution

The Postal Service supports the use of the Alternative Dispute Resolution (ADR) process of mediation to address employee appeals relating to nonbargaining disciplinary actions. Participation in mediation by an appellant is voluntary.

652.51 Exceptions

Mediation may not be appropriate in cases where the charges involve egregious misconduct, criminal activity, repeated misconduct, inability to perform, and other conduct as determined by the Postal Service, or in the case of Office of Inspector General employees, the Office of Inspector General. Additionally, mediation may not be appropriate where the appeal concerns issues beyond the control of the Postal Service, or in the case of

Office of Inspector General employees, the Office of Inspector General, such as the denial of Workers' Compensation benefits, retirement eligibility determinations, and similar matters adjudicated by other agencies. The determination of whether to grant mediation in a particular case is within the discretion of the Postal Service, or in the case of Office of Inspector General employees, the Office of Inspector General, and is not appealable.

652.52 Mediation

Mediation programs will be implemented by area offices under guidelines issued by the manager, National EEO Compliance and Appeals Programs. Mediation programs will be implemented by the Office of Workplace Enhancement at the Office of Inspector General.

652.53 Mediation for Letters of Warning in Lieu of Time-off Suspensions and/or for Time-off Suspensions

An employee issued a proposed letter of warning in lieu of a time-off suspension, or a time-off suspension in Office of Inspector General cases, may request mediation as an alternative to his/her right to respond to the deciding official as outlined in 651.64. If no resolution is reached between the employee and the proposing official as a result of the mediation, the employee may submit written responses to the proposed letter of warning in lieu of a time-off suspension within 10 calendar days of the mediation to the deciding official. The deciding official will issue a letter of decision regarding the proposed action in accordance with 651.65. The employee may appeal the decision pursuant to 652.3.

652.54 Mediation for Adverse Actions

An employee issued a written notice of proposed adverse action may request mediation as an alternative to the traditional written and/or verbal response to the deciding official as outlined in 651.74. If no resolution is reached between the employee and the proposing official as a result of the mediation, the employee may submit written responses to the proposed adverse action within 10 calendar days of the mediation to the deciding official. The deciding official will issue a letter of decision regarding the proposed action in accordance with 651.75. The employee may appeal the decision pursuant to the provisions outlined in 652.2, which will be outlined in the letter.

660 Conduct

661 Statutory Provisions

661.1 Laws Referenced in This Manual

The laws mentioned in this manual are listed for information only. Nothing in this manual constitutes an interpretation or construction of these laws which might be construed as binding the United States Postal Service or the United States.

Failure to mention a statute does not excuse any person from complying with the statute.

661.2 Application to Postal Employees

In addition to the statutes listed in Title 5, Code of Federal Regulations (CFR), Part 2635.901-902, the following statutes and regulations are applicable to all employees in the Postal Service.

a. Prohibition against proscribed political activities (Title 5, United States Code (U.S.C.), subchapter III of chapter 73, and 18 U.S.C. 602, 603, 607, and 608).

b. Prohibition against appointing or promoting a relative, or advocating such an appointment or promotion (5 U.S.C. 3110).

c. Prohibition against disloyalty and striking (5 U.S.C. 7311; 18 U.S.C. 1918).

d. Prohibition against bribery, graft, and conflicts of interest (18 U.S.C. 201, 203, 205, 208, and 209).

e. Prohibition against acting as the agent for a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

f. Prohibition against unauthorized taking or use of documents relating to claims against or by the government (18 U.S.C. 285).

g. Prohibition against postal employees becoming interested in any contract for carrying the mail (18 U.S.C. 440).

h. Prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

i. Prohibition against deprivation of employment or other benefit for political activity (18 U.S.C. 601).

j. Prohibition against:

(1) Embezzlement of government money or property (18 U.S.C. 641).

(2) Failing to account for public money (18 U.S.C. 643).

(3) Embezzlement of money or property of another person in the possession of an employee by reason of his or her employment (18 U.S.C. 641).

k. Prohibition against:

(1) Disclosure of classified information (18 U.S.C. 798).

(2) Disclosure of confidential information (18 U.S.C. 1905).

l. Prohibition against fraud or false statements in a government matter (18 U.S.C. 1001).

m. Prohibition against participation in lottery enterprises (18 U.S.C. 1303).

n. Prohibition against carriage of mail contrary to law (18 U.S.C. 1693).

o. Prohibition against desertion of mail (18 U.S.C. 1700).

p. Prohibition against obstruction of correspondence (18 U.S.C. 1702).

q. Prohibition against delay or destruction of mail or newspapers (18 U.S.C. 1703).

r. Prohibition against theft of property (18 U.S.C. 1707).

s. Prohibition against theft of mail (18 U.S.C. 1709).

t. Prohibition against theft of newspapers (18 U.S.C. 1710).

u. Prohibition against misappropriation of Postal Service funds (18 U.S.C. 1711).

v. Prohibition against falsification of postal returns (18 U.S.C. 1712).

w. Prohibition against improper issuance of money orders (18 U.S.C. 1713).

x. Prohibition against misuse of the franking privilege (18 U.S.C. 1719).

y. Prohibition against the unlawful sale or pledge of stamps (18 U.S.C. 1721).

z. Prohibition against unlawful collection of postage (18 U.S.C. 1726).

aa. Prohibition against improper approval of bond or sureties (18 U.S.C. 1732).

ab. Prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

ac. Prohibition against the use of deceit in an examination or personnel action in connection with government employment (18 U.S.C. 1917).

ad. Prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

ae. Prohibition against disclosure of lists of names and addresses (39 U.S.C. 412).

af. Prohibition against making or receiving political recommendations for appointment or promotion (39 U.S.C. 1002).

ag. Prohibition against receipt of unauthorized fees (39 U.S.C. 1009).

ah. rohibition against opening First-Class Mail® (39 U.S.C. 3623).

ai. Oath of office required for all postal employees (39 U.S.C. 1011).

aj. Privacy Act of 1974 (5 U.S.C. 552a).

662 Federal Standards of Ethical Conduct

662.1 Publication

To ensure that every citizen can have complete confidence in the integrity of the federal government, each federal employee, including each postal employee, must respect and adhere to the principles of ethical conduct set forth in 5 CFR 2635, 5 CFR 7001, and 39 CFR 447.

Note: The *Code of Federal Regulations* can be accessed at *http://www.gpoaccess.gov/cfr/*.

662.11 Ethics Advice

Employees who have questions about the application of the ethics regulations to particular situations should seek advice from an agency ethics official. Disciplinary action for violating these regulations will not be taken against an employee who has engaged in conduct in good faith reliance upon the advice of an agency ethics official, provided that the employee has made full disclosure of all relevant circumstances in seeking such advice. **Disclosures made by an employee to an agency ethics official are not protected by the attorney-client privilege.** An agency ethics official is required by 28 U.S.C. 535 to report any information he or she receives relating to a violation of the criminal code (Title 18 U.S.C.).

662.12 Ethics Officials

Employees who wish to obtain ethics advice in accordance with 662.11 above must obtain that advice from one of the following agency ethics officials or their designees: the Postal Service general counsel, the chief counsel for ethics and federal requirements, the managing counsel for the civil practice section, or the managing counsel for each field legal office. Inspection Service employees may also seek routine ethics advice from the Inspector in Charge, Office of Counsel, or designee. Office of Inspector General employees may also seek routine ethics advice from the Office of Inspector General counsel or designee.

662.2 Financial Disclosure

Certain federal and postal employees are required by law to disclose their personal financial interests in order to ensure confidence in the integrity of the federal government. The federal regulations regarding financial disclosure are set forth in 5 CFR 2634. Specific instructions regarding the financial disclosure requirements of postal employees are contained in Management Instruction EL-660-97-1, *Financial Disclosure Report Procedures for the U.S. Postal Service,* January 30, 1997.

663 Participation in Political and Community Activities

663.1 Political Activities

663.11 General

663.111 Employees Included

With the exceptions noted in part 663.112, Postal Service employees are subject at all times to restrictions on their participation in political activities under the Hatch Act (5 U.S.C., subchapter III of chapter 73, and 18 U.S.C. 602, 603, and 607) and related regulations.

663.112 Employees Excluded

Postal employees who are employed on an irregular or occasional basis (e.g., experts and consultants, substitute rural carriers, or those on a per-diem basis), and those employees who are employed without compensation or on a when-actually-employed basis are subject to the restrictions mentioned in 663.111 only while in an active duty status and only for the entire 24 hours of a day of actual employment. Notwithstanding this paragraph, full-time employees in a leave status and part-time employees are fully subject to the restrictions of 663.111.

663.113 Nonpartisan Office

An employee may seek, accept, or hold a nonpartisan federal, state, or local office subject to the provisions of this Code and this section. A nonpartisan office is one filled as a result of a nonpartisan election. A nonpartisan election is an election in which none of the candidates to be nominated or elected represent a political party whose candidates for presidential elector received votes in the last preceding election held to select presidential electors.

663.114 **Employee Responsibility**

Example: An employee who wishes to seek, accept, or hold a nonpartisan federal, state, or local office is responsible for ascertaining:

a. Whether the office is nonpartisan within the definition in 663.113.

b. Whether federal, state, or local law permits a Postal Service employee to seek, accept, or hold the particular office.

c. Whether the duties of the office would result in a conflict with Postal Service employment.

d. Whether the discharge of the duties of the office would interfere with the acceptable performance of Postal Service duties or would interfere with the acceptable performance by other Postal Service employees of their respective duties. Employees may seek advice from one of the agency ethics officials listed in 662.12 or from the Office of Special Counsel (OSC) in making these determinations. The advisory service of the OSC can be reached at (800) 854-2824.

663.115 **Prohibition Against Conflict**

An employee is encouraged to seek advice from one of the agency ethics officials listed in 662.12 or from the OSC before taking any action to seek, accept, or hold a federal, state, or local office. If the employee assumes the duties of this nonpostal office and they interfere with the proper discharge of postal duties, either by that individual or by other postal employees, then the employee holding the nonpostal office must be advised by a superior to eliminate the interference. This can be accomplished either by resignation from the nonpostal office or some other appropriate manner. If the employee fails, refuses, or neglects to comply with this advice and the interference continues, that individual will be subject to disciplinary proceedings.

663.116 **Campaign While on Leave**

Employees, other than postmasters, district managers, or acting postmasters in a salary level of EAS-25 or higher, may be granted permission to campaign for a full-time state or local nonpartisan office while on annual leave or on authorized leave without pay during the campaign when:

a. The criteria in 663.114a and 663.114b are met.

b. The vice president of Area Operations determines that the employee's postal responsibilities are being conducted in a satisfactory manner and that the absence of the employee during the campaign period will not disrupt the operation of the facility where the person is employed.

Note: Requests must be submitted through the postmaster or other installation head to the vice president of Area Operations. An employee who is elected and takes such a full-time office may either be separated from the Postal Service or granted leave without pay.

A postmaster in salary level EAS-25 or higher, a district manager, or an acting postmaster in salary level EAS-25 or higher, may not be authorized to take annual leave or leave without pay for the purpose of campaigning for a full-time state or local nonpartisan office.

663.12 Additional Prohibited Political Activities

In addition to the restrictions on political activities referred to in 663.111, an employee may not:

a. Display a political picture or sticker on property owned or leased by the Postal Service. The employee is not forbidden, however, from displaying a picture, including a personally autographed picture of a political figure, in an office or place of work if it contains no language in the nature of political campaigning.

b. Wear a political badge or button while in uniform or while on duty.

c. Display a political picture or sticker on a private vehicle while that vehicle is being used for official purposes.

663.13 Investigation and Enforcement

The independent Office of Special Counsel investigates allegations of political activity in violation of the Hatch Act by Postal Service employees. The Merit Systems Protection Board adjudicates such allegations.

663.2 Community Affairs

663.21 General

An employee is permitted to participate in community affairs to the extent consistent with the proper performance of postal duties and in compliance with applicable laws and regulations. Nothing in this section prevents an employee from serving as an official of a religious, fraternal, or civil nonpolitical organization that is supported by dues or contributions from its own members, or from participating in the nonpartisan activities of a civic, community, social, labor, professional, or other similar organization in his or her personal capacity.

663.3 Nonparticipation in Segregated Meetings

663.31 Prohibition Against Participation

Postal officials may not participate in conferences or speak before audiences where any racial or ethnic group or members of either sex have been purposely segregated or excluded from the meeting, from any of the facilities, from the conference, or from membership in the group. When requests to speak or participate are received under circumstances where discrimination may be practiced, the invited official should inquire as to the practices of the group before acceptance.

663.32 Prohibition Against Sponsorship

The Postal Service may not sponsor, support, or financially assist, directly or indirectly, any conference, convention, or meeting held where participants are segregated or are treated unequally on the basis of prohibited discrimination.

663.33 Exceptions

If the Postal Service civil rights program will be better served by permitting an exception to this policy in a particular case, the area manager of Human Resources must be advised prior to making any commitments and requested to provide a confirmation of a waiver of the policy in 663.31.

664 Bribery, Undue Influence, or Coercion

An employee must report immediately to the Office of Inspector General:

a. Any instance in which a person either within or outside the Postal Service uses or attempts to use bribery, undue influence, or coercion to induce or attempt to induce the employee to act or neglect to act in regard to official responsibilities.

b. Any information that causes the employee to believe that there has been a violation of a federal criminal statute or any law or regulation directly or indirectly related to the responsibility of the Postal Service.

Note: A copy of the report must be sent in a sealed envelope clearly marked "Restricted Information—To Be Opened by the Addressee Only," to this address:

US POSTAL SERVICE
OFFICE OF INSPECTOR GENERAL
HOTLINE
1735 N LYNN ST 10TH FL
ARLINGTON VA 22209-2020

665 Postal Service Standards of Conduct

665.1 General Expectations

665.11 Loyalty

Employees are expected to be loyal to the United States government and uphold the policies and regulations of the Postal Service.

665.12 Performance of Public Duties

Employees are expected to serve on juries and to act as witnesses when summoned by official sources.

665.13 Discharge of Duties

Employees are expected to discharge their assigned duties conscientiously and effectively.

665.14 Reporting Violations

Allegations of violations of postal laws by postal employees, including mail theft, must be reported immediately to the Office of Inspector General.

665.15 Obedience to Orders

Employees must obey the instructions of their supervisors. If an employee has reason to question the propriety of a supervisor's order, the individual must nevertheless carry out the order and may immediately file a protest in writing to the official in charge of the installation or may appeal through official channels.

665.16 Behavior and Personal Habits

Employees are expected to conduct themselves during and outside of working hours in a manner that reflects favorably upon the Postal Service. Although it is not the policy of the Postal Service to interfere with the private lives of employees, it does require that postal employees be honest, reliable, trustworthy, courteous, and of good character and reputation. The Federal

Standards of Ethical Conduct referenced in 662.1 also contain regulations governing the off-duty behavior of postal employees. Employees must not engage in criminal, dishonest, notoriously disgraceful, immoral, or other conduct prejudicial to the Postal Service. Conviction for a violation of any criminal statute may be grounds for disciplinary action against an employee, including removal of the employee, in addition to any other penalty imposed pursuant to statute. Employees are expected to maintain harmonious working relationships and not to do anything that would contribute to an unpleasant working environment.

665.17 Reporting Requirements for Sex Offenders

An employee who is required by the law of any jurisdiction to register as a sex offender must report in writing that he or she is subject to this requirement, as follows:

a. Any employee who is not an Area or Headquarters employee must make their report to the District Manager of Human Resources; Area employees must make their report to their Area Manager of Human Resources; and Headquarters employees must make their report to the Headquarters Manager, Corporate Personnel.

b. An employee who first registers as a sex offender on or after May 24, 2007, must make this report to management within 10 calendar days after the employee first registers as a sex offender.

c. An employee who registered as a sex offender at any time before May 24, 2007, must make this report to management no later than June 4, 2007.

d. If, after making his or her first report to management, the employee is required to register as a sex offender in a different jurisdiction, or to register anywhere because the employee has committed an additional offense, the employee must inform management within 10 calendar days after so registering.

665.2 Prohibited Conduct

665.21 Incomplete Mail Disposition

It is a criminal act for anyone who has taken charge of any mail to quit voluntarily or desert the mail before making proper disposition of the mail according to 18 U.S.C. 1700.

665.22 Unofficial Recommendations

Employees must not recommend or suggest the employment of any person offering services as a consultant, agent, attorney, expediter, or the like, for the purpose of assisting in any negotiation, transaction, or other business with the Postal Service unless required to do so as part of their official duties.

665.23 Discrimination

Employees acting in an official capacity must not directly or indirectly authorize, permit, or participate in any action, event, or course of conduct that subjects any person to discrimination, or results in any person being discriminated against on the basis of race, color, religion, sex, national origin, age (40+), physical or mental disability, marital or parental status, sexual

orientation, or any other nonmerit factor, or that subjects any person to reprisal for prior involvement in EEO activity.

665.24 Violent and/or Threatening Behavior

The Postal Service is committed to the principle that all employees have a basic right to a safe and humane working environment. In order to ensure this right, it is the unequivocal policy of the Postal Service that there must be no tolerance of violence or threats of violence by anyone at any level of the Postal Service. Similarly, there must be no tolerance of harassment, intimidation, threats, or bullying by anyone at any level. Violation of this policy may result in disciplinary action, including removal from the Postal Service.

665.25 Illegal Drug Sale, Use, or Possession

The Postal Service will not tolerate the sale, possession, or use of illegal drugs, or the abuse of legal drugs while on duty or on postal premises. Employees found to be engaged in these activities are subject to discipline, including removal and/or criminal prosecution where appropriate.

665.26 Intoxicating Beverages

Employees must not drink beer, wine, or other intoxicating beverages while on duty; begin work or return to duty intoxicated; or drink intoxicating beverages in a public place while in uniform. Unless the postmaster general specifically authorizes an exception (for example, an official reception), employees must not have or bring any container of beer, wine, or other intoxicating beverage into any Postal Service facility or premises, whether or not the container has been opened. Employees found to be violating this policy may be subject to disciplinary action.

665.27 Gambling

Employees must not participate in any gambling activity while on duty or while on property owned or leased by the Postal Service or the United States. This prohibition includes the operation of any gambling device, conducting a game for money or property, or selling or purchasing a numbers slip or ticket.

Note: This section does not prohibit participation in activities specified here if participation is necessitated by an employee's law enforcement duties, or if participation is in accordance with Executive Order No. 10927, relating to agency-approved solicitations, or in accordance with the Randolph-Sheppard Act, when approved by postal management.

665.3 Cooperation in Investigations

Employees must cooperate in any postal investigation, including Office of Inspector General investigations.

665.4 Attendance

665.41 Requirement of Regular Attendance

Employees are required to be regular in attendance. Failure to be regular in attendance may result in disciplinary action, including removal from the Postal Service.

665.42 Absence Without Permission

Employees who fail to report for duty on scheduled days, including Saturdays, Sundays, and holidays, are considered absent without leave except in cases where actual emergencies prevent them from obtaining permission in advance. In emergencies, the supervisor or proper official must be notified of the inability to report as soon as possible. Satisfactory evidence of the emergency must be furnished later. An employee who is absent without permission or who fails to provide satisfactory evidence that an actual emergency existed will be placed in a nonpay status for the period of such absence. The absence may be the basis for disciplinary action. However, once the employee provides management with notice of the need for leave in accordance with Family Medical Leave Act (FMLA)-required time frames, and the absence is determined to be FMLA protected, the employer must change the AWOL to approved FMLA-LWOP, and delete the AWOL status from the record.

665.43 Tardiness

Any employee failing to report at his or her scheduled time in installations where time recorders are not used is considered tardy. Tardiness in installations equipped with time recorders is defined as any deviation from schedule.

665.44 Falsification in Recording Time

Recording the time for another employee constitutes falsification of a report. Any employee knowingly involved in such a procedure is subject to removal or other discipline. Failure of a supervisor to report known late arrivals is regarded as condoning falsification. These practices may also result in criminal prosecution.

665.5 Furnishing Address

Employees must keep the installation head informed of their current mailing addresses. Any change in mailing addresses must be reported to the installation head on PS Form 1216, *Employee's Current Mailing Address,* through "Self Service" on the Postal Service Blue Page, or through USPS approved methods including *PostalEase.*

665.6 Disciplinary Action

Postal officials may take appropriate disciplinary measures to correct violations of the regulations referred to in 665.

666 Prohibited Personnel Practices

666.1 Restrictions

666.11 Applicability of Restrictions

The following restrictions apply to any Postal Service employee who has authority to take, direct others to take, recommend, or approve any personnel action with respect to any employee, eligible, or applicant.

666.12 Prohibited Discrimination

The following provisions apply:

a. *Political Affiliation.* No discrimination may be exercised, threatened, or promised by any person or in favor of any employee, eligible, or applicant because of political affiliation except as may be authorized or required by law.

b. *Individual Status.* No person may be discriminated against because of race, color, religion, sex, age (40+), national origin, disability, reprisal based on protected activity, marital or parental status, or sexual orientation in connection with examination, appointment, reappointment, reinstatement, reemployment, promotion, transfer, demotion, removal, or retirement.

c. *Conduct That Does Not Adversely Impact Performance.* No person may be discriminated for or against on the basis of conduct that does not adversely impact that person's performance or the performance of others. In determining suitability or fitness of that person, any conviction for any crime under the laws of any state, the District of Columbia, or of the United States may be taken into account.

666.13 Nepotism

See provision applicable to nepotism in Handbook EL-312, *Employment and Placement.*

666.14 Improper Employment and Placement Practices

Deceitfully or willfully obstructing or improving the prospects of any person competing for a position by granting a preference or advantage not authorized by law, rule, or regulation (including defining the scope or manner of competition or the requirements for a position), or by influencing anyone to withdraw from competition for a position, is prohibited.

666.15 Improper Recommendations

Soliciting or considering any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any personnel action is prohibited, unless such recommendation or statement is based on the personal knowledge or records of the person furnishing it and consists of:

a. An evaluation of the work performance, ability, aptitude, or general qualification of such individual.

b. An evaluation of the character, loyalty, or suitability of such individual.

666.16 Coercion of Political Activity

Coercion of the political activity of any person (including the providing of any political contribution or service), or the taking of any action as a reprisal for the refusal of any person to engage in such political activity, is prohibited.

666.17 Reprisal for Exercising Appeal Rights

Taking or failing to take any personnel action as a reprisal for the exercise of any appeal right granted by a law, rule, or regulation is prohibited.

666.18 Reprisal for Release of Information

No one may take or fail to take a personnel action, or threaten to do so, with respect to any employee or applicant for employment because the employee or applicant discloses information that he or she believes evidences:

a. A violation of any law, rule, or regulation, or

b. A gross waste of funds, gross mismanagement, an abuse of authority, or a substantial and specific danger to public health or safety.

Disclosure of information that is specifically prohibited by law does not carry the protection described above. However, no disclosure under a. and b. above is prohibited by law if made to the Inspector General of the Postal Service. There can be no reprisal for disclosures to the Inspector General unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

666.2 Remedies

666.21 General

Depending on the status of the employee complaining and the action taken against him or her, complaints that one or more of the restrictions in 666.1 have been violated may be brought through the following appeal procedures.

666.22 Equal Employment Opportunity Complaint Procedures

Any employee or applicant may file a complaint alleging discrimination based on race, color, religion, sex, age (40+), national origin, disability, or alleging reprisal based on protected EEO activity within 45 days of the event believed to be discriminatory. For details, see Publication 133, *What You Need to Know About EEO.*

666.23 Adverse Action Appeals to the Merit Systems Protection Board

All employees eligible for veterans' preference and certain other nonbargaining unit employees with one year of current continuous service in the same or similar position may appeal removals, reductions in grade or pay, suspensions of more than 14 days, or furloughs of 30 days or less. The appeal must be made to the Merit Systems Protection Board (MSPB) within 30 days of the effective date of the action. Preference eligible employees may also appeal reduction-in-force (RIF) actions to the MSPB.

666.24 Grievance Procedures

Employees covered by a collective bargaining agreement may file grievances regarding wages, hours, and working conditions in accordance with the provisions of the applicable agreement. Nonbargaining unit employees at EAS-17 and below may use the procedure in ELM 652.4 to appeal matters other than suspensions or adverse actions. Nonbargaining unit employees at EAS-18 and above may use these procedures to appeal letters of warning and emergency placement in a nonduty status.

666.25 Nonbargaining Unit Appeals Procedures

Non-probationary employees not subject to the provisions of a collective bargaining agreement may appeal removals, reductions in grade or pay, and suspensions or furloughs of 30 days or less under the provisions of Part 652.2. Letters of warning in lieu of time-off suspensions may be appealed under the provisions contained in Part 652.3.

666.26 Other Appeal Procedures for Prohibited Personnel Practices

Allegations of violations of the provisions of 666 that cannot be brought through any other procedure may be sent to the following address:

VICE PRESIDENT LABOR RELATIONS
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-4100

Complaints filed with the vice president must be in writing and include as much specific information on the alleged violation as possible. The complaint is referred to the proper official. Allegations of violations of law are referred to the Inspection Service and/or the Office of Inspector General. The complainant will be informed in writing of the disposition of the complaint.

666.3 Whistleblower Protection

666.31 Allegations of reprisal for the release of information as set forth in ELM 666.18, raised by any Postal Service employee, should be addressed to:

UNITED STATES POSTAL SERVICE OFFICE OF
INSPECTOR GENERAL HOTLINE
1735 N LYNN ST
ARLINGTON VA 22209-2005

Allegations of reprisal received from Office of Inspector General employees will be referred to an outside organization or individual for investigation. In such instances, the outside organization or individual will act in place of the Office of Inspector General, and the Office of Inspector General will act in place of Postal Service management, regarding the application of the procedures set forth in this section.

666.32 Upon receipt of the allegations, the Office of Inspector General will conduct a preliminary review of the allegations. If the Office of Inspector General determines that the allegations warrant further review, a questionnaire may be sent to the complainant that must be completed and returned to the Office of Inspector General within 30 calendar days. The Office of Inspector General will review the completed questionnaire to determine whether it will investigate the allegations or decline further action and, instead, refer the allegations to Postal Service management.

If the Office of Inspector General declines to review allegations or terminates an investigation, it shall prepare and transmit to the complainant a written statement notifying the complainant of:

a. Its decision not to review allegations or to terminate an investigation; and,

b. The reasons for declining to review allegations or terminating an investigation.

666.33 In addition to investigations of allegations submitted to the Office of Inspector General under ELM 666.31, the Office of Inspector General may, in the absence of an allegation, conduct an investigation for the purpose of determining whether there are reasonable grounds to believe that reprisal for disclosures protected by ELM 666.18 has occurred.

666.34 The Office of Inspector General may recommend to the Vice President, Labor Relations, for purposes of ELM 666.3, a stay of any pending personnel action until the conclusion of the investigation and the issuance of a report if the Office of Inspector General determines that there are reasonable grounds to believe that the personnel action was taken, as a result of a release of information as set forth in ELM 666.18. The Office of Inspector General shall provide to the Vice President, Labor Relations, an interim report explaining the nature of the allegations of reprisal and the reasons supporting the Office of Inspector General's recommendation that a stay should be ordered.

666.341 The Vice President, Labor Relations, or designee, shall, within three business days of the request, order the stay unless he/she determines that, under the facts and circumstances involved, such a stay would be inappropriate.

666.342 A stay shall not be for a period in excess of 120 calendar days from the date granted and it may be terminated by the Vice President, Labor Relations at any time.

666.343 When the Vice President, Labor Relations, or designee, does not order the stay, he/she shall advise the Office of Inspector General of his/her decision within three business days of the receipt of the request for a stay.

666.344 Where the Vice President, Labor Relations does not order a stay, or where a stay has been ordered and it is subsequently terminated by the Vice President, Labor Relations, the Office of Inspector General may request that a Postal Service Administrative Law Judge order a stay of a personnel action for a period of 45 days from the date granted.

a. A stay will be granted if the Administrative Law Judge finds that there are reasonable grounds to believe that a personnel action was taken, or is to be taken, as a result of a release of information.

b. Unless denied, any stay under this subparagraph shall be granted within 3 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of the request for the stay by the Office of Inspector General.

c. A stay may be terminated by the Administrative Law Judge at any time, except that the Administrative Law Judge may not terminate a stay on his or her own motion or on the motion of the Postal Service, unless notice and opportunity for oral or written comments are first provided to the Office of Inspector General.

666.345 When a stay has been ordered, the Office of Inspector General shall notify the Vice President, Labor Relations in writing immediately if the Office of Inspector General terminates an investigation.

666.35 Except when the Office of Inspector General declines to investigate the complainant's allegations under ELM 666.32, no later than 120 days after the date of receiving complainant's completed questionnaire under ELM 666.32, the Office of Inspector General shall provide an investigative report to the Vice President, Labor Relations.

666.36 After receipt of the investigative report, the Vice President, Labor Relations, shall advise the Office of Inspector General in writing of the Postal Service's decision.

666.37 Where the Postal Service determines that no action is to be taken or, where the Office of Inspector General determines that the action taken by the Postal Service is not corrective, the complainant may appeal and obtain a hearing before a Postal Service Administrative Law Judge under the following conditions:

a. The complainant is a nonbargaining unit employee who does not have a right to appeal the matter to the Merit Systems Protection Board or through the hearing procedures set forth in ELM 652.2,

b. The appeal is only available for personnel actions as defined in ELM 669k, and,

c. The Office of Inspector General has found a prima facie case of reprisal for whistleblowing.

666.371 If the Administrative Law Judge finds that the Postal Service has established that it would have taken the same personnel action in the absence of a disclosure under ELM 668.1, no corrective action will be ordered.

666.372 Where the Administrative Law Judge orders corrective action, such corrective action will place the complainant, as nearly as possible, in the position the individual would have been in had the improper personnel action not occurred.

666.38 Complainants who raise an affirmative defense of whistleblower reprisal during the appeals process for adverse actions set forth in ELM 652.23 and the claim of whistleblower reprisal is not sustained, may file a written request within 30 calendar days from the date of issuance of the Step 1 decision for review of the whistleblower reprisal determination by a Postal Service Administrative Law Judge under the following conditions:

a. The complainant is a nonbargaining unit employee who does not have a right to appeal the matter to the Merit Systems Protection Board,

b. The complainant has made the allegation of whistleblower reprisal to the Office of Inspector General and the Office of Inspector General has found a prima facie case of reprisal for whistleblowing, and,

c. There will be no hearing. The Administrative Law Judge's review will be limited to the record of the appeal.

The decision on the allegation of whistleblower reprisal of the Step 1 official must be affirmed unless the Administrative Law Judge finds that it is 1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; 2) obtained without procedure required by laws, rule, or regulation having been followed; or 3) unsupported by substantial evidence.

When the Administrative Law Judge does not affirm the decision of the Step 1 official, the Administrative Law Judge shall remand the appeal to the Step 1 official for issuance of a new decision on the merits. The Step 1 official shall be bound by the Administrative Law Judge's finding regarding the allegation of whistleblower reprisal.

667 Service Matters

667.1 General Service Behavior

667.11 Compiling Directories

Employees may not compile or furnish restricted information for or otherwise assist publishers in compiling city directories for public use, nor request publishers to send free copies to them, nor accept any money or gratuity arising from publication of directories.

667.12 Engaging in Campaigns for Changes in Mail Service

Employees in active status must not engage in campaigns for or against changes in mail service. This regulation must not be construed to infringe on the rights to participate in labor organizations.

667.13 Paying for Exchange of Positions

It is unlawful for employees to give or receive payment, directly or indirectly, to affect an exchange of position in the same or different postal units, or any place in the public service. This offense is punishable by fine and imprisonment and disqualification from holding any office in the federal government.

667.14 Manufacture of Rural Mailboxes

Employees are prohibited from manufacturing or acting as the agent for a manufacturer of rural mailboxes.

667.15 Loitering

Carriers must not loiter or stop for unnecessary conversation on their routes. Employees must not linger about cases or racks after their tours of duty have ended or report at cases or racks before their tours are scheduled to begin.

667.16 Controversies With the Public

Employees must not engage in controversies with customers, railway employees, airline employees, or other members of the public while on duty or on federal property.

667.17 Obstructing the Mail

Title 18 U.S.C. 1701 provides penalties for persons who knowingly and willfully obstruct or retard the mail. The statute does not afford employees immunity from arrest for violations of law.

667.18 Giving Testimony or Campaigning for Additional Transportation Services

Postmasters and other field officials must not furnish postal information or testimonial statements or letters that purport to reflect postal needs to civic bodies or rail or air common carriers to be used in support of applications for new or additional common carrier service at a given community. Such requests for postal information must be referred to Headquarters. When there are justifiable reasons for recommending changes in transportation services, postmasters and other field officials must furnish a complete report to the proper official at Headquarters and then await specific instructions before engaging in any local activity or hearing relative to such changes.

667.2 Interception of Oral or Wire Communications by Postal Employees

667.21 Prohibition

During the course of activities related to postal employment, postal employees may not record, monitor, or otherwise intercept the oral or wire communications of any other person through the use of any electronic, mechanical, or other device, nor listen in on a telephone conversation, nor direct another to do so, unless all parties involved in the communication are made aware of and consent to such interception.

667.22 Exceptions

This prohibition does not apply to postal inspectors or Office of Inspector General investigators while acting in the course of their official duties, nor does it apply to authorized personnel conducting "Compliance and Monitoring" activities in accordance with Handbook AS-805, *Information Security.* All activity conducted in this area must be in accord with applicable federal statutes governing the interception of wire or oral communications by law enforcement officers.

Call monitoring programs may be established by postal management for legitimate business purposes, such as quality assurance and training. Call monitoring programs must comply with any applicable federal statutes and regulations.

667.23 Definitions

For the purposes of 667.2, the terms *oral communication, wire communication, intercept,* and *electronic, mechanical,* or *other device* have the meanings used in 18 U.S.C. 2510.

667.3 Records, Information, and Associated Processing Systems and Equipment

667.31 Purpose of Controls

Federal law and sound business practice require compliance with certain rules over the uses and protection of information and information processing resources owned by the Postal Service. These rules apply specifically to those types of Postal Service property emphasized in the definition at 669h. They are provided here for the information of current and former employees and also for use by management as a basis for ensuring compliance and taking disciplinary action, when appropriate. These rules supplement 667.18 and 667.21 referred to earlier in Section 661.2g.

667.32 Prohibited Disclosures

667.321 General

Employees may not furnish to members of the public any Postal Service records or copies of records, or information taken from Postal Service records, including information contained in a computer system, unless it is a part of the duties of their position to do so. Decisions to withhold or disclose records and information must be consistent with applicable laws, Executive Orders, and Postal Service regulations and directives. Accordingly, the responsible official must consult with the Chief Privacy Officer (CPO),

managing counsel for the appropriate field legal office, or the general counsel if there is any question as to the appropriate course of action.

667.322 **Personal Information**

Disclosing nonpublic information about an individual to another person or organization not entitled by Postal Service regulations to the information, without the signed authorization from the individual, is prohibited under penalty of law. See Handbook AS-353, *Guide to Privacy and the Freedom of Information Act.*

667.323 **Trade Information**

Disclosing any information not available for public disclosure as described under ASM 824 and Handbook AS-353, *Guide to Privacy and the Freedom of Information Act,* Chapter 3, to any unauthorized person or organization is prohibited under penalty of law.

667.33 Prohibited Uses

667.331 **Personal Use**

Use of Postal Service property (as defined in 669h) for personal enjoyment, private gain, or other unauthorized activity is prohibited, except that management at each Postal Service employment installation may permit employees to make limited personal use of postal office equipment, including information technology, (as defined in 669j). See Handbook AS-805, *Information Security,* Chapter 5, Acceptable Use.

667.332 **Damage**

Users will be held accountable for damage to postal property caused by negligence or intentionally destructive acts.

667.333 **Bypassing Security Controls**

Bypassing or attempting to bypass established security controls in violation of the *Administrative Support Manual* (ASM), Chapter 8, is prohibited.

667.334 **Sanctions for Misuse**

Use of postal equipment in violation or excess of 667.33 (Prohibited Uses) may result in limitations on future use, administrative action, disciplinary action, criminal penalty, and/or personal financial liability.

667.34 Protection Responsibilities

Employees must protect all information about individuals, customers, all other Restricted Information, and all National Security Information against unauthorized use and disclosure.

667.35 Reporting Violations

See 665.14.

668 Legal Assistance Provided by the Postal Service

668.1 Representation of Postal Service Employees by the Department of Justice in Civil and Criminal Cases

668.11 General

Under the following procedures, an employee (hereby defined to include present and former employees or their estates) may be provided

representation in civil proceedings and in state criminal proceedings in which they are sued, subpoenaed, or charged in their official capacity, when the actions for which representation is requested reasonably appear to have been performed within the scope of their employment, and providing representation would be in the interest of the United States.

A provision of the Federal Tort Claims Act prohibits suits against individual Government employees (including Postal Service employees) for loss, damage, or destruction of property or personal injury or death when caused by the negligent or wrongful act or omission of the employee while acting within the scope of his or her employment (Title 28, U.S.C. Section 2679).

668.12 Procedure for Requesting Legal Representation by the Department of Justice

668.121 Employee Responsibilities

An employee who believes he or she is entitled to representation by the Department of Justice in a proceeding must promptly submit a written request for that representation, together with all process and pleadings served, to the employee's installation head. Failure to submit a request promptly may prevent the processing necessary to obtain approval of the employee's request. In order to give a request proper consideration, it must contain a detailed statement from the employee of his or her knowledge of the subject matter of the proceeding and be accompanied by all pertinent documents. The Department of Justice asks that the letter requesting representation be addressed to the:

ASSISTANT ATTORNEY GENERAL CIVIL DIVISION
DEPARTMENT OF JUSTICE
WASHINGTON DC 20530-0001

but that the request letter not be sent directly to the Assistant Attorney General. The request is to be sent directly to the employee's installation head, who will in turn forward the request in accordance with 668.122. The Department of Justice requires that the request contain:

a. The date the employee was served.

b. The date on which the employee must respond or appear at a proceeding.

c. A statement that the employee has read the complaint; that all conduct related to the allegations in the complaint occurred within the scope of the employee's official duties; and that such conduct was done in the good faith belief that it was proper.

d. A statement describing in detail the employee's knowledge of the subject matter of the complaint. Failure to provide a detailed statement of the facts may prevent the processing necessary to obtain approval of the request.

668.122 Installation Head or Higher Level Official Responsibilities

The installation head or next higher level or other designated official must:

a. Add to the employee's request a separate statement indicating whether they believe the employee was acting within the scope of his or her employment at the time of the conduct which is the focus of the suit, subpoena, or citation.

b. Forward the request without delay to the managing counsel for the area in which the proceeding arose.

c. Submit a covering transmittal memorandum to the managing counsel containing a recommendation as to whether providing the employee representation would be in the best interests of the Postal Service and a statement detailing the installation head's or appropriate designee's knowledge of the subject matter of the case.

668.123 **Postal Inspection Service and Office of Inspector General**

Postal Inspection Service personnel and Office of Inspector General personnel should follow procedures established by the chief postal inspector and inspector general respectively to request representation by the Department of Justice rather than follow the procedures set forth in this section.

668.124 **Criteria for Granting Representation**

The Department of Justice provides representation at its discretion and only after it determines that the employee acted within the scope of his or her authority and that such representation would be in the best interest of the United States.

668.125 **Department of Justice Representation**

Upon determination by the Department of Justice that an attorney will represent an employee, the employee will be so notified, and will be provided information about the nature of Department of Justice representation.

668.2 Reimbursement of Employees for Legal Fees, Judgments, and Settlements

668.21 Legal Fees

An employee whose request under 668.12 has been denied for any reason may request reimbursement for legal fees incurred by his or her use of private counsel through the appropriate managing counsel.

668.22 Judgments and Settlements

An employee who has filed a request for representation under 668.12 may file a request for payment of any adverse judgment or settlement with the appropriate managing counsel.

668.23 Criteria for Reimbursement

Each request for reimbursement for legal fees, judgments, or settlements will be considered by the managing counsel on its individual merits after the case is concluded. Generally, reimbursement will be made if:

a. It is equitable and fair to do so.

b. The employee acted reasonably, within the scope of his or her authority, and not recklessly, in bad faith, or with obvious indifference to instructions.

c. The amount requested is reasonable, and reimbursement is deemed to be in the best interest of the Postal Service.

668.3 USPS Governors and Officers

668.31 Requests for Legal Representation

The provisions of 668 apply also to the governors and officers and inspector general of the Postal Service. If such persons are named as defendants and desire to be represented by the Department of Justice, they must submit their requests in accordance with 668.12 to the general counsel. However, the Chairman of the Board of Governors and the postmaster general submit their requests directly to the General Counsel. The Inspector General submits the request through the OIG General Counsel to the USPS General Counsel.

668.32 Legal Fees

A person covered by 668.3 who is represented by private counsel may apply to the general counsel for payment or reimbursement for legal fees. The general counsel will exercise discretion according to the criteria in 668.23.

668.33 Judgments and Settlements

A person covered by 668.3 may apply to the general counsel for payment or reimbursement for any adverse judgment or settlement. The general counsel will exercise discretion according to the criteria in 668.23.

669 Definitions

Definitions of terms used in 660 are:

a. *Postal Service* — the United States Postal Service as established by 39 U.S.C. 201.

b. *Employee* — an individual appointed to a position, temporary or permanent, within the Postal Service, or hired as an executive under an employment contract, including a substitute. The term *employee* does not include a governor of the Postal Service.

c. *Person* — an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization, institution, or entity.

d. *Official responsibility* — direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Postal Service action.

e. *Employee's interests* — the interests of an employee, his or her spouse, his or her minor child or children, and other individuals related to the employee by blood who are residents of the employee's household.

f. *Business dealings with the Postal Service* — any contract, work, or business, or the performance thereof, or any litigation arising out of or involving any contract, work, or business, or the sale or acquisition of any real or personal property, or any interest in property, whose expense, price, or consideration is payable by or to the Postal Service.

g. *The Standards of Ethical Conduct* — the Code of Ethical Conduct consisting of the regulations published in 5 CFR 2635, 5 CFR 7001, and 39 CFR 447.

h. *Property* — includes records and recorded information regardless of their storage medium (e.g., paper, magnetic surfaces, film, etc.); information processing equipment such as computers and word processors, along with their peripheral and terminal devices; filmers, duplicators, and copiers; and information systems software.

i. *Information system executive* — a Postal Service official who prescribes the existence of, and the policies for, an information system.

j. *Office equipment* — includes, but is not limited to, personal computers, printers and modems, computer software (including Web browsers), telephones, facsimile machines, photocopiers, consumable office products, and office supplies.

k. *Personnel action* — means an appointment, promotion, adverse action or other disciplinary or corrective action, detail, transfer, reassignment, reinstatement, restoration, reemployment, performance evaluation, a decision concerning pay, benefits, awards, education or training that may reasonably be expected to lead to an appointment, promotion, or performance evaluation, a decision to order psychiatric testing or evaluation, or any other significant change in duties, responsibilities, or working conditions.

670 Diversity, Equal Employment Opportunity, and Affirmative Action

671 Diversity Overview

All employees share responsibility for achieving the Postal Service's corporate goals for responding to the voices of the customer, the employee, and the business. To create the required balance between employee satisfaction and customer satisfaction, the Postal Service must employ strategies and values that promote fairness and opportunities, instill pride, and enhance safety in the workplace.

For such efforts to be successful, the Postal Service must manage the diversity of its workforce so as to build an inclusive environment that respects the uniqueness of every individual and encourages the contributions of people from different backgrounds, experiences, and perspectives. This management of diversity must be reflected in recruitment, selection, promotion (including succession planning and opportunities for training and development), and retention of employees.

Integrating these values and strategies into the corporate culture requires leadership's full commitment.

672 Federal Legal Requirements for Equal Employment Opportunity and Affirmative Action

672.1 Laws

Equal employment opportunity (EEO) is required by federal law:

a. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e through 2000e-17, makes it illegal to discriminate in employment on the basis of race, color, religion, sex, or national origin.

b. The Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621 through 634, prohibits employment discrimination based upon age (age 40 and older).

c. The Rehabilitation Act of 1973, as amended, 29 U.S.C. 791 through 794a, forbids federal employers from discriminating against individuals with physical or mental disabilities. It also requires federal employers (1) to adopt an affirmative action plan for the hiring, placement, and advancement of individuals with disabilities and (2) to make reasonable accommodation to the known physical or mental disabilities of qualified individuals with disabilities unless the accommodation would pose an undue hardship.

d. All of these laws forbid reprisal for participating in protected EEO activity (e.g., filing a complaint, appearing as a witness).

The Postal Service also complies with the Equal Pay Act, 29 U.S.C. 206(d), which prohibits sex-based wage discrimination, and with the Architectural Barriers Act, 42 U.S.C. 4151 through 4157, which outlines accessibility requirements.

672.2 Executive Orders and EEOC Regulations

Executive Order No. 11478 requires federal agencies to establish and maintain affirmative programs of equal employment opportunity for all employees and applicants.

EEOC regulations require all federal agencies, including the Postal Service, to file Affirmative Employment Plans (AEPs). These plans provide information on the status of protected groups in each agency. The EEOC reviews and approves the plans.

Protected groups identified by EEOC regulations are women, Blacks, Hispanics, Asian Americans/Pacific Islanders, American Indians/Alaskan Natives, and individuals with disabilities.

The procedures for processing complaints of discrimination are contained in 29 CFR 1614.

672.3 Office of Personnel Management Guidance

OPM provides guidance to the Postal Service on variations of the Federal Women's Program, the Hispanic Employment Program, and the Selective Placement Program for Individuals With Disabilities.

673 Policy

673.1 General EEO and Affirmative Action Goals

The Postal Service seeks to:

a. Ensure fair employment practices at every level of the organization, making equal employment opportunity a way of life in the Postal Service.

b. Provide programs and opportunities that assist all employees in gaining the skills and experience necessary for advancement consistent with their abilities and personal goals.

673.2 Specific Commitments

673.21 Ensuring the Representation of All Employee Groups in All Levels of Employment

The Postal Service is committed to following the EEO laws and their application to all employment matters, including those related to affirmative action, and to providing reasonable accommodation as required by law where individuals with disabilities are employed or will be employed.

The goal of affirmative action within the Postal Service is to ensure that postal recruitment, retention, development, and promotion practices effectively draw upon and support the diversity of the communities the organization serves.

To help bring that about, the Postal Service operates special emphasis programs (e.g., the Women's Program and the Hispanic Program) and other affirmative action activities to help ensure that all employees and applicants — including women, minorities, and individuals with disabilities — are able to compete for employment and for opportunities at all levels of the organization.

673.22 Prohibiting Discrimination and Harassment

673.221 Discrimination

The Postal Service is committed to ensuring a workplace that is free of discrimination and to fostering a work climate in which all employees may participate, contribute, and grow to their fullest potential.

Through the EEO Complaint Processing Program, the Postal Service maintains a process of EEO counseling and investigation for addressing and resolving complaints that arise from alleged discriminatory practices. As an alternative to precomplaint EEO counseling, the Postal Service also offers the dispute resolution process titled Resolve Employment Disputes Reach Equitable Solutions Swiftly (REDRESS).

Handbook EL-603, *Equal Employment Opportunity Complaint Process,* provides the procedures for processing complaints of discrimination, as contained in 29 CFR 1614. Publication 94, *REDRESS,* provides an introduction to the alternative dispute resolution process.

673.222 Sexual Harassment

The Postal Service is committed to providing a work environment free of sexual harassment. Sexual harassment is improper and/or unlawful conduct that undermines employment relationships as well as employee morale, and the Postal Service will not tolerate its presence in the workplace. Employees who are found to have engaged in sexual harassment should expect serious disciplinary action, up to and including removal.

Postal employees who believe that they are the victims of sexual harassment may bring the situation to the attention of impartial supervisors or Human Resources managers at the appropriate organizational level. Any possible

criminal conduct should be reported to the Postal Inspection Service, the Office of Inspector General, or both.

Employees who believe that they are victims of sexual harassment but choose not to pursue a complaint through one of the above established procedures may seek relief through the EEO complaint process, grievance arbitration procedures for bargaining unit employees under the collective bargaining agreements, or, where appropriate, the nonbargaining unit grievance and appeal procedures.

673.223 **Sexual Orientation Discrimination and Harassment**

The Postal Service is committed to fair treatment of all its employees. Harassment and disparate treatment based on actual or perceived sexual orientation or identity are not permitted or condoned. Complaints of discrimination based on sexual orientation or identity are not permitted under Title VII of the Civil Rights Act of 1964. However, employees should report any variance from this policy to a management official at the earliest opportunity.

673.3 Diversity, EEO, and Affirmative Action Accountability

673.31 Employees

All employees are expected to treat each coworker with dignity and respect. In accordance with the laws of this nation, employees must refrain from discrimination based on race, sex, national origin, or any other category protected by the EEO laws. Employees also have the responsibility for taking appropriate steps to ensure a workplace free of sexual harassment and sexual orientation discrimination and harassment.

673.32 Management

All executives, managers, and supervisors share in the responsibility for successfully managing the diversity of the workforce and implementing EEO and affirmative action programs. Managers and supervisors are also charged with the responsibility of educating employees about preventing sexual harassment. If harassment occurs, managers and supervisors are responsible for conducting a prompt investigation of the allegations and taking immediate and appropriate remedial action (see Publication 552, *Manager's Guide to Understanding Sexual Harassment).*

674 Organizational Responsibilities

674.1 Deputy Postmaster General

The deputy postmaster general (DPMG) is the EEO and affirmative employment official for the Postal Service and is the principal advisor to the postmaster general and chief executive officer. Under the authority of the DPMG, the vice presidents of Diversity Development, Labor Relations, and Employee Resource Management are responsible for recommending policies and developing programs to address the EEO, affirmative action, and diversity objectives.

674.2 Functional Organizations

674.21 Diversity Development

The vice president of Diversity Development is responsible for overseeing the Postal Service national affirmative action and diversity development activities, including developing Affirmative Employment Plans that outline the implementation of all special emphasis programs and preparing accomplishment reports at the Headquarters, area, and performance cluster levels.

674.22 Labor Relations

The vice president of Labor Relations is responsible for the Postal Service EEO Complaint Processing Program. This official or a designee renders the final agency decision of the Postal Service regarding complaints of discrimination emanating from employees or applicants for employment at Headquarters, at Headquarters field units, and in the Inspection Service.

674.23 Employee Resource Management

The vice president of Employee Resource Management is responsible for developing and implementing Postal Service policies related to the employment, placement, and promotion of employees within a diverse workforce, with particular responsibility for protection of rights of veterans, disabled veterans, and other individuals with disabilities.

674.3 Diversity and Affirmative Action Advisory Committees

The guidelines for establishing Diversity and Affirmative Action Advisory Committees appear in the current issuance of the management instruction on Diversity and Affirmative Action Advisory Committees.

675 Affirmative Action Activities

675.1 Special Emphasis Programs

675.11 Nature of Programs

Special emphasis programs have been established within the framework of existing EEO and affirmative action laws, policies, and regulations. The special emphasis programs include the Women's Program, the Hispanic Program, and other special emphasis programs for other legally protected groups — Blacks, Asian Americans/Pacific Islanders, American Indians/Alaskan Natives, and individuals with disabilities — as well as for veterans and white males.

These programs focus attention on the special needs, obstacles, and concerns of certain protected groups when they are underrepresented in Postal Service employment (though they may be well represented in the civilian labor force) or when they are underrepresented at higher levels of postal management (though they may be well represented in the bargaining units or in lower level management).

The Postal Service is committed to ensuring that these programs receive the necessary management attention and support.

675.12 Objectives

The primary objective of the special emphasis programs is to ensure that all employees are fully utilized in the Postal Service workforce and that they have an equal opportunity to compete in every aspect of employment, including but not limited to recruitment, hiring, retention, training, career development, and promotions.

These programs do not seek preferential treatment, but ensure equality of opportunity through positive actions taken to eliminate barriers and through a continued commitment to achieving the goals and objectives set in the Affirmative Employment Plans.

675.13 Additional Information

Additional information can be found as follows:

a. The information on the Postal Service Women's Program definitions, responsibilities, program focus, program personnel, program evaluation, and reporting requirements is currently under revision.

b. For information on the Postal Service Hispanic Program definitions, responsibilities, program focus, program personnel, program evaluation, and reporting requirements, see the current issuance of management instruction *Postal Service Hispanic Program.*

c. For information on the Rehabilitation Act of 1973, reasonable accommodation, disability definitions, and employment and placement issues, see Handbook EL-307, *Guidelines on Reasonable Accommodation.*

675.2 Career and Diversity Awareness Conferences

675.21 Objective

Career and Diversity Awareness Conferences are group sessions designed to provide information on matters both postal and nonpostal about career and personal growth, planning, developmental resources, and diversity. The major goals of the conferences are to recognize the inherent value of diversity in the Postal Service, to provide practical information, and to create an awareness of the opportunities available to all employees in the Postal Service.

675.22 Additional Information

Specific information on conducting career and diversity awareness conferences can be found in the current issuance of the management instruction *Career and Diversity Awareness Conference Guidelines.*

676 On-Site EEO Evaluations

[Reserved.]

680 Participation in Supervisory and Managerial Organizations

681 Participation Rights

Postal personnel have the right, freely and without fear of penalty or reprisal, to join or assist a supervisory or managerial organization or to refrain from such activity. Personnel are protected in the exercise of such rights. No interference, restraint, coercion, or discrimination to encourage or discourage membership in such an organization will be effected in the Postal Service. The limitations set forth in Title 39, United States Code 1004(b), however, are dispositive on whether organizations are officially recognized by the Postal Service as a matter of law for consultative purposes.

682 Postal Service Representation at Organization Gatherings

682.1 Explanation

The Postal Service recognizes the need for effective rapport with the postmasters' and supervisors' associations. Part 682 establishes policies and procedures for official Postal Service representation at meetings and conventions of the National Association of Postmasters of the United States (NAPUS), the National League of Postmasters of the United States (League), and the National Association of Postal Supervisors (NAPS). Any requested exceptions to these policies and procedures must be submitted in advance to the vice president of Labor Relations.

682.2 National Conventions

When Postal Service representation is requested by either the League, NAPUS, or NAPS for speakers at a national management association convention, the principal spokesperson will be a representative who is most familiar with the subject matter identified in the letter of invitation. Postal Service officers or PCES managers who are assigned to address national conventions may participate in the convention's workshops, seminars, or other sessions where the subject matter is Postal Service policies, procedures, or operations. Coordination over who may appropriately address or attend management association conventions from Headquarters and Headquarters field units is within the exclusive purview and discretion of the vice president of Labor Relations. Coordination of speakers from the area or field level of the organization is within the purview of the vice president of Area Operations.

682.3 State Conventions and Other Management Association Conferences

682.31 General Policies

For a management association state convention or locally sponsored conference, the vice president of Labor Relations may designate an officer or PCES manager from Postal Service Headquarters to deliver remarks on

behalf of the Postal Service. In addition, the appropriate vice president of Area Operations is encouraged to participate and has discretionary authority to designate one or more representatives from the area or appropriate district and to determine the extent of their participation in the state convention or locally sponsored conference.

682.32 Request Channels

Requests for area, Inspection Service, and field management representation at state conventions or locally sponsored management association conferences are coordinated through the vice president of Area Operations, who makes the final determination. The vice president of Labor Relations makes the final determination on all Headquarters and Headquarters field unit representatives who may address or attend state conventions or locally sponsored management association conferences.

683 District Meetings for Postmasters

Each district manager may have periodic group meetings with postmasters to discuss and coordinate operational matters and/or provide training on subjects not covered in standard training courses. The time, location, and duration of these meetings, as well as who must attend, are in the sound discretion of the district manager or his or her designee.

690 Inventions and Patents

691 Policy

It is a policy of the Postal Service to encourage and stimulate the inventive talents of employees and to determine equitably the respective rights of the inventor and the Postal Service.

692 Authority

These regulations are issued pursuant to the authority of 39 U.S.C. 401, and they supersede and replace all previous rules and regulations relating to this subject.

693 Definitions

The terms used in this section are defined as follows:

a. *Postal employee* — any officer or employee of the Postal Service, including any part-time employee.

b. *Invention* — any art, machine, manufacture, design, or composition of matter, or any new and useful improvement of these, that is or may be patentable under the patent laws of the United States.

c. *During workhours* — time spent during usual workhours, overtime, or both.

d. *Facilities* — Postal Service buildings, shops, and any other buildings, property, or premises occupied by the Postal Service used while making an invention.

e. *Equipment* — Postal Service machinery, tools, and the like used in making an invention.

f. *Materials* — components specifically obtained and used for the purpose of making an invention.

g. *Funds* — Postal Service funds specifically allocated for the purpose of making an invention (including salary or wages paid to the inventor).

h. *Information* — knowledge used in making an invention that is available only by reason of the inventor's official duties and is obtained from sources available by reason of such duties and not otherwise available.

i. *Time and service of other governmental employees on official duty* — assistance provided during workhours by other postal employees or by nonpostal employees of the federal government in making an invention.

j. *Inventor in official duty capacity* — an inventor of an invention bearing a direct relation to, or made in consequence of, official duties when the inventor is employed or assigned to do any of the following:

(1) Invent, improve, or perfect.

(2) Conduct or perform research, development work, or both.

(3) Supervise, direct, coordinate, or review Postal Service or government-financed or -conducted research or development, or both.

(4) Act in a liaison capacity among government or nongovernment agencies or individuals engaged in such research or development work, and the invention is reasonably shown to have been developed from or during the performance of such work.

694 Reporting Inventions

694.1 Reports

694.11 What to Report

Any invention made by a Postal Service employee must be reported even though the employee is filing a patent application through outside counsel. An employee does not have clear title to an invention until a determination has been made as to possible Postal Service rights in the invention.

694.12 When to Send

Inventions should be reported as soon as the inventor makes a written description, drawing, or model of the invention.

694.13 Where to Send

Invention reports must be sent to the:

PATENT COUNSEL
LAW DEPT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-1123

694.14 What to Send

The following necessary information must be supplied in duplicate:

a. Inventor's name and address.

b. Inventor's job title and a brief description of duties.

c. Title of the invention and a full description of the invention. A model of the invention should *not* be sent unless it is requested.

d. A description of the Postal Service's contribution to the invention, if any. To show this, indication of whether the following statements are true should be provided and reasons given for any yes responses:

(1) The invention was made during workhours.

(2) The Postal Service contributed facilities, equipment, materials, funds, information, or the time or services of other Postal Service employees on official duty.

(3) The invention bears a direct relation to, or was made in consequence of, official duties.

Note: Give the reason for any *yes* answer above.

694.2 Review by Supervisor

A supervisor is to review the information and certify that to the best of his or her knowledge the report is true. A supervisor who does not agree with any part of the report must attach a statement of reasons for disagreeing. The supervisor's review is for the purpose of verifying:

a. Whether the invention was made with a contribution by the Postal Service of facilities, equipment, materials, funds, information, or the time or service of other Postal Service employees on official duty.

b. The relation, if any, of the invention to the assigned duties of the inventor.

c. Whether the invention was made during workhours.

695 Determination of Rights in and to an Invention

695.1 Responsibility

The initial determination of entire right, title, and interest in and to an invention is made by the Postal Service's Patent Counsel. The determination of rights is based on the following criteria:

a. *Entire Right, Title, and Interest to Postal Service.* The entire right, title, and interest is obtained by the Postal Service in these cases:

(1) The invention bears a direct relation to, or is made in consequence of, the official duties of the employee.

(2) The invention is made with a substantial contribution by the Postal Service of facilities, equipment, materials, funds, information, or the time or services of other Postal Service employees on official duty.

b. *Entire Right, Title, and Interest to Employee.* The entire right, title, and interest is left with the employee in these cases:

(1) The invention does not bear a direct relation to, or is not made in consequence of, the official duties of the employee.

(2) The invention is made outside of working hours.

(3) The invention is not made with a contribution by the Postal Service of facilities, equipment, materials, funds, information, or of time or services of other Postal Service employees on official duty.

c. *Divided Rights of Employee and Postal Service.* When an invention by an employee does not meet the criteria of 695.1a(1) or (2), but the invention is made during working hours, the Postal Service may reserve a nonexclusive, irrevocable, royalty-free license in the invention with the power to grant licenses for all government purposes. Such reservation must appear, where practicable, in any patent, domestic or foreign, that may issue on such invention.

695.2 Instruments

Patent Counsel prepares any necessary instruments and maintains a written record of all inventions to which the Postal Service has the title or license.

696 Appeals and Petitions

The following are the procedures for filing appeals and petitions:

a. Any Postal Service employee inventor who is aggrieved by the initial determination as to the rights of the Postal Service in any invention may appeal by filing two copies of an appeal with the Postal Service's Procurement Policy Committee within 30 days after receiving notice of the initial determination by the Patent Counsel. The committee forwards one copy of the appeal to the Patent Counsel.

b. On receipt of a copy of an appeal, the Patent Counsel promptly furnishes both the committee and the employee a report containing:

(1) A detailed statement of the points of dispute or controversy.

(2) Copies of any statements or written arguments filed with the Patent Counsel.

(3) Any other relevant evidence that was considered in making the initial determination of Postal Service interest.

c. Within 30 days after the mailing or hand delivery of a copy of the Patent Counsel's report to the inventor, the employee may file a reply with the committee, furnishing a copy to the Patent Counsel.

d. After the expiration of the period for reply to the Patent Counsel's report, the committee issues a decision on the matter. The committee's decision is made after consideration of the statements of fact in the inventor's appeal, the Patent Counsel's report, and the inventor's reply; but the committee, at its discretion, may call for further statements on specific questions of fact or may request additional evidence.

e. The employee may file a petition for reconsideration or modification of the committee's decision within 30 days from the date of the decision. The decision is final after the period for filing a reconsideration request expires or on the date that a decision on reconsideration is made or reconsideration is denied.

697 Timeliness

Postal Service officials who are involved in the proceedings described in 695 and 696 must make every effort to process claims and/or appeals in a timely manner.

698 Correspondence

All correspondence and inquiries relating to inventions and patents should be addressed to the:

PATENT COUNSEL
LAW DEPT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-1123

7 Training and Development

710 Overview

711 Policy, Goals, Objectives, and Categories

711.1 General Policy

711.11 Strategy

The people employed by the Postal Service are its major asset, and the training and development of these human resources is a key investment strategy for individual and organizational success. The Postal Service provides systems and resources to meet the training and development needs of its employees, to fulfill organizational skill requirements, and to provide individuals with career growth opportunities. Broadly stated, it is Postal Service policy to provide employees with training and development opportunities consistent with operational requirements, occupational categories, and skill requirements.

711.12 Methods

Employees are provided with both formal and informal learning experiences that contribute to individual growth and improved performance in current or future jobs. Formal training and development systems are organized to achieve learning objectives in knowledge, skills, and abilities of employees and certain specifically designated applicants for employment. Job and other life experiences provide informal learning.

711.13 Responsibility

Responsibility for the training and development of postal employees is shared by the individual employee, his or her supervisor or manager, and the organization.

711.14 Reasonable Accommodation

The employing office must notify appropriate officials at the National Center for Employee Development (NCED) or the William F. Bolger Center for Leadership Development of students who may require reasonable accommodation or special attention at the resident training facility.

711.2 Purpose and Goals

The purpose of the training and development function is to:

a. Organize and facilitate the learning process.

b. Expedite acquisition of the knowledge, skills, and abilities required for effective job performance.

c. Provide employees with career growth opportunities consistent with corporate goals, objectives, and strategies.

Training and employee development programs are designed to be effective, efficient, and timely, using sources, methods, and strategies consistent with the following goals:

a. Ensure the availability of human resources to meet present and future organizational needs.

b. Ensure linkage with corporate goals and business strategies.

c. Provide learning experiences that are responsive to the training and development needs of Postal Service employees.

d. Make instruction timely, using the most cost-effective methods.

e. Reduce organizational training costs while increasing learner retention and proficiency.

711.3 Objectives

Training and development activities are planned on the basis of need and demand to enable employees to meet one or more of the following objectives:

a. Upgrade or maintain proficiency in their current jobs.

b. Learn new postal systems, procedures, or technologies.

c. Acquire job-related knowledge, skills, and abilities after selection for or assignment to a specific position or duty.

d. Develop knowledge, skills, and abilities as part of a succession planning system.

e. Obtain and enhance knowledge, skills, and abilities unrelated to their present duties in order to attain self-determined goals or career objectives.

Training and development activities also serve to enable managers, staff personnel, technical specialists, and others to keep abreast of new ideas, techniques, and concepts that may apply to postal operations or to a professional occupation.

711.4 Categories of Training and Development

Training and development programs and learning experiences fall under three basic categories, i.e., Job Training, Self-Development Training, and Job Experiences.

711.41 Job Training

711.411 Description

Job Training is training required by management to: (a) qualify an employee for presently assigned duties; (b) improve an employee's performance of assigned duties; (c) prepare an employee for a future assignment subject to selection procedures.

Job Training is always compensable for Fair Labor Standards Act (FLSA) nonexempt employees. Salaried exempt employees continue to receive their salary while attending Job Training.

711.412 **Conditions**

To be categorized as Job Training, all of the following conditions apply:

a. Management requires attendance at the training.

b. The training is directly related to the performance of the employee's current job or specific future assignment subject to satisfactory completion of the training and/or a job examination.

c. Refusal to attend the training, or less than satisfactory performance in the training, may jeopardize the employee's present position or make the employee ineligible for qualification or promotion to a specific position or duty.

711.413 **Examples**

Specific examples of Job Training are:

a. Postal orientation for a new employee.

b. A Postal Employee Development Center (PEDC) course in electricity, mechanics, or basic electronics for a maintenance mechanic, mail processing equipment (MPE).

c. A driver training program for a motor vehicle operator.

d. A PEDC financial transaction course for a sales and services associate.

e. A PEDC or a National Center for Employee Development digital electronics course for an electronics technician.

f. A sales and services associate training program for a distribution clerk who is the senior bidder for a sales and services associate position.

g. A postmaster course taken in preparation for a specific officer-in-charge (OIC) assignment.

h. Scheme training for an employee in the deferment period established by Article 37 of the USPS-APWU National Agreement when the employee qualifies for and accepts the preferred assignment.

711.42 Self-Development Training

711.421 **Description**

Self-Development Training is that which is taken in order to attain self-determined goals or career objectives but is not directly related to the employee's current job. This training is noncompensable for FLSA-nonexempt employees and must be approved by management in advance if postal resources are to be used. Before approving such training, management should take into account the provisions of 713.1 and 713.2.

711.422 **Conditions**

Self-Development Training must meet all of the following conditions:

a. The employee's participation is voluntary.

b. Participation is outside the employee's regular working hours.

c. The training is not directly related to the employee's job or to a definite future assignment subject to satisfactory completion of training and/or job examination.

d. The employee does not perform any productive job-related work during the training.

e. If Postal Service resources are used for the training, management has approved the employee's participation.

711.423 **Job Relatedness**

Requests for Self-Development Training must be assessed on an individual basis to determine job-relatedness. If the subject matter of a training program is directly related to an FLSA-nonexempt employee's current job or definite future assignment subject to selection requirements, the time spent by the employee in training is considered "Job Training" subject to the provisions of 711.41 and compensable under FLSA.

711.424 **Examples**

Specific examples of Self-Development Training are:

a. An online course in a second language for a letter carrier.

b. A General Equivalency Diploma test preparation program for a sales and services associate.

c. A college seminar on leadership for a secretary.

d. A local fire department certification program in CPR for a mail processor.

711.43 Job Experiences

711.431 **General**

Job Experiences can contribute significantly to maintaining, improving, or developing knowledge, skills, and abilities.

711.432 **Within Current Job Assignment**

Learning experiences can be incorporated within the employee's current assignment to increase and/or enhance knowledge, skills, and abilities. Examples include the following:

a. Task force assignments.

b. Committee assignments.

c. Special projects.

d. Assignments of additional responsibilities or new duties.

e. Tutoring by a technical expert.

f. Special work assignments that focus attention on improving supervisory, managerial, or technical behaviors.

711.433 **Outside Current Job Assignment**

The temporary assignment of an employee to work or to a position outside his or her current job and location is a productive way to serve both employee-development and organizational needs. From the employee's perspective, such assignments provide opportunities to learn new and different skills and abilities. From the organization's perspective, such assignments provide an efficient way to draw on an employee's technical or managerial expertise to accomplish work for the organization. Examples include the following:

a. Assignment to a leadership or staff role on a special task force or project.

b. Temporary assignment to another position within or outside the organization, at the same level, lower level, or higher level. (See Handbook EL-312, 716.1, Temporary Bargaining Assignments, for more specific information about temporary assignments.)

712 Training Compensation Guidelines

712.1 General

The determination as to whether time spent in training is compensable depends on the FLSA status of the employee (exempt or nonexempt), the category of training (Job or Self-Development), and when the training takes place (on or off the clock). Only FLSA-nonexempt employees are covered by the compensable training time policies. The application of these concepts is explained in 438, Pay During Travel or Training, which also provides detailed guidance on the compensability of travel related to training.

712.2 FLSA Considerations

712.21 Coverage

Compensable training time includes time spent in actual training and all related study, practice, and laboratory time suffered or permitted by management.

712.22 Scheduling

Unless otherwise specified, all training programs delivered to FLSA-nonexempt employees are designed and scheduled to conform to a training day of no more than 8 hours and a training week of no more than 5 consecutive workdays.

712.23 Disclaimer

Nothing herein is intended to make any training compensable that is not otherwise required to be compensable pursuant to FLSA.

712.24 Management Responsibilities

Management must inform each employee of all factors relevant to the training program being taken, such as allotted time, unavailability of supplemental training time, and the prohibition on removing training materials from postal premises.

712.25 Employee Responsibilities

Each employee must follow the applicable rules and guidelines of any training or employee development program.

713 Selection

713.1 Equal Opportunity Policies

The selection or non-selection of employees to participate in training must not be based on race, color, religion, sex, age, national origin, physical or mental handicap, or any other non-meritorious factor.

713.2 Selection Considerations

Except as otherwise specified in the collective bargaining agreements, the following factors must be considered in selecting individuals for training:

a. The degree to which an employee's improved performance will benefit the Postal Service by helping to achieve immediate organizational needs.

b. The relative degree of an employee's need for training.

c. The extent to which an employee's performance is likely to be improved by training.

d. An employee's own interest in and efforts to improve work performance.

e. The ability of an employee to pass the training on to others upon return to the job, if appropriate.

713.3 Assignment After Training

Unless specifically stated in current directives or a collective bargaining agreement, successful completion of a training or development program does not guarantee promotion or selection to a given vacancy. Many learning experiences that are considered beneficial to the individual and to the organization do not necessarily lead to advancement. An employee's success in completing a training or development program does not always mean the employee will obtain a promotion; it may mean that the employee has acquired new or improved behaviors for improving performance in his or her current job.

714 Training Delivery

714.1 General

714.11 Types of Training Delivery

The types of training delivery are:

a. *Postal Training.* Training conducted by (1) Postal Service sources or (2) nonpostal sources under contract with the Postal Service.

b. *Nonpostal Training.* Training conducted by nonpostal sources under a tuition or registration fee arrangement funded in whole or in part by the Postal Service.

c. *Other Training.* Training conducted by nonpostal sources with no Postal Service funding or involvement. This type of training covers employees who attend an independent school, college, or trade school during nonduty hours on their own initiative.

714.12 Choices of Training Source

714.121 Considerations

Most employee training is accomplished in-house by the Postal Service. Managers may choose to use a nonpostal training source only if this choice is justified after considering: (a) the need for, cost of, and benefits of such training; and (b) training available within the Postal Service.

714.122 **Justification**

To ensure compliance with Postal Service training requirements, an eBuy requisition must be approved for training delivered by nonpostal vendors and contractors, regardless of cost. When preparing an Off-Catalog eBuy requisition, the following procedure must be followed:

a. *District level:*

(1) The employee's supervisor (nominating manager) submits an eBuy requisition and must include in the approval process:

- First, the Manager, Learning, Development, and Diversity; and
- Last, the PCES executive (or designee) authorized to approve the employee's training.

(2) The Manager, Learning, Development, and Diversity, will ensure that the employee's selection is consistent with published training policies and that the training prerequisites have been met.

b. *Area and Headquarters levels:* The employee's supervisor (nominating manager) submits an eBuy requisition and must include in the approval process the PCES executive (or designee) authorized to approve the employee's training.

714.2 Postal Training Delivery

714.21 Delivery Modes

Postal training is conducted locally and/or off site at a resident or other facility. Delivery modes for nonpostal training include, but are not limited to, web-based delivery and other online provisions, computer-based interactive delivery, satellite transmission, and classroom delivery.

714.22 Delivery Sources

Information about training delivery sources is provided on the Postal Service Intranet and in the literature about specific training programs.

714.221 **Headquarters**

Headquarters Employee Development and Diversity (ED&D) develops and maintains national training programs and provides delivery through a variety of media and resources at many locations. ED&D uses available technology to enhance delivery options.

714.222 **Areas, Districts, and Plants**

Areas, districts, and plants may administer local training and other training as authorized in 721.2 and 721.3.

714.223 **National Center for Employee Development**

NCED administers Postal Service technical maintenance programs for bargaining and nonbargaining unit employees and coordinates the delivery of nationally developed training programs for supervisors, managers, and postmasters. NCED also provides facilities for Postal Service meetings and conferences.

714.224 **William F. Bolger Center for Leadership Development**

The Postal Service's corporate center for leadership, the William F. Bolger Center for Leadership Development (the Bolger Center) administers national leadership, management, and professional programs and provides facilities for Postal Service meetings and conferences.

714.225 **Strategic Learning Services**

The Office of Inspector General (OIG) and the Postal Inspection Service have established the Joint Mission Support Center to leverage the strength of some of their administrative and support functions. A component of the center, Strategic Learning Services, administers training programs for postal inspectors, postal police officers, OIG special agents, and the technical and administrative support staff of both agencies.

714.226 **Postal Satellite Training Network**

NCED coordinates the transmission of training programs developed for delivery by satellite through the Postal Satellite Training Network (PSTN).

714.3 Nonpostal Training Delivery

Nonpostal training delivery sources are:

a. Other government agencies.

b. Colleges, universities, and vocational schools.

c. Other nonpostal organizations and vendors.

The normal delivery mode for nonpostal training is off site at a nonpostal facility or through an external supplier website (see 740).

715 Postal Training Systems

715.1 Explanation

Postal Service training systems are designed for specific postal employee categories (craft, technical, professional, supervisory, managerial, and executive employees). Individual courses within these training systems are described in ED&D Web pages, Postal Service learning portals, and the literature about specific training programs.

715.2 Postal Orientation

An orientation program is required for newly hired career employees at all levels on their first day of official duty.

715.3 Craft Skills Training

Craft skills training is required for (a) newly appointed career craft employees, (b) current career employees transferred to a different craft, and (c) craft employees given new duties within the scope of their assignments at the direction of management. Craft skills training is normally provided before an employee is required to perform duties under routine supervision.

715.4 Technical Maintenance Training

715.41 General

Technical maintenance skills training is required for employees assigned to, or selected for, specific maintenance positions and duties. Such training is normally provided before an employee assumes new job responsibilities.

715.42 Subjects

The technical maintenance curriculum covers both fundamental and specialized knowledge and skills related to the maintenance of Postal Service buildings, equipment, and systems.

715.43 Delivery

The location and method of delivery depends on the type of maintenance training. For example:

a. Basic, introductory, and stand-alone maintenance courses are delivered locally.

b. Advanced maintenance courses are taught in combined classroom and laboratory courses at NCED.

Note: Local management and the PEDC are responsible for ensuring that an employee has taken and passed required prerequisite training before enrolling in courses at NCED.

c. Follow-on training is conducted on-site after an employee participates in certain advanced resident courses.

d. Maintenance training may also be delivered by vendors and vocational or technical schools (subject to an approved eBuy requisition) when Postal Service training is not available.

715.5 Management and Professional Training

715.51 General

The Bolger Center and NCED provide training and development activities for Postal Service professionals, specialists, supervisors, managers, and executives.

715.52 Curriculum Guides and Enrollment

Enrollment in courses is driven by individual program requirements and is accomplished through a variety of methods, including training administration enrollment systems for specific programs. Curriculum guides are available through a variety of sources, including the ED&D and NCED Intranet sites, publications in support of strategic programs, and the literature about specific training programs.

715.53 Executive Education

Selected, experienced Postal Service managers receive opportunities to participate in advanced management courses designed to improve and expand their performance in current and future positions.

715.54 Other

To enhance and maintain professional competence, the Postal Service provides other general and specialized training for management and professional personnel, as needed. Both internal and external sources are used.

715.6 Inspection Service Training

715.61 General

Initial and in-service training is required for postal inspectors, postal police officers, and OIG special agents. Training for Inspection Service and OIG personnel is developed and administered by Strategic Learning Services (see 714.225).

715.62 Inspectors and Special Agents

Initial training for newly appointed inspectors and special agents is an extensive program of resident training combined with field instruction. In-service resident training courses, supplemented by online and correspondence programs, are provided as needed to incumbent postal inspectors, special agents, OIG auditors, and the professional, technical, and administrative support staff of both agencies.

715.63 Postal Police Officers

Newly appointed postal police officers receive a program of resident training combined with field instruction. Incumbent postal police officers are provided field training as needed.

716 Expenses

716.1 Travel

716.11 General

The Postal Service pays necessary travel expenses (transportation, lodging, and per diem) in accordance with Handbook F-15, *Travel and Relocation*, to compensate employees for costs directly related to authorized off-site training and development activities. Employees must use the eTravel system for reimbursement of regular and local travel expense reports.

716.12 Intermediate Travel Home

716.121 General

Employees are authorized an intermediate weekend return trip to their permanent duty station during extended training sessions as follows:

Duration of Training	Number of Trips
3 weeks or less	None
More than 3 weeks and up to 6 weeks	One
More than 6 weeks and up to 9 weeks	Two
More Than 9 weeks and up to 12 weeks	Three

A weekend return trip is authorized only to the employee's permanent duty station. Travel to another location must be authorized in advance by the employee's manager. Cost differential in travel between employee's permanent duty station and alternate approved location is absorbed by the employee.

716.122 **Scheduling**

Specific weekend travel scheduling information is given to each employee scheduled for a course in excess of 3 weeks.

716.123 **Trip Destination**

A weekend return trip may be authorized only to the employee's permanent duty station or to a pre-authorized, approved location.

716.124 **Spouse Traveling in Lieu of Employee**

Instead of the employee taking an intermediate trip home, the employee's spouse may travel to the training site, with the Postal Service paying for the spouse's round-trip fare in accordance with Handbook F-15.

716.2 Facilities

Postal facilities are to be used for postal training when available and adequate. If they are not available, consideration is to be given to using facilities available through other government agencies, including the military service. Based on local availability, training facility managers have the authority to assign students to either (a) lodging owned or leased by the Postal Service or (b) commercial lodging.

716.3 Tuition, Fees, Books, and Supplies

The Postal Service pays approved expenses for tuition, fees, books, and supplies for authorized nonpostal training (see 740).

716.4 Injury Compensation

Time lost due to injuries that occur during resident postal training is charged to the student's home office.

717 Nonpostal Personnel Participation in Postal Training

Postal training may be provided to nonpostal personnel as follows:

a. *Contract Stations.* Retail services training may be provided to personnel at contract stations if approved by the district manager or another installation head in coordination with the PEDC.

b. *Other.* All other nonpostal personnel participation in postal training must be approved by the vice president, Employee Development and Diversity.

720 Training and Development Responsibilities and Functions

721 Organizational Responsibilities and Functions

721.1 Headquarters

The vice president, Employee Development and Diversity (ED&D), is responsible for Postal Service training and development systems. This responsibility includes:

a. Analyzing training requests and designing, developing, validating, delivering, and evaluating national Postal Service training and development programs.

b. Developing policies, including pay practices, applicable to structured employee development programs for specific populations or functional groups, such as career ladder programs and management, professional, and specialist training programs.

c. Providing career information on specific occupations for use by craft and other employees for career planning and decision making.

d. Analyzing the career needs of specific populations in order to design and provide programs tailored to improve their knowledge, skills, and abilities.

e. Facilitating a communication network between Headquarters and field training professionals.

f. Standardizing and supporting the PEDC physical and technological infrastructure.

721.2 Areas

The area Human Resources function is responsible for administering training and development policies. These responsibilities include:

a. Supervising the development and implementation of an area training and development planning system.

b. Facilitating the flow of information and recommendations about existing training and development policy, efforts, and future needs between Headquarters and the districts.

c. Strengthening the ability of district training and development professionals to (1) understand policy and to contribute to policy development, (2) administer national programs, and (3) respond to local needs.

d. Monitoring districts' compliance with equal employment opportunity laws by ensuring that talented individuals are being developed in a fair and equitable manner, without regard to race, color, national origin, sex, age, or religion.

e. Monitoring districts' compliance with placing special emphasis on providing training opportunities to employees with targeted disabilities.

f. Increasing the level of management commitment to training and development and improving the work environment.

721.3 Districts

District managers, plant managers, and other installation heads are responsible for the training and development of their employees consistent with corporate business goals and strategic plans. District training responsibilities and functions include:

a. Establishing training and development units within national guidelines.

b. Implementing training and development staffing criteria within national guidelines.

c. Establishing and implementing training and development space allocations according to Handbook AS-504, *Space Requirements*.

d. Ensuring that national training courses taught locally are not changed in objective, length, or content without the prior approval of ED&D.

e. Ensuring appropriate use of electronic training databases.

f. Monitoring training and its compliance with national training and development policies.

g. Establishing and implementing other measures to ensure successful operation of the organization's training and development requirements.

h. Coordinating district training requirements with ED&D.

i. Developing or acquiring, and delivering or coordinating, district training in accordance with established guidelines.

j. Ensuring that talented individuals are being developed in a fair and equitable manner, without regard to race, color, national origin, sex, age, or religion.

k. Ensuring that special emphasis is placed on providing training opportunities to employees with targeted disabilities.

721.4 Supervisors and Managers

Supervisors and managers are responsible and accountable for:

a. Ensuring that employees under their supervision are trained in a timely manner to perform their assigned job tasks.

b. Identifying employees' needs for improvement in their present jobs.

c. Planning for the training of their employees in coordination with the training systems available for their postal facilities.

d. Following up after Job Training has been completed to ensure optimum and appropriate use of newly acquired knowledge, skills, and abilities.

e. Identifying and providing other training to meet the needs of the organization and of individual employees.

f. Evaluating and supporting employee requests to participate in Self-Development Training opportunities, as appropriate.

g. Providing employees with information and guidance on career growth.

h. Documenting the outcomes and expectations of training, including return on investment.

721.5 Employees

Employees are responsible for:

a. Making effective use of the training opportunities provided by management in order to perform their duties correctly and efficiently.

b. Guiding their own growth and development by consulting with their supervisors and pursuing personal career goals.

c. Continuing to learn throughout their careers to improve their knowledge, skills, and abilities and to share these with other employees.

722 Postal Employee Development Centers — Organization and Operations

722.1 Purpose

Postal Employee Development Centers (PEDCs) are field units, located in districts, that provide area-wide training and development support services on a continuing basis for all Postal Service employees. The primary mission of the PEDCs is to contribute to and foster improved employee job performance. The PEDCs also provide guidance to help employees pursue career and self-development goals.

722.2 PEDC Network Operating Procedures

722.21 Geographic Area of Responsibility

A PEDC's geographic area of responsibility consists of all Postal Service facilities in a performance cluster, as determined by the Manager, Human Resources (District).

Managers, Human Resources, ensure that all field Postal Service facilities within a geographic area are the responsibility of a specific PEDC. This includes Postal Service facilities with unique purposes, such as Headquarters field units.

Each PEDC must ensure that all employees within its geographic area of responsibility receive required training and developmental opportunities.

722.22 PEDC Reporting Relationships

PEDC reporting relationships are as follows:

a. One area staff member serves as a liaison with headquarters staff for the Manager, Learning, Development, and Diversity. This staff member interacts periodically with ED&D staff.

b. The Manager, Learning, Development, and Diversity, reports functionally and administratively to the Manager, Human Resources (District).

c. The Human Resources specialist assigned to the training function at the district level reports functionally and administratively to the Manager, Learning, Development, and Diversity.

722.23 Facilities

The following guidelines apply to allocation of facility space for PEDCs:

a. Managers, Human Resources (District), are authorized to establish and abolish PEDCs and to determine the number and location of PEDCs within their districts.

b. Changes in the PEDC network must be communicated to Headquarters so that records and distribution lists can be revised in a timely manner.

c. Handbook AS-504, *Space Requirements*, specifies the space allocations for PEDC activities.

d. Districts may establish space for training on an as-required basis at non-PEDC sites. This policy provides space to satisfy intermittent, small-scale training requirements when it is not cost effective to conduct training in a PEDC office.

722.24 Reviews

Periodic reviews of PEDCs may take place. Members of the review team will be selected by Area or District leadership.

730 Training Procedures

731 Nomination and Registration

Nomination and registration procedures are driven by individual program requirements. Registration is accomplished through a variety of methods, including training administration enrollment systems for specific programs. Curriculum guides are available from a variety of sources, including the ED&D and NCED Intranet sites, publications in support of strategic programs, and the literature about specific training programs.

732 Training Records and Reports

732.1 Individual Training Records

732.11 PS Form 2432, Individual Training Progress Report

PS Form 2432, *Individual Training Progress Report,* is used to register employees for all categories of PEDC programs and to record every hour that an employee is engaged in training.

732.12 PS Form 2548, Individual Training Record

PS Form 2548, *Individual Training Record,* is a series of 76 forms used to document training of new employees. Each form in the series is for a specific Postal Service job category. For example:

- PS 2548-01, *Individual Training Record — BMC Distribution Clerk.*
- PS 2548-03, *Individual Training Record — City Letter Carrier.*
- PS 2548-06, *Individual Training Record — Flat Sorting Machine Operator.*
- PS 2548-74, *Individual Training Record — Storekeeper, Automotive Parts.*

The training agent (PEDC and/or the employee's job instructor) and the immediate supervisor complete the appropriate version of PS Form 2548. The PEDC retains the form at one central location, which is determined by the training supervisor or manager.

732.13 eBuy Requisition

Preparation of an eBuy requisition is the basic process used to request, approve, and finance training. It must be completed for off-site postal training and nonpostal training when costs are associated with attendance at the training.

732.14 (Reserved)

732.15 Certificates of Training

Certificates of training are issued for specific programs. A certificate for a structured training course is normally issued by the local PEDC, area office, NCED, or the Bolger Center, based on location of the training.

732.2 Training Tracking System

All training sponsored by the Postal Service must be recorded in the appropriate electronic database. Information about these databases can be obtained from ED&D.

740 Nonpostal Training Policy

741 Background

741.1 Introduction

The Postal Service values the education of its employees and deems it important to overall corporate success. This subchapter covers the Postal Service policy for nonpostal training programs.

Nonpostal training is provided by nonpostal sources under a tuition or registration fee arrangement funded in whole or in part by the Postal Service.

Note: Training provided by nonpostal sources under contract with the Postal Service falls within the definition of postal training and is governed by subchapters 710 through 730.

741.2 General Payment Policies

741.21 Salary Compensation and Travel Expenses

Compensation for required attendance at nonpostal training is authorized as outlined in 438.2, 712, and 716.

741.22 Other Related Expenses

Educational expenses for tuition, fees, books, and supplies for nonpostal training are paid by the Postal Service if both of the following conditions are met:

a. The nonpostal training is either Job Training (as defined in 711.41) or Self-Development Training (as defined in 711.42) benefiting both the

employee and the Postal Service from a career development standpoint. When Self-Development Training goals do not benefit the Postal Service, no payment of expenses is authorized.

b. The nonpostal training is not for the sole purpose of obtaining one or more academic degrees, even if an academic degree is required to qualify for appointment to a particular position.

Exception: See 741.23.

741.23 Eligibility for Tuition Reimbursement

Nonbargaining employees are eligible for tuition reimbursement as follows:

a. Individual courses:

(1) All PCES and EAS employees with more than 18 months of service subject to 741.22 and 741.241.

(2) Participants in a specific program that provides such opportunities.

b. Degree programs:

(1) PCES and EAS-19 or higher EAS positions.

(2) Potential successors identified by Corporate Succession Planning.

(3) Participants in a specific program that provides such opportunities.

(4) Trainees for professional and specialist positions.

Note: Approval will not be granted for participation in a doctoral program.

741.24 Restrictions

741.241 Authorization

Employees do not have a right to have nonpostal training paid by the Postal Service unless the training is approved in advance by an authorized official.

741.242 Prohibited Training Vendors

The Postal Service does not pay nonpostal training costs if a training vendor meets any of the following conditions:

a. Discriminates because of race, color, religion, sex, age, national origin, physical or mental handicap, or any other non-meritorious factor in the admission or subsequent treatment of students.

b. Engages in lobbying and support of political campaigns as a substantial part of its activities.

c. Is a college or university that does not have accreditation from one of the accrediting bodies recognized by the U.S. Department of Education.

742 General Procedures

742.1 Request and Approval

742.11 Standard Training

All requests for nonpostal training (to include individual college courses, academic degree programs, and medical training) must be approved through an eBuy requisition, as follows:

a. *District level:*

(1) The employee's supervisor (nominating manager) submits an eBuy requisition and must include in the approval process:

- First, the Manager, Learning, Development, and Diversity, and
- Last, the PCES executive (or designee) authorized to approve the employee's training.

(2) The Manager, Learning, Development, and Diversity, will ensure that the employee's selection is consistent with published training policies and that the training prerequisites have been met.

b. *Area and Headquarters levels:* The employee's supervisor (nominating manager) submits an eBuy requisition and must include in the approval process the PCES executive (or designee) authorized to approve the employee's training.

742.12 Approval Process for Individual College Courses

The approval process for an employee to enroll in individual college courses is as follows:

a. Training must be documented on the employee's Individual Development Plan (IDP).

b. An eBuy requisition must be completed by each employee for each course.

c. The eBuy requisition must be approved by the employee's manager and forwarded to the responsible PCES executive for approval.

d. If an employee completes more than five college courses within 3 consecutive years, then it will be determined that the employee is working towards the completion of an academic degree and must complete the approval process for degree programs.

742.13 Approval Process for Academic Degree Programs

The approval process for an employee to enroll in an academic degree program is as follows:

a. The degree program must be documented on the employee's IDP.

b. The Nonpostal Training Application Form (Exhibit 743.2) and an eBuy requisition must be completed by the employee.

c. The eBuy and the application form must be approved by the employee's manager and forwarded to the responsible PCES manager, who will submit the documentation to his or her vice president for approval.

d. The documentation is then forwarded to the Chief Human Resources Officer (CHRO) for approval.

Note: Approval will not be granted for participation in a doctoral program.

742.2 Distribution of Approved eBuys

Once an eBuy requisition has been approved, the original requestor must forward one copy by e-mail to each of the following:

a. Training vendor (if the vendor will bill the Postal Service directly or require advance payment; see 742.314).

b. Employee's supervisor.

c. Manager (as instructed in 742.4, after the employee completes the training).

d. San Mateo Accounting Services (as instructed in 742.312, after the employee completes the training).

e. The Area or Headquarters training representatives.

742.3 Payment

742.31 Tuition, Fees, Books, and Supplies

742.311 General

Expenses for tuition, fees, books, and supplies for nonpostal training are paid based on the approved eBuy requisition, supported by certified receipts and invoices. Such expenses can be charged to the individually billed travel card and reimbursement in eTravel.

742.312 Payment to the Training Vendor

The eBuy requisition is retained at the billing address office (the employing postal facility and unit of the employee to be trained) until the employee completes the training and the Postal Service receives an invoice from the training vendor. (See 742.314 for the procedure to use when the training vendor requires advance payment.)

The Manager, Learning, Development, and Diversity (or designee), must check the invoice for accuracy, certify it for payment, and promptly submit it with the eBuy to San Mateo Accounting Services (AS). The PCES executive who approved the training is not required to certify the invoice. In the certification statement, the words "approved eBuy requisition" are entered instead of a contract or order number. Original invoices, not statements, are submitted to AS for payment.

742.313 Reimbursement to Employees

If the employee has paid for approved nonpostal training expenses with personal funds, the employee must submit certified receipts or canceled checks with the approved eBuy to AS to be reimbursed.

742.314 Payment in Advance

If a training vendor requires payment in advance, then an eBuy requisition must be prepared and approved before training begins. The procedure is as follows:

a. The original requestor sends a copy of the approved eBuy requisition to the training vendor.

b. The training vendor prepares an invoice for the training and sends it to the billing address on the eBuy.

c. The Manager, Learning, Development, and Diversity (or designee), certifies the invoice as correct for payment and sends it with the eBuy to the San Mateo AS for payment.

d. Based on the eBuy and the certified invoice, the AS:

(1) Issues a remittance advice (with the invoice number and the employee identification number (EIN)) to the training vendor.

(2) Sends a check to the training vendor.

742.32 Travel

Approved travel expenses (transportation lodging, and per diem) for participation in nonpostal training are claimed on PS Form 1012 or PS Form 1164, as appropriate, and as authorized in Handbook F-15, *Travel and Relocation.* As an approved eBuy requisition is not submitted with these forms, these expenditures must be charged to the proper travel-for-training account to distinguish them from other travel expenses for official purposes.

742.4 Documentation

Employees furnish evidence of completion of nonpostal training, including certificates and grade reports, to the Manager, Learning, Development, and Diversity, who maintains copies of the documents and the approved eBuy. If the training provider does not furnish such evidence of completion, the Manager, Learning, Development, and Diversity, verifies completion of training. Area and Headquarters employees forward copies of their documents to their supervisors or nominating managers, who maintain copies of the documents and the approved eBuy.

743 Reimbursement of College Tuition — Nonbargaining Employees

As indicated in 741.23, nonbargaining employees are eligible for tuition reimbursement as follows:

a. Individual courses:

(1) All PCES and EAS employees with more than 18 months of service subject to 741.22 and 741.241.

(2) Participants in a specific program that provides such opportunities.

b. Degree programs:

(1) PCES and EAS-19 or higher EAS positions.

(2) Potential successors identified by CSP.

(3) Participants in a specific program that provides such opportunities.

(4) Trainees for professional and specialist positions.

Approval will not be granted for participation in a doctoral program.

743.1 Roles and Responsibilities

Exhibit 743.1 provides detailed information about the roles of employees and managers and their responsibilities for managing nonpostal training conducted by colleges and universities.

Exhibit 743.1
Roles and Responsibilities

Nonpostal Training: Individual Courses	
Roles	**Responsibilities**
Employee	■ Complete eBuy requisition in accordance with guidelines set forth in 742.311. ■ Complete college/university application process. ■ Submit grade reports or evidence of course completion to Manager, Learning, Development, and Diversity, at district level and supervisor or nominating manager at area or headquarters.
Manager, Learning, Development, and Diversity (District) Supervisor or Nominating Manager (Area and Headquarters)	■ Review and forward eBuy requisition to PCES manager for approval. ■ Ensure that eBuy and supporting documentation are submitted to the Area or Headquarters training representative. ■ Certify invoices for payment and submit to San Mateo AS.
Training Representatives (Area and Headquarters)	■ Receive grade reports or evidence of course completion. ■ Provide list of students to the vice president, ED&D at the end of each semester.
PCES Manager	■ Approve eBuy requisition. ■ Follow up on employee's performance in courses.
ED&D Liaison	■ Serve as coordinator and point of contact for nonpostal training. ■ Maintain reports for vice president, ED&D.

Nonpostal Training: Academic Degree Programs	
Roles	**Responsibilities**
Employee	■ Complete Nonpostal Training Application Form (Exhibit 743.2). ■ Complete eBuy requisition accordance with guidelines set forth in 742.311. ■ Complete college/university application process. ■ Sign Continued Service Agreement for Nonpostal Training (Exhibit 743.43). ■ Submit grade reports or evidence of course completion to Manager, Learning, Development, and Diversity, at district level and supervisor or nominating manager at area or headquarters levels.
Manager, Learning, Development, and Diversity (District) Supervisor or Nominating Manager (Area and Headquarters)	■ Review and forward eBuy requisition to PCES manager for approval. ■ Ensure that the eBuy, Nonpostal Training Application Form, and continued service agreements are signed and submitted to area or headquarters representative. ■ Certify invoices for payment and submit to San Mateo AS.
Training Representatives (Area and Headquarters)	■ Review and forward eBuy requisition, and Nonpostal Training Application Form to vice president for approval. ■ Ensure that continued service agreements are signed and submitted to vice president, ED&D. ■ Receive grade reports or evidence of course completion. ■ Provide list of students to vice president, ED&D, at the end of each semester.
PCES Manager	■ Approve eBuy requisition. ■ Sign Nonpostal Training Application Form. ■ Follow up on employee's performance in program.
Officers	■ Approve eBuy requisition. ■ Sign Nonpostal Training Application Form.
ED&D Liaison	■ Serve as coordinator and point of contact for nonpostal training. ■ Maintain reports for vice president, ED&D. ■ Forward Nonpostal Training Application Forms to CHRO for approval. ■ Forward commitment agreements to Corporate Personnel Management to be included in the eOPF.
Chief Human Resources Officer (CHRO)	■ Approve Nonpostal Training Application Form. ■ Approve eBuy requisition for related expenses.

743.2 Nonpostal Training Application Form

Exhibit 743.2 shows the form to use when an employee requests approval of nonpostal training.

Exhibit 743.2
Nonpostal Training Application Form

UNITED STATES POSTAL SERVICE

Nonpostal Training Application Form

Employee's Name (Last, First, MI)	Employee's Title	EIN	Level
Name of Program and Location:			
Anticipated costs: Tuition: Housing: (If applicable)	GMAT Completed? Yes No		
Selection Considerations: The employee must complete questions 1–4. The employee's manager must respond to question 5. These responses will help determine how, or if, participation in a degree program will benefit both the employee and the organization. Feel free to use additional pages if necessary.			
Employee's Response			
1. How will your performance be improved by this educational experience?			
2. How will your improved performance help the Postal Service to achieve its immediate or future organizational needs?			
3. How do you foresee sharing the knowledge, skills, and abilities that you learn with others upon completion of the program?			
4. What actions have you taken (on or off the job) to prepare yourself for accepting higher levels of responsibility?			
Employee's Signature:		Date:	
Additional Comments:			
Manager's and Officer's Responses			
5. Please provide a brief narrative on the employee's performance and potential for accepting higher levels of responsibility:			
6. Officer's Comments:			
Manager's Signature:	Title:	Date:	
Officer's Signature:	Title:	Date:	
Chief Human Resource Officer's Signature:	Title:	Date:	

743.3 Minimum Grade Requirement

A grade of B or higher, or a grade of pass in a pass/fail course, is required for all courses.

743.4 Continued Service Agreement and Certification

743.41 Condition for Signing

Employees who enroll in an undergraduate or graduate program must sign a continued service agreement and certification statement and submit it to the vice president, ED&D, before starting the program (see Exhibit 743.43). The ED&D liaison will submit the agreement to Corporate Personnel Management to be included in the employee's OPF.

If an employee completes more than five nonpostal training courses within three consecutive years, the employee will be:

a. Considered to be working toward the completion of an academic degree; and

b. Required to complete the continued service agreement and certification prior to taking additional courses at Postal Service expense.

Employees do not have to sign the agreement and certification when:

a. Training is provided by a manufacturer as a normal service incidental to the initial purchase or lease of products under a procurement contract.

b. There are no expenses to the Postal Service other than salary.

743.42 Period of Commitment

The commitment period begins immediately upon completion of training. Employees who separate from the Postal Service before completing a degree program will be required to reimburse the Postal Service for all expenses the Postal Service incurred in connection with the employee's pursuit of the degree. A PCES executive may waive the requirement for any such payment or reimbursement.

The commitment for each type of program is as follows:

- Undergraduate degree programs: 2 years
- Graduate degree programs: 3 years.

  Note: Approval will not be granted for participation in a doctoral program.
- Executive-level graduate program: 5 years.

Note: When an employee enrolls in an executive-level graduate program (i.e., the Sloan Fellows Program) the employee's status is changed to "executive in training." This becomes the participant's work assignment and governs the terms and conditions of employment.

743.43 Continued Service Agreement

Employees scheduled to complete an undergraduate, graduate, or executive level degree program must sign a continued service agreement (see 743.41 and Exhibit 743.43).

Exhibit 743.43
Continued Service Agreement and Certification Statement

UNITED STATES POSTAL SERVICE
CONTINUED SERVICE AGREEMENT FOR NONPOSTAL TRAINING

I understand that the Postal Service's payment for this training is subject to the conditions and limitations set forth in Employee and Labor Relations Manual (ELM) Sections 744.2, Double Payment, and 743, College Tuition Reimbursement. Copies of these sections are appended to this agreement.

Employee's initials: _____

If I voluntarily leave the Postal Service prior to completing this training, I agree to reimburse the Postal Service the full cost of all expenses incurred by the Postal Service in connection with this training.

Employee's initials: _____

I agree that after completing this training, I will continue serving in the United States Postal Service for (a) 2 years for undergraduate, or (b) 3 years for graduate degree program, or (c) 5 years for executive level graduate programs, unless I am involuntarily separated. I understand that the obligated years of service will begin at the start of business on my first workday after completing the training.

Employee's initials: _____

If I voluntarily leave the Postal Service before completing the obligated period, I agree to reimburse the Postal Service on a pro rata basis for those training-related expenses which are in addition to my salary, pay, or compensation. If I leave the Postal Service before the expiration of the obligated period, the amount due the Postal Service shall be that portion of the cost of the training equal to the fraction of the obligated period that remains unfulfilled at the time of my departure. This fraction shall be calculated by dividing the number of full months remaining in the obligated period by the number of months required for the entire obligated period. For example, an employee with an obligated period of 24 months who leaves the Postal Service 12 months after completing training would be required to reimburse the Postal Service for half of all the expenses incurred in connection with his or her training.

Employee's initials: _____

I understand and agree that I waive the provisions of the Debt Collection Act and ELM subchapter 450, Collection of Postal Debts From Nonbargaining Unit Employees. In the event I must reimburse the training-related expenses described above, the Postal Service will immediately collect the entire amount from my forthcoming pay check, and, if necessary, from any subsequent pay checks or payment of any kind due to me from the Postal Service, including any payments that may be issued to me after I leave the Postal Service. If the Postal Service is unable to collect the entire gross amount that I owe from my forthcoming pay checks or payment of any kind, I will be invoiced for any outstanding debt and agree to pay the Postal Service within 30 days of receipt of any such invoice.

Employee's initials: _____

I certify that, to the best of my knowledge, I will not receive payment from other sources (including payment under 38 U.S.C. Chapter 34, Veterans' Education Assistance, commonly called the GI Bill) for the training that will be provided by the Postal Service. I agree that, if I subsequently do receive and accept such payment from other sources, I will promptly remit all such amounts to the Postal Service. I understand and agree that if I do not remit all such amounts to the Postal Service, the Postal Service may collect those amounts from me pursuant to the process specified by the preceding paragraph of this agreement.

Employee's initials: _____

This agreement does not in any way commit the Postal Service or the federal government to continue my employment.

Exhibit 743.43 (p. 2)
Continued Service Agreement and Certification Statement

Name (printed or typed): _____

Position Title: _____

Signature: _____

Date: _____

Name of University: _____

Dates Scheduled to attend: From: _____ to: _____

Please sign the agreement and return it to:

VICE PRESIDENT
EMPLOYEE DEVELOPMENT AND DIVERSITY
U.S. POSTAL SERVICE
475 L'ENFANT PLZ SW, RM 9401

743.431 **Procedure**

Employees must sign and date the certification prior to the start of the training. At the time the certification is signed, the employee must submit the signed certification to the vice president, ED&D, and to the AS along with a copy of the approved eBuy requisition.

743.432 **Reimbursement**

If an employee gives voluntary notice to leave the Postal Service prior to completing the service agreed to in the continued service agreement, then the employee's supervisor provides written notification to the official who approved the eBuy requisition for the training. The supervisor indicates the reason for failure to fulfill the agreement and recommends either of the following:

a. The employee should be required to reimburse the Postal Service under the terms of the agreement; or

b. Reimbursement should be waived because recovery of the money would be contrary to equity, good conscience, or public interest.

If the official who approved the training decides to require reimbursement, the official notifies AS of the amount due by submitting PS Form 1902, *Justification for Billing Accounts Receivable*, in duplicate. Then AS bills the employee and collects the funds due to the Postal Service.

743.5 Reporting Requirements

At the end of each semester, the Area and Headquarters organizations must submit to the vice president, ED&D, a list of the employees who have been approved to attend nonpostal training. The list must include the following:

a. The employee's name, grade, title, and PCES manager or executive sponsor; and

b. The college or university, course level, course title, start date, completion date, and cost.

744 Special Factors

744.1 Failure to Enroll in or Complete Approved Training

Employees who fail to enroll in or to successfully complete approved training for reasons that are unacceptable to the approving official may be required to: (a) pay any cancellation fee required by the training sponsor; and (b) reimburse the Postal Service for costs or liabilities incurred for tuition, fees, books, supplies, transportation, and per diem (but not for salary). A PCES executive may waive the requirement for such payment or reimbursement.

The PEDC official (or area or headquarters training representative) promptly notifies those who have received copies of the approved eBuy requisition that the employee has failed to enroll in or complete approved training. Notification is important so that:

a. AS accounts may be adjusted.

b. The training vendor does not bill the Postal Service for payment of tuition and fees.

c. The Postal Service and the training vendor may consider other candidates for the training.

744.2 Double Payment

744.21 Policy

The Postal Service reduces the amount provided for training by any amount that an employee receives from other sources for the same purpose (including payments received under the GI Bill and other governmental education assistance programs).

744.3 Contribution or Award

744.31 Conditions for Acceptance

An employee may accept a contribution or award offered by a nongovernmental organization to defray part or all of the nonpostal training expenses under these conditions:

a. The employee's manager must obtain an ethics opinion to ensure that acceptance of such a contribution or award does not violate the Standards of Ethical Conduct for Employees of the Executive Branch. Ethics officials will consider, among other factors, if the contribution or award is being offered to the employee by a prohibited source or offered to the individual employee because of his or her official position. For reference, see 5 CFR Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch.

b. The organization offering the contribution or award is exempt from taxation under 26 U.S.C. 501(a). (The Director of Internal Revenue of the district where the employee's installation is located can provide this information.)

c. The contribution or award will not reflect unfavorably on the ability of the employee to perform his or her duties fairly and objectively.

d. The contribution or award will not place the employee, the Postal Service, or the government in a position of compromised integrity.

e. No part of the contribution or award can be used to pay for either lodging or travel expenses associated with the training unless prior authorization is received from an ethics official.

744.32 Insufficient Payment of Expenses

If an authorized contribution, award, or payment to an employee for nonpostal training does not fully cover travel expenses, the Postal Service will pay the amount considered sufficient to cover the balance of these expenses. The per diem rate is established to spread the uncovered part of the per diem over the period of training.

750 Professional Associations

751 Definition

751.1 Purpose

For purposes of this subchapter, the term professional association is used in its broadest meaning to include nonprofit, cooperative, and voluntary organizations of individuals having a common background in a professional, technical, or managerial field of work requiring knowledge, skills, and abilities normally acquired only through extensive training or education. Academic credentials, an accrediting examination, or a license may be prerequisites for membership. The main purposes of a professional association may include:

a. Exchanging information among members about new or improved developments and/or applications within the field of work.

b. Establishing and revising standards of preparation and experience for acceptance into the field.

c. Developing and publishing standards of professional performance and responsibility.

d. Furthering the career development of members.

751.2 Membership

A professional association may include members of several professions or disciplines.

751.3 Exclusions

For purposes of this subchapter, the term professional association does not include a recognized labor, supervisory, or other managerial organization, as defined in the Postal Reorganization Act.

752 Policy

Membership and participation by Postal Service employees in recognized professional associations are encouraged, consistent with appropriate priority to the duties and responsibilities of their positions. Active participation can be a valuable experience, both in improving employees' performance in their present positions and in preparing them for greater responsibility in the profession. Through conferences, symposia, and committee assignments, employees are able to expand their expertise. Incentive for even better work performance can result from employee recognition gained through publishing journal articles, receiving awards for professional achievement, holding office in such associations, and speaking or presenting papers at association meetings. Professional recognition of the competence of postal employees tends to increase public confidence in the Postal Service.

An employee may not receive compensation from any source other than the government for teaching, speaking or writing that relates to the employee's official duties.

An employee who is engaged in teaching, speaking or writing as outside employment or as an outside activity shall not use or permit the use of his official title or position to identify him in connection with his teaching, speaking or writing activity or to promote any book, seminar, course, program or similar undertaking, except as approved by an ethics official.

Although general membership and participation in outside professional associations may be appropriate, federal law does not permit an employee to sit on an outside board, in his official capacity, or participate in any outside activity that conflicts with his official duties unless he has received prior authorization from the General Counsel.

753 Payment of Membership Dues or Fees

753.1 Individual Memberships

753.11 Voluntary

Postal Service funds are authorized for the payment of voluntary individual memberships, dues, and/or fees in professional associations provided all of the following conditions are met:

a. The Postal Service does not have or cannot obtain an institutional membership in the professional association.

b. The employee requesting the individual membership is in an FLSA-exempt position with a level of EAS-17 or above.

c. The nature of the professional association is directly related to the employee's job.

d. The employee's PCES executive approves the request after determining that the employee's participation will benefit the Postal Service and that funds are available, and authorizes the payment.

e. Payment is limited to one individual membership per employee per year.

f. Payment is not approved solely for the purpose of obtaining reduced fees for continuing education or for related purposes such as attendance at periodic meetings and conferences.

753.12 Required

If the Postal Service requires nonbargaining employees to maintain a professional license, certification, or membership (for example, a license to practice law or medicine), postal funds may be used, at the discretion of the appropriate officer, to reimburse such employees for the basic dues or fees they pay to satisfy such requirement. Employees submit requests for reimbursement on PS Form 7381, *Requisition for Supplies, Services, or Equipment*.

The organization submits an authorization request through eBuy and charges the basic dues or fees to its purchase card.

753.2 Institutional Membership

The policy restricting payment of individual membership dues and fees does not preclude Postal Service institutional membership in professional associations. Vice presidents are authorized to define and approve institutional memberships for specific functional areas and/or organizational units reporting to them.

753.3 Procurement of Memberships

The vice president, Supply Management, is responsible for the coordination, procurement, and recording of institutional memberships. An approved eBuy requisition must include either:

a. The individuals designated by name or position title to represent the Postal Service; or

b. The total number of individuals included in the membership.

753.4 Periodicals

Postal Service funds are authorized for subscriptions to professional association periodicals both for the library and for individuals designated by name or position title to represent the Postal Service in institutional memberships.

754 Attendance at Meetings and Conferences

754.1 Authorization

Employees may be authorized to attend meetings and conferences of a professional association at Postal Service expense in either of the following cases:

a. Attendance is for training purposes as defined in 740.

b. Attendance is related to the job or function in which they are employed and is expected to contribute to improved performance.

754.2 Full or Partial Attendance

When authorized under 754.1, time in actual attendance at a professional meeting or conference is considered to be official business for compensation

purposes and leave is not charged to the employee. However, managers should review the program schedule or agenda and authorize official attendance only for that portion of the meeting or conference that meets the criteria in 754.1.

Exception: An employee may be authorized to attend the entire meeting or convention in any of the following cases:

a. The employee is scheduled to make a speech, present a paper, or conduct or chair a meeting session.

b. The employee has been nominated or previously elected as an officer of the professional association.

c. The employee has been designated as an official representative of the Postal Service.

If authority is granted for attendance at only a portion of a meeting or convention, the employee may request annual leave to attend the unapproved portions and, if leave is granted, the employee must pay the expenses for those unapproved portions.

754.3 Leave for Other Employees

Managers are encouraged to be liberal in approving annual leave (consistent with work priorities) for other employees who desire to attend a professional association meeting or convention at their own expense.

754.4 Selection for Attendance

Where several employees in the same organizational unit are in the same profession, the manager chooses which employees, if any, may attend the professional meeting or convention. The criteria for the selection of employees for training, listed in 713, may be applied.

754.5 Payment of Expenses

Handbook F-15, *Travel and Relocation*, describes the conditions for payment of registration fees, travel, and subsistence costs for employees authorized to attend at Postal Service expense.

754.6 Approval of Registration Fees

An eBuy requisition must be approved before registration fees or expenses other than travel or per diem can be paid by the Postal Service. (See 732.13 on preparing an eBuy requisition.)

8 Safety, Health, and Environment

810 Occupational Safety and Health Program

811 General

811.1 Authority

The Postal Service™ is subject to Public Law Number 91–596, the Occupational Safety and Health (OSH) Act of 1970, pursuant to the Postal Employees Safety Enhancement Act (PESEA) of 1998. The OSH Act provides for citations, penalties, and criminal referrals for those employers who fail to comply. The Occupational Safety and Health Administration (OSHA) is responsible for promulgating and enforcing standards and regulations under the OSH Act.

811.2 Principles

811.21 Management Commitment, Involvement, and Accountability

Managers must demonstrate commitment to providing safe and healthful working conditions in all Postal Service-owned and -leased installations, become involved in day-to-day safety performance, and be held accountable for safety performance and compliance with OSHA standards and regulations (see Handbook EL-802, *Executive's and Manager's Safety Compliance Guide).*

811.22 Vision Statement

The Postal Service will become a leader in occupational safety and health for the federal government and private sector by demonstrating a commitment to integrating safe work practices into all of our services. The Postal Service is committed to participation in the OSHA Voluntary Protection Programs (VPP). (See 811.25.) The Postal Service also engages in innovative safety efforts such as the Ergonomic Risk Reduction Program and joint labor-management safety and health committees (see 816).

811.23 Guiding Principles

The guiding principles of the Postal Service are the following:

a. *People* — Employees are our most valued resource. Our employees must be provided a safe and healthful workplace.

b. *Customers* — When our employees work more safely, our performance improves.

c. *Excellence* — We can demonstrate that management and employee attention to working safely is good business.

d. *Integrity* — As a leader in occupational safety and health, we enhance our integrity with our customers, business partners, and the Congress.

e. *Community Responsibilities* — When our employees work safely, our customers are safer, and we lead other employers by example.

811.24 Safety Philosophy

The safety philosophy of the Postal Service is the following:

a. Any occupational injury and illness can be prevented. This goal is realistic, not theoretical. Supervisors and managers have primary responsibility for the well-being of employees and must fully accept this principle.

b. Management, which includes all levels including the first-line supervisor, is responsible and accountable for the prevention of accidents and control of resultant losses. Just as the line organization is responsible for attaining production levels, ensuring quality of performance, maintaining good employee relations, and operating within cost and budget guidelines, supervisors and managers must likewise accept their share of responsibility for the safety and health of employees.

c. It is possible to safeguard against all operating exposures that can result in accidents, injuries, and illnesses. It is preferable to eliminate the sources of danger. However, where this is not practical, management must use protective measures. including administrative controls, machine guards, safety devices, and personal protective equipment.

d. All employees must be trained in proper work procedures and must be educated to work safely and to understand that they are responsible for doing so. Management is responsible for the adequate safety training and education of employees. However, all employees are responsible for working safely, and in doing so, they benefit not only their organization but also themselves.

e. It is good business practice in terms of efficiency and economy to prevent personal injuries on and off the job. Injuries cost money, reduce efficiency, and cause human suffering.

811.25 Voluntary Protection Programs

The Postal Service is committed to participation in OSHA VPP. These programs recognize and establish partnerships with businesses and worksites that show excellence in occupational safety and health. The Postal Service is committed to effective employee protection beyond the requirements of OSHA standards. The Postal Service is also committed to developing and implementing systems that effectively identify, evaluate, and control occupational hazards to prevent employee injuries and illnesses. Postal Service VPP implementation and maintenance procedures, based on the latest criteria from OSHA, are available on the Safety Resources Web site.

811.3 Off-site Safety

The Postal Service Safety and Health Program and OSHA standards and regulations cover Postal Service employees who perform Postal Service duties in private employers' establishments and while delivering mail and performing other activities off Postal Service property. To ensure that employees are protected, safe and healthful working conditions must be provided through engineering and administrative controls, personal protective equipment, enforcement of safe work practices, withdrawal of employees from the private sector facility, and, if necessary, curtailment of mail.

811.4 Records Retention and Disposition

811.41 Records Control Schedule

General retention and disposal instructions for the records and forms referenced in 810 through 850 can be found in the appendix, Records Control Schedules. Additional information can be found in the *Administrative Support Manual* (ASM), 89, Records Retention, and in the Electronic Records and Information Management Systems, RIMSWEB (eRIMS) on the Intranet.

811.42 PS Form 8214, Certificate of OSHA, Safety, and Environmental Records Transfer

OSHA requires each establishment to maintain records and produce them when requested. The purpose of PS Form 8214 is to ensure that these required records are transferred when there is a change in establishment or installation head at a Post Office, station, or branch.

812 Management Responsibilities

812.1 Headquarters

812.11 Postmaster General and Chief Executive Officer

The postmaster general is responsible for establishing and maintaining an effective, comprehensive national occupational safety and health program that fully complies with the OSH Act.

812.12 Chief Operating Officer and Executive Vice President

The chief operating officer ensures that area management implements and maintains effective area safety and health programs by, among other activities, monitoring Executive Safety and Health Committee activities during quarterly business reviews.

812.13 Officers

Officers of the Postal Service are delegated the authority and responsibility to ensure safe and healthful working conditions and practices within their functional areas and to ensure compliance with OSHA standards and regulations.

812.14 Vice President of Employee Resource Management

The vice president of Employee Resource Management is delegated the authority and responsibility to administer and evaluate the national safety and health program.

812.2 Area Offices

812.21 Vice President of Area Operations

Vice presidents of Area Operations are responsible for providing effective safety and health programs in their areas and for ensuring compliance with OSHA standards and regulations.

812.22 Area Human Resources Managers

Area Human Resources managers are responsible for monitoring area safety and health programs and performance in conformance with national policy and direction.

812.3 Performance Cluster and District Managers

812.31 District Managers

District managers are responsible for implementing the occupational safety and health programs within their jurisdiction. Additionally, they must develop a performance cluster (PC) accident reduction plan (ARP) using the Safety Toolkit to achieve the corporate objectives of reducing injury, illness, and motor vehicle accidents. Refer to the Safety Resources Web site and the Safety Toolkit for additional information on developing, implementing, and monitoring ARPs.

812.32 Installation Heads and Managers

Installation heads and managers are responsible for employee safety and health, implementation of the occupational safety and health program, and compliance with OSHA standards and regulations, including maintenance of the accident reports, OSHA Log, and Summary of Injuries and Illnesses. They are also responsible for developing, implementing, and monitoring facility ARPs using the Safety Toolkit to achieve the corporate objectives of reducing injury, illness, and motor vehicle accidents. Refer to the Safety Resources site and the Safety Toolkit for additional information on developing, implementing, and monitoring ARPs.

Installation heads are encouraged to attend annual safety and health training.

812.4 Middle-Level Managers

Middle-level managers are responsible for the safety and health program within their operations. This includes responsibility for administering OSHA-mandated written programs, conducting accident prevention activities, training employees, and evaluating the safety performance of supervisors. Middle-level managers coordinate activities, including correction of safety deficiencies, with other operational managers.

Middle-level managers are encouraged to attend annual safety and health training.

812.5 Supervisors' Responsibilities

812.51 General

Supervisors are responsible for identifying and correcting physical hazards, investigating and reporting accidents, administering OSHA-mandated written programs, conducting accident prevention activities, training employees, developing job safety analyses, and enforcing safe work practices.

Supervisors are encouraged to attend annual safety and health training.

812.52 Observation of Work Practices

Supervisors will observe employees' work practices to ensure that they are working safely. Supervisors will document their observations on PS Form 4588, *Observation of Work Practices — Delivery Services,* or PS Form 4589, *Observation of Work Practices — General,* whichever is appropriate. When used correctly, these forms can help the supervisor and the employee to identify and eliminate work practices that could lead to accidents and injuries. Use of these forms also gives the supervisor an opportunity to recognize and reinforce safe work practices.

812.6 Safety and Health Objectives

For each fiscal year, managers at every level in every function must have in their performance plans safety and health objectives tied to corporate safety indicators and their facility-specific ARPs. Annually, Headquarters will issue management policy and procedures for ARPs tailored to address national safety indicators and priorities.

813 Safety and Health Staff Responsibilities

813.1 Headquarters

Safety and Environmental Performance Management (SEPM) assists the vice president of Employee Resource Management to administer and evaluate the safety and health program by monitoring and improving the program and related safety and health policies, procedures, and standards. In conjunction with the General Counsel and other functional organizations, SEPM establishes policies and procedures to manage OSHA compliance activity, including citations, penalties, abatement, negotiated settlements, and judicial procedures.

To ensure that safety is integrated into all Postal Service operations, SEPM provides safety and health expertise and staff support to other Headquarters functional areas and Area offices, as necessary. SEPM provides comments on proposed OSHA regulations to Government Relations and coordinates with other federal agencies, private sector employers, and professional groups on matters of safety and health.

813.2 Area Offices

The area Human Resources manager assists the area vice president in the implementation of national safety and health policies, programs, and directives. This includes responsibility for long-term planning and monitoring activities. Area Human Resources managers, in conjunction with field legal counsels, provide oversight and advice on OSHA compliance activities.

The area Human Resources manager supports the performance clusters in the administration of their safety and health programs and monitors status of the OSHA Log and Summary of Injuries and Illnesses. Responsibilities include budgeting for and scheduling safety and health resources, including professional development of the safety and health staff. Additionally, the area Human Resource function provides technical support for performance cluster safety personnel.

813.3 Performance Clusters

813.31 Safety Personnel

Safety personnel are responsible for developing and monitoring a comprehensive safety and health program for facilities within their geographic boundaries.

While the responsibilities of safety personnel will vary depending on the size of the organization, the number of locations, and the type of operation, their major function is to serve as technical advisors and consultants to line management. To support line management, they contribute their experience, knowledge, and judgment to the formation of decisions that affect safety and health. Safety personnel functions include:

a. Monitoring the status of the OSHA Log and Summary of Injuries and Illnesses for all facilities in the cluster and advising management of deficiencies.

b. Collaborating with management to prepare and administer OSHA-mandated written programs.

c. Assisting line managers, in conjunction with injury compensation and medical personnel, to resolve safety and health problems, interpret policies, standards, and regulations, and provide detailed action plans for management implementation.

d. Analyzing accident, injury, and illness statistics, hazardous condition reports, inspection results, and related data in order to advise management on corrective actions.

e. Identifying and assessing accident- and loss-producing conditions, practices, and trends, and advising management on incorporating effective countermeasures into District/PC and facility-specific ARPs.

f. Conducting safety and health inspections and program evaluations.

In addition, full-time safety personnel assist collateral duty facility safety coordinators with technical advice, OSHA reporting, training, and related issues.

813.32 Collateral Duty Facility Safety Coordinator

In facilities in which there are no full-time safety positions, the installation head or designee is the collateral duty facility safety coordinator (FSC) and performs safety-related duties appropriate to the size and function of the facility. The FSC must be an EAS employee. If there are fewer than 100 workyears of employment (see 824.33) in the facility, the FSC conducts the annual safety and health inspection. He or she performs the inspection under the guidance of the servicing safety office. The FSC also maintains the hazard log (PS Form 1767*, Report of Hazard, Unsafe Condition, or Practice)*

(see 824.634). FSCs must use the Safety Toolkit in the performance of their duties. At a minimum, they must record safety and health inspection deficiencies and abatements, program evaluation findings and corrective actions, employee reports of hazards and corrective actions. They must advise the installation head/manager with development, implementation, and monitoring of countermeasures in the facility ARP.

FSCs must be trained for their duties using Postal Service-approved courses. At a minimum, all FSCs must attend the FSC training course.

814 Employee Rights and Responsibilities

814.1 Rights

Employees have the right to:

a. Become actively involved in the Postal Service's safety and health program and be provided a safe and healthful work environment.

b. Report unsafe and unhealthful working conditions using PS Form 1767.

c. Consult with management through appropriate employee representatives on safety and health matters such as program effectiveness.

d. Participate in inspection activities where permissible.

e. Participate in the safety and health program without fear of restraint, interference, coercion, discrimination, or reprisal.

814.2 Responsibilities

All employees are responsible for:

a. Complying with all OSHA and Postal Service safety and health regulations, procedures, and practices, including the use of approved personal protective equipment.

b. Keeping the work area in a safe and healthful condition through good housekeeping and proper maintenance of property and equipment.

c. Reporting recognized safety hazards and unsafe working conditions immediately.

d. Performing all duties in a safe manner.

e. Keeping physically and mentally fit to meet the requirements of the job.

f. Reporting to their supervisors immediately any accident or injury in which they are involved, regardless of the extent of injury or damage.

g. Driving defensively and professionally, extending courtesy in all situations, and obeying all state, local, and Postal Service regulations when driving a vehicle owned, leased, or contracted for by the Postal Service.

815 Executive and Management Safety and Health Committees

815.1 Structure and Responsibilities

815.11 National Executive Safety and Health Committee

(Reserved)

815.12 Area Executive Safety and Health Committee

The area executive safety and health committee — chaired by the area vice president and consisting of district managers, area office managers (as determined by the vice president), and inspectors-in-charge — must meet at least quarterly. The area vice president establishes a system to track and monitor committee activities. The committee is responsible for monitoring area safety and health activities to ensure that Headquarters' goals and objectives for reducing injury and illnesses and motor vehicle accidents are met. The area committee must monitor and review:

a. Safety and health inspections and facilitate prompt abatement of identified hazards.

b. Program evaluation and implementation of safety and health program improvement plans at facilities that do not achieve a score of 3 on their program evaluation.

c. District/PC ARPs to ensure that countermeasures are implemented to reduce motor vehicle accident (MVA) and motor vehicle injury (OSHA II) rates to achieve established targets.

d. Safety and health training and recordkeeping.

e. Joint labor-management safety and health committee activities.

The chief operating officer monitors area executive committee activities during quarterly business reviews.

815.13 Performance Cluster Executive Safety and Health Committees

The performance cluster executive safety and health committee, chaired by the district manager, must meet quarterly. The committee must include plant managers, postmasters of large associate offices, critical enabling managers (e.g., Maintenance, In-Plant Support), and others as determined by the district manager and the committee. Their primary responsibilities are to review:

a. Safety and health inspections and facilitate prompt abatement of identified hazards.

b. Program evaluation and implementation of safety and health program improvement plans at facilities that do not achieve a score of 3 on their program evaluation.

c. District/PC ARPs to ensure countermeasures are implemented to reduce OSHA II and MVA rates to achieve established targets.

d. Safety and health training and recordkeeping.

e. Local joint labor-management safety and health committee activities.

The committee must report to the area on actions taken, and the area vice president must establish a system to track and monitor committee activities.

815.14 Plant Executive Safety and Health Committee

The committee[1], chaired by the plant manager, is composed of plant safety, maintenance, and other enablers as appropriate. The committee meets as often as needed, but at least once every quarter. Primary responsibilities are to implement objectives established at a higher level and to develop additional objectives to improve the local safety and health program. To achieve these objectives, the committee must identify major safety and health problems by reviewing the following:

a. Facility safety and health program evaluations.

b. Accident reports and injury trends.

c. OSHA compliance activity.

d. Local safety inspection reports.

Based on the problems identified, the committee:

a. Advises the plant manager with developing and implementing the plant's ARP.

b. Assists the plant manager to monitor the effectiveness of the plan's countermeasures in reducing OSHA II and MVA rates.

c. Recommends improvements if the countermeasures do not achieve the desired OSHA II and MVA rate-reduction targets.

815.15 Other Levels

Safety and health management committees need not be established below the plant level, but safety and health must be a standard agenda item for regular staff meetings.

815.2 Written Minutes

Written minutes of all management meetings at each organizational level must be prepared and retained for 3 years.

816 Joint Labor-Management Safety and Health Committees

Reference Note:
For further information, refer to:
- Article 14 of the collective bargaining agreements.

Joint labor-management safety and health committees must be established and must function in accordance with applicable collective-bargaining agreements.

1. **Plants that require executive safety and health committees are Bulk Mail Centers (BMCs), Processing and Distribution Centers (PDCs), Processing and Distribution Facilities (PDFs), International Service Centers (ISCs), Air Mail Centers/Air Mail Facilities (AMCs/AMFs), and Logistics Distribution Centers (LDCs).*

817 Training and Education

817.1 Management Training and Education

817.11 Postmasters, Managers, and Supervisors

All postmasters, managers, and supervisors must receive safety and health training in accordance with the curriculum established by Safety Performance Management and Employee Development. Local offices, districts, and Headquarters provide this training. Postmasters, managers, and supervisors are encouraged to attend annual safety and health training.

817.12 Executives and Managers

Executives and managers at the plant level and above must be provided an orientation that discusses their responsibility for:

a. Safety and health program commitment, involvement, and accountability.

b. OSHA compliance.

c. Elements contained in a safety and health program evaluation.

d. Accident investigation and reporting.

e. Safety and health training requirements.

f. Accident reduction plans (ARPs).

817.2 Safety and Health Staff Training and Education

817.21 Safety Specialists

All safety staff must obtain a level of expertise in safety training through participation and completion of the core curriculum safety course taught at the National Center for Educational Development (NCED) or as established by Safety Performance Management.

Safety and health personnel must be provided, at least annually, professional training and education to enable them to carry out their basic duties and to fulfill their roles as advisors and consultants to management. To maintain their technical proficiency, safety and health personnel are encouraged to pursue professional credentials and advanced education and to participate in professional safety and health-related organizations. Management must give a high priority to supporting these efforts to realize a professional safety staff. Specialized training not available within the Postal Service may be authorized in accordance with 740.

817.22 Facility Safety Coordinators

FSCs must obtain a level of safety expertise commensurate with their responsibilities through the FSC training course and the Safety for Postal Leadership course. Annual attendance of at least 8 hours of safety and health training is required. Management must give FSC training a high priority.

817.3 Joint Labor-Management Safety and Health Committee Orientation

Each member of a local committee must receive an orientation by the Postal Service that includes:

a. Responsibilities of the committee and its members.

b. OSHA compliance.

c. Basic elements of the safety and health program to include safety and health inspections.

d. Identification and analysis of hazards and unsafe practices, including job safety analysis.

e. Explanation of reports and statistics to be reviewed and analyzed by the committee.

To meet the requirements listed above, Safety and Health Committee members must attend the Safety and Health Committee training course (specified in Handbook EL-809T, *Area/Local Joint Labor-Management Safety and Health Committee Training,* and the Safety for Postal Leadership course, 1950102).

817.4 General Safety Orientation for Employees

All employees, including casual and part-time employees, must receive a general safety and health orientation and sufficient on-the-job training to enable them to follow safe work practices, to recognize hazards, and to understand the benefits to be gained by following safe work practices. Such training must also include site-specific safety rules, specific job safety analyses, required OSHA programs, emergency evacuation procedures, and OSHA rights and responsibilities (see 817.5).

817.5 Training Required by OSHA

Reference Note:

For further information about training required by OSHA, refer to the following Handbook (HBK) and Management Instructions (MIs):

- HBK AS-556, *Asbestos Management Guide.*
- MI EL-810-2001-1 *Personal Protective Equipment and Respiratory Protection Programs.*
- MI EL-810-2000-2*, Bloodborne Disease Exposure Control Plans.*
- MI EL-810-2000-1, *Hearing Conservation Programs.*
- MI EL-810-99-1, *Lead Hazard Management.*
- MI EL-810-98-1, *Asbestos Containing Building Materials Control Program.*
- MI EL-810-2006-1, *Response to Hazardous Materials Releases.*
- MI EL-810-96-2, *Hazard Communication Programs.*
- MI EL-810-93-1, *Confined Space Safety*.

Maintenance Management Orders (MMOs) on safety-related subjects such as lockout/tagout, hazard communication, and personal protective equipment are available on the Maintenance Technical Support Center's Web site: *www.mtsc.usps.gov*.

Additional guidance is available in the Safety Training Matrix located on the Safety Resources Web site. Go to *http://blue.usps.gov*. In the left column, under "Essential Links," click on *Safety Resources.*

817.51 Standard Curriculum

Employee Development, in coordination with Safety Performance Management and other Headquarters functional areas, is responsible for developing, implementing, and keeping current a safety and health training curriculum to comply with OSHA standards and Postal Service policies. Managers and supervisors at all levels must refer to this curriculum and ensure that all affected employees are trained and that training is current and properly recorded.

817.52 Special Emphasis Training Programs

Special emphasis training programs must be developed and initiated by Headquarters, areas, districts, plants, and other offices, as appropriate, to reduce the principal causes of accidents and injuries and occupational illnesses and to ensure compliance with OSHA requirements.

817.53 Training in Handling Hazardous Materials

In installations where employees handle or transport hazardous materials, the installation head must establish a program of promoting safety awareness through communications or training, as appropriate (see MI-EL-810-96-1). Such a program must include, but is not limited to, the following elements:

a. Posting information, pamphlets, or publication of articles in Postal Service publications, such as area bulletins, and use of distributed videos on *Hazwoper Awareness* and *Hazcomm Awareness.*

b. Distributing current Publication 52, *Hazardous, Restricted, and Perishable Mail,* to employees whose duties may require acceptance or dispatch of hazardous, restricted, or perishable items. Distribution of current Handbook EL-812, *Hazardous Materials and Spill Response,* to employees whose duties may include handling of hazardous materials and initial response to spills and leaks (First Responder Awareness Level). Acceptance and dispatch personnel must use Tag 44, *Sack Contents Warning,* to appropriately identify all mailbags containing hazardous materials as defined in Publication 52 so that an employee handling the mail is aware that the mailbag contains one or more hazardous materials.

c. Training in on-the-job awareness for employees whose duties may require the handling or transportation of hazardous, restricted, or perishable items. Training must include, but is not limited to, hazard identification, proper handling of hazardous materials, personal protective equipment availability and use, and cleanup and disposal requirements for hazardous materials. This includes Aviation Mail security hazardous materials training.

817.6 Refresher Training

Motor vehicle, powered industrial truck, asbestos, hazardous materials, and other refresher training programs must be provided and updated as needed per OSHA regulations and Postal Service policies. Such programs must also be used for correcting improper work practices before accidents result and for improving work practices after an accident.

Refresher training requirements are included in the Safety Training Matrix located on the Safety Resources Web site.

817.7 Training in New or Additional Equipment and Techniques

Training must be provided when new or additional equipment or techniques are deployed that may, if not properly used, adversely affect safe and healthful working conditions, OSHA compliance, or both.

817.8 OSHA Job Safety and Health Protection Posters

Each facility must post OSHA Poster 3165, *Job Safety and Health Protection,* in a conspicuous place. This poster outlines management responsibilities and employee responsibilities and rights under the OSH Act. Poster 3165 and the Spanish-language version, 3167, are available from the Material Distribution Center. (OSHA Poster 2203, which is superseded by 3165/3167, may be posted until supplies are exhausted.)

817.9 Training Records

For each employee, records of safety and health training must be maintained to demonstrate compliance with Postal Service policies and OSHA requirements. The records must be retained and available to allow inspection by Postal Service and OSHA officials. All safety training must be recorded on PS Form 2548, *Individual Training Record* (or equivalent), and recorded in the National Training Database.

Note: Documentation of safety talks and safety related on-the-job training must be maintained at the facility level. These records must be available to allow inspection in a timely manner.

818 Safety and Health Program Budgeting

All organizational levels must plan budgets and provide funds to support an effective and comprehensive safety and health program. Such budgeted items must include, but are not limited to:

a. Personnel and support sufficient to properly implement and administer the program at all levels, including administrative costs for training, computers, travel, communication, and personal protective equipment.

b. Hazard analysis, including industrial hygiene evaluations, sampling, testing, diagnostic and analytical tools and equipment, and laboratory analyses, as deemed appropriate.

c. Contracts to identify, analyze, or evaluate unsafe or unhealthful working conditions and operations, as deemed appropriate.

d. Development and delivery of safety awareness and promotional programs.

e. Technical information documents, software, books, standards, codes, periodicals, and publications.

819 Accountability for Safety and Health Performance, Compliance, and Evaluations

In any evaluation of individual performance or potential, provision must be made to include the achievement or failure of managers, supervisors, or employees in the performance of their safety and health responsibilities, including OSHA compliance. Evaluations must not be based solely on the number and seriousness of accidents, injuries, and illnesses experienced but also on how effectively the safety and health program has been implemented and supported.

820 Reports and Investigations, Program Evaluations, and Inspections

821 Actions in the Event of Accident, Injury, or Illness

821.1 Injury, Illness, and Accident Reporting

821.11 Postal Service and OSHA Reporting and Recordkeeping Requirements

The Postal Service is required by 29 CFR 1904, *Recording and Reporting Occupational Injuries and Illnesses,* to record occupational injuries and illnesses in OSHA Form 300, *Log of Work-Related Injuries and Illnesses,* and to maintain a supplementary record, OSHA Form 301, *Injury and Illness Incident Report.*

The Postal Service maintains an accident reporting process and system, including *Accident Report,* to fulfill these requirements and to meet safety and health program and business needs.

821.12 Postal Service Accident Reports

821.121 General Requirements for Using PS Form 1769, *Accident Report*

The manager or supervisor of the employee or operation involved must:

a. Report all accidents and occupational injuries and illnesses on PS Form 1769 within 24 hours of the date of the accident, the diagnosis of injury or illness, or the notification of the manager or of the situation.

b. Provide a copy of PS Form 1769 to the employee involved upon written request.

Completion of the form is required by Postal Service policy if an accident occurs and by the OSH Act if an occupational injury or illness that is recordable by OSHA definition occurs, regardless of tort claim action or the requirements of the Federal Employees' Compensation Act.

Note: PS Form 1769 definitions are not the same as OSHA's private sector recording requirements. Part 1904.46 contains OSHA's definitions of injuries and illnesses.

Information submitted to the Office of Workers' Compensation Programs (OWCP) on Forms CA-1, *Federal Employee's Notice of Traumatic Injury and*

Claim for Continuation of Pay/Compensation, and CA-2, *Notice of Occupational Disease and Claim for Compensation,* must be identical to the information submitted on PS Form 1769.

821.122 **OSHA Requirements**

In accordance with OSHA Part 1904, an OSHA Form 301 must be completed for each recordable injury or illness. The original OSHA 301 must be maintained along with the OSHA 300 Log for 5 years.

821.123 **Postal System for Accident Reporting**

PS Form 1769 must be recorded in the Postal System for Accident Reporting by the servicing safety office when any one of the following occurs:

a. *Injury or illness of a Postal Service employee.* The appropriate OSHA recordable indicator and Postal Service reportable status are identified in the Safety and Health Subsystem by a safety professional using OSHA recordkeeping guidelines to determine OSHA requirements and PS Form 1769 instructions for Postal Service requirements.

b. *Death of a Postal Service employee on Postal Service premises or on the job.* Form CA-5 or CA-6, US Dept. of Labor Official Superior's Report of Employee's Death, is submitted to the OWCP.

c. *Injury or fatality to a non-Postal Service person on Postal Service premises.* Unless a contractor is involved, this is not an OSHA-recordable event (see OSHA Parts 1904.25, 1904.39–41, and 1904.43–44).

d. *Motor vehicle accident that results in death, injury, or property damage,* regardless of cost, who was injured (if anyone), or what property was damaged.

e. *Damage of $500 or more to Postal Service property or to property of customers or the general public,* regardless of whether an injury was involved.

f. *Fire damage of $100 or more to Postal Service property.*

821.13 Reporting Using PS Form 1769

821.131 **Completing PS Form 1769**

The manager or supervisor of the employee or operation reports all accidents and occupational injuries and illnesses on PS Form 1769 within 24 hours, using the "Narrative" block to record the employee's home address and the full circumstances of the accident (the "who, what, when, where, why, and how" that explain the cause of injury or illness).

Managers and supervisors of the employee or operation are responsible for investigating all accidents and occupational injuries and illnesses quickly and accurately to determine root causes, and they are responsible for completing PS Form 1769.

821.132 **Reviewing PS Form 1769**

Review is conducted as follows:

a. The *supervisor's immediate manager* must review each PS Form 1769 for accuracy and its application (including OSHA recording status), follow up to ensure that action is taken to prevent similar occurrences, and endorse the report (in item 57).

b. The *installation head* (or designee) must review the report to see if positive action has been taken or is planned.

c. *Servicing safety personnel* must ensure that accident causes are identified, that the action taken is appropriate, and endorse the report (in item 59).

821.133 **[*Reserved*]**

821.134 **Notifying the Safety Office of Corrections**

Correct erroneously recorded data by submitting a copy of PS Form 1769, annotated "Amended," through the servicing safety office to the Postal Service accident reporting system. Circle the items that need to be corrected and enter the correct data. Make corrections to the OSHA log and summary if necessary.

821.14 Maintaining Logs and Summaries

821.141 **OSHA 300, Log of Work-Related Injuries and Illnesses**

In accordance with 29 CFR 1904, each facility must maintain an OSHA 300 log by calendar year that lists all OSHA-recordable occupational injuries and illnesses. All such injuries and illnesses must be recorded on the log within 7 days of notification.

821.142 **OSHA 300A, Summary of Work-Related Injuries and Illnesses**

Post a copy of OSHA 300A for the period February 1 through April 30 each year in a conspicuous place at every establishment where employees work or report to work.

821.143 **OSHA 301, Injury and Illness Incident Report**

OSHA Form 301 must be filled out for each OSHA-recordable, work-related illness or injury within 7 days of notification (see 821.122).

821.144 **Retention**

Retain OSHA Forms 300, 300A, and 301 and PS Form 1769 for 5 years after the end of the calendar year. See the , Employee and Labor Relations section, items 32 to 43.

821.2 Accident Investigation

821.21 Responsibility

Managers and supervisors are responsible for investigating all accidents promptly, determining their causes, and reporting them accurately in accordance with OSHA and Postal Service regulations. Management should consult with safety personnel when accident causes cannot be readily determined.

821.22 Method

In order to have first-hand knowledge of every accident that occurs in their operation, supervisors must make thorough investigations that include at least the following:

a. Interview employees to determine what caused the accident, why it happened, and what the employees and supervisor think could have been done to prevent it.

b. Promptly inspect the accident site to determine what conditions (such as equipment and work practices) contributed to the accident.

c. Interview witnesses and coworkers.

d. Examine the most recent PS Form 1783, *On-the-job Safety Review/ Analysis,* for the task involved to determine if changes are required. Update as needed and review with all affected employees. If a PS Form 1783 is not on file, determine if one is necessary. If so, prepare one.

821.3 Accident Analysis

821.31 Purpose

Accident analysis is vital for identifying the hazardous conditions, contributing factors, and root causes of accidents.

821.32 Responsibility

Installation heads/managers must use the results of accident analyses to address the causes of accidents, develop specific actions (countermeasures), and enter them into an accident reduction plan (ARP) (see 812.31). The ARP serves as management's primary tool for reducing OSHA injury and illness (OSHA II) and motor vehicle accident (MVA) rates.

821.33 Elements

The process of conducting an accident analysis includes, but is not limited to, investigating the following key factors:

a. Specific tasks being performed at the time of the accident or injury.

b. Operations, equipment, tools, and machinery involved.

c. Specific event that resulted in the accident or injury.

d. Nature and severity of the injury.

e. Part(s) of the body involved.

f. Incidence and nature of the following:

(1) Faulty equipment or design.

(2) Unsafe condition(s).

(3) Unsafe acts or practices.

(4) Violation of rules, procedures, or instructions.

(5) Inadequate training or lack of safety rules or procedures.

821.4 Privacy Act Considerations

Accident records, including the left side of the OSHA log and summary, contain information about individuals. Therefore, they must be handled and disclosed in accordance with the Privacy Act and implementing instructions.

An individual's accident records and related correspondence are maintained by the Postal Service as the privacy system entitled Postal Service 120.035, *Personnel Records — Employee Accident Records.*

822 Supplementary Actions in the Event of Serious Accidents, Including Fatalities

822.1 Reporting Serious Accidents

Certain types of serious accidents need attention at the District, Area, and Headquarters levels. Managers must follow the serious accident reporting (SAR) requirements listed in 822.12 and 822.13.

822.11 Definition of "Serious Accident"

A "serious accident" is defined by the Postal Service as any occupational accident, illness, or disease that:

a. Results in the death of one or more employees.

b. Results in the inpatient[1] hospitalization of one or more employees.

c. Results in the death of an employee or non-Postal Service person within 6 months of the date of the accident (even if it was not immediately reportable).

d. Involves property damage (combined Postal Service and non-Postal Service) estimated to exceed $100,000.

e. Involves mutilation, amputation (including major cartilaginous body parts such as ears, and nose), or loss of vision in one or both eyes to an employee or non-Postal Service person.

f. Results in inpatient* hospitalization due to chemical or biological exposure.

g. Is a Postal Service-related accident, involves non-Postal Service persons, and results in a fatality or the inpatient* hospitalization of one or more persons.

822.12 Reporting Requirements for Installation Heads

The reporting requirements for installation heads are as follows:

a. The installation head must report all serious accidents to the performance cluster district manager by COB the day of the accident.

b. The installation head, after consultation with the servicing safety office, *must report orally* (by telephone or in person) to the nearest OSHA area office within 8 hours the following:

(1) Any accident that is fatal to one or more employees.

Note: Employers must report all fatal heart attacks occurring in the work environment, whether OSHA recordable or not (OSHA § 1904.39(b)(5)).

(2) Any accident that results in in-patient hospitalization of three or more employees.

(3) Any fatality or hospitalization of three or more employees that occurs within 30 days of an accident.

c. The report to OSHA should relate the following information:

(1) Name of the establishment.

(2) Location of the incident.

1. Inpatient hospitalization does not include observation, emergency room, and all other forms of outpatient care.

(3) Time of the incident.

(4) Number of fatalities or hospitalized employees.

(5) Names of any injured employees.

(6) Postal Service contact person and his or her telephone number.

(7) Brief description of the incident.

d. The installation head is not required to report:

(1) Motor vehicle accidents that occur in public streets, except those in construction work zones (OSHA § 1904.39(b)(3)).

(2) Commercial airplane, train, subway, or bus accidents (OSHA § 1904.39(b)(4)).

e. The installation head must provide records within 4 business hours to an OSHA compliance officer who requests them (OSHA § 1904.40(a)).

f. The installation head must promptly report to the appropriate union:

(1) Any employee fatality.

(2) Any serious industrial, noncriminal accident or injury.

822.13 Reporting Requirements for Performance Cluster Managers

A fatality, amputation, mutilation, or OSHA-reportable accident, as defined in 822.12b, must be reported within 8 hours to the area Human Resources manager and Safety and Environmental Performance Management, Headquarters.

822.14 How to Complete Serious Accident Reports

Complete as much as is known in order to submit a timely report. Follow up with additional information if necessary. The report must use the following format:

a. Post office or facility, city, state, and ZIP Code.

b. Name, title, and telephone number of the installation head (state whether the official has personal knowledge of the situation.

c. Brief description of accident, including:

(1) Date and time of accident or death (make a supplementary report if a death occurs after the initial report).

(2) Location.

(3) Name, home address, title, age, sex, years of service, and extent of injuries to Postal Service employee(s).

(4) Name, age, sex, address, and extent of injuries to non-Postal Service persons involved.

(5) Type of work employee was performing when the accident occurred.

(6) Vehicle, equipment, or property damaged, Postal Service or non-Postal Service (state the make, model, and type of vehicle and whether a seat belt was used).

(7) Probable cause(s) of accident.

(8) Police charges (if any and if known).

(9) Name, title, and level of supervisor on duty.

822.2 Investigating Serious Accidents

822.21 OSHA Investigations

OSHA may elect to investigate occupational fatalities or serious accidents. If notified by OSHA personnel of their intent to investigate, the servicing safety office will immediately notify the local Area Law Department, Area Manager Human Resources, and Headquarters General Counsel and Safety and Environmental Performance Management.

822.22 Postal Service Serious Accident Investigation Board

822.221 Mandatory Composition

A management board appointed by the performance cluster manager must investigate job-related fatalities and other serious accidents as defined in 822.11. The board must be appointed within 24 hours of the accident and must include:

a. One operations manager who has no functional relationship to the activities involved in the accident; this person will serve as chairperson.

b. One manager from the office who has a functional relationship to the activities involved in the accident.

c. The manager, Safety, or designated safety specialist, as appropriate.

d. One Postal Service medical advisor appointed in consultation with the area medical director.

Exception: Some serious accidents involving customers or Postal Service employees may not warrant a full investigation by a board. Vice presidents of Area Operations may waive investigations of serious accidents if they determine that the purpose of an investigation (see 822.223) is unlikely to be realized because of the circumstances of the accident. If performance cluster managers believe a waiver is justified, they should request a waiver from their vice president of Area Operations. If a waiver is granted, it should be documented and the file treated in accordance with the requirements of 822.225.

822.222 Optional Composition

One employee representative from the local safety and health committee, when requested by the appropriate union, will be permitted to accompany the board in its investigation of industrial, noncriminal accidents.

Safety and Environmental Performance Management, Headquarters, may provide investigative assistance when such assistance is determined to be appropriate by the area Human Resources manager.

The vice president of Area Operations may designate, as deemed necessary, an area-level representative to serve on or to provide consultation to the board.

822.223 Board Responsibilities

Board responsibilities are to:

a. Discover the root causes of the accident.

b. Make sound recommendations to prevent accident recurrence.

c. Review the quality of action taken by supervisors where the accident occurred.

d. Determine if the employee was wearing a seat belt at the time of the motor vehicle accident (see 844.2) and document findings.

Note: Board responsibilities and actions do not relieve those immediately involved of their responsibility for accident investigation and prevention.

822.224 **Board Investigation Report**

The board must use the following format to report findings and recommendations:

a. Detailed description of accident, as follows:
   (1) Employee's relationship (location) to physical surroundings.
   (2) What the employee was doing when the accident occurred and how he or she was doing it.

b. Statements from the following:
   (1) Employee.
   (2) Witness(es).
   (3) Other person(s) interviewed.

c. Photographs of the accident scene.

d. Pertinent findings.
   (1) What the employee did, or failed to do, that contributed to the accident. Include unsafe acts and violations of safety rules, such as not wearing a seat belt (see 844), lack of knowledge, and lack of training.
   (2) What others involved did, or failed to do, that contributed to the accident.
   (3) The main reason for the actions (what was done or failed to be done) that contributed to the accident.
   (4) Deficiencies and unsafe or adverse conditions in the work environment that contributed to the accident.
   (5) If applicable, the reason for the deficiencies in the work environment.

e. Quality and type of action taken by management after the accident occurred.
   (1) Immediate supervisor's investigation (see 821.2 for responsibilities).
   (2) Upper level managers' actions (responsibilities include ensuring that all employees involved in similar work are instructed, revising work procedures or practices when required, and ensuring that the board's recommendations are implemented when appropriate).

f. Actions recommended by the board to prevent future occurrences of similar accidents.

822.225 **Investigation Reporting and Response Requirements**

Investigation reporting and response requirements are as follows:

a. *Board.* Within 15 working days of appointment, the board must submit a report of its findings and recommendations to the district manager, with copies to the area vice president and the installation head.

b. *Installation head.* Within 10 working days after receiving the board's report, the installation head must provide a report to the district manager, with a copy to the area vice president, describing the corrective actions taken.

c. *District.* The original copy of the investigation board report is retained at district Safety. In addition:

(1) For fatal and catastrophic (OSHA-reportable) incidents only, an executive summary must be forwarded to the area Human Resources manager. The summary should include at a minimum, the date and time of the incident, the name and location of the installation, personnel information, a brief description of the incident, causal factors, recommendations, and proposed corrective actions.

(2) When the investigation board report indicates items with national impact, a complete copy of the board report must be forwarded to the area Human Resources manager for review and consultation with any affected Headquarters departments.

d. *Headquarters.* Upon written request of any member of the National Joint Labor-Management Safety and Health Committee, the vice president of Employee Resource Management must arrange for the release of a copy of the report to that member. However, those portions of the report prohibited from disclosure by law or regulation must not be released.

823 Program Evaluation

823.1 Purpose

The purpose of routine safety and health program evaluations is to measure the effectiveness of the Postal Service Safety and Health Program at each organizational level, ensure OSHA compliance, and promote a model for effective safety and health programs. A program evaluation must include compliance with the program elements included in this chapter and other Postal Service policy and procedure documents, including handbooks, manuals, and management instructions.

823.2 Responsibilities

823.21 Headquarters

Headquarters defines performance metrics, establishes and interprets program criteria, and assesses overall program performance. Headquarters conducts safety and health program evaluations at various organizational levels when deemed appropriate.

823.22 Areas

Areas conduct safety and health program evaluations at various organizational levels when deemed appropriate or in response to OSHA compliance activity. Vice presidents of Area Operations review performance cluster safety and health program evaluations and monitor performance. In accordance with 810, these evaluations are to be considered in evaluating the individual performance of managers in the area.

823.23 Performance Clusters

Performance clusters must conduct annual safety and health program evaluations. Personnel performing the program evaluation must use the most recent Program Evaluation Guide contained in the Safety Toolkit and enter the program evaluation findings into the Safety Toolkit. If a Headquarters- or area-sponsored program evaluation is conducted during the fiscal year, it fulfills the annual requirement.

Program evaluations are not required at administrative facilities regardless of the workyears of employment in the regular workforce. However, if these sites are going to apply for OSHA's Voluntary Protection Program, a program evaluation is required.

Administrative facilities include stand-alone District Offices, stand-alone Area Offices, and Remote Encoding Centers.

823.231 Performance Cluster and Subordinate Installations With 100 or More Workyears

Annual program evaluations must be conducted by the district safety staff or plant safety specialists.

823.232 Performance Cluster and Subordinate Installations With More Than 50 but Less Than 100 Workyears

Performance cluster and subordinate installations with more than 50 but less than 100 workyears must have annual program evaluations. Usually, they are conducted by the Facility Safety Coordinator (FSC), but the supporting manager, Safety, may elect to conduct the annual program evaluation in some instances. A program evaluation conducted by the supporting Safety Office fulfills the annual evaluation requirement.

823.233 Program Evaluations in Support of the National Performance Assessment

a. District or plant safety specialists must perform all National Performance Assessment (NPA) program evaluations at facilities with 100 or more workyears.

b. District safety specialists or members of trained District or Area teams may perform NPA program evaluations at facilities with 50 to 100 or less than 50 workyears.

c. Safety personnel and FSCs cannot perform NPA program evaluations at their own facilities.

823.3 Program Evaluation Report

The procedure for reporting on a program evaluation includes the following steps:

a. The evaluator(s) will hold an opening and closing conference with the installation head. The lead evaluator will enter the facility program

evaluation record into the Safety Toolkit and use the reports module to produce a draft score sheet for discussion with the installation head at the closing conference. At the closing conference, the lead evaluator will present the findings and allow the installation head to present additional information that may impact the final score. Once the closing conference is completed, the lead evaluator cannot consider any additional information provided by the installation head. The lead evaluator will make any necessary adjustments to the findings and score immediately following the closing conference and provide a copy of the draft score sheet to the installation head.

b. The lead evaluator will finalize the evaluation in the Safety Toolkit within 5 calendar days of completion of the closing conference. Managers, Safety, must send the final report to the postmaster or plant manager, with copies to the appropriate manager, Post Office Operations, or lead plant manager.

c. In the Safety and Health Program Evaluation, a subcategory score of less than three is a serious deficiency. The installation head must address all serious deficiencies by implementing a Safety and Health Program Improvement Plan (SHPIP). In the SHPIP, the installation head must explain each deficiency and the actions taken to eliminate it. Within 30 days of receipt of a program evaluation report, postmasters or plant managers must provide the improvement plan to their manager, Post Office Operations, or their lead plant manager, with copies furnished to the supporting manager, Safety, and Manager, Human Resources, District. Installation heads must use the Safety Toolkit Program Evaluation Module to prepare the SHPIP and generate the improvement plan report.

d. The supporting manager, Safety, will monitor completion of the SHPIPs and report noncompliance through channels to the manager, Post Office Operations, or plant manager at least once a quarter. The Safety Toolkit Program Evaluation Module will generate the noncompliance report.

824 Safety and Health Inspections

824.1 Purpose

The purpose of a safety and health inspection is to target specific operational, facility, or program deficiencies that may cause accidents, injuries, and illnesses, and to foster compliance with OSHA regulations and standards.

824.2 Methods

Safety personnel conducting inspections must be technically competent to recognize and evaluate hazards of the work environment and to suggest specific abatement procedures. They must use inspection checklists contained in the most current Safety Toolkit that reference current OSHA and other applicable regulations, standards, and Postal Service policies.

824.3 Types of Inspections

824.31 Area Oversight and Targeted Inspections

824.311 Oversight

The area Human Resources manager must ensure that safety and health inspections are conducted as required by this section.

824.312 Area Inspections

The area Human Resources function must conduct area inspections of plants or other installations as necessary to ensure effective safety and health programs. Inspection teams should consist of area and local safety and health, maintenance, and line management personnel.

Union representatives from the local safety and health committee may participate in inspections conducted by area safety and health personnel provided that the union represents employees at the facility being inspected. The number of union representatives will be determined by appropriate collective-bargaining agreements.

824.32 Performance Cluster and Subordinate Installations With 100 or More Workyears

824.321 Requirement

District and plant safety personnel must conduct a semiannual inspection of all installations with 100 or more workyears of employment in the regular workforce and enter their inspection findings into the Safety Toolkit. If Headquarters or the area conducts an inspection, it serves as one semiannual inspection.

824.322 Teams

Inspection teams consist of personnel from Safety, Maintenance, In-Plant Support, and line management.

Union representatives from the local safety and health committee may participate in inspections referred to in this section, provided that (a) the union represents employees at the installation, and (b) the union representative is domiciled at the installation to be inspected. If that union representative is not domiciled at the installation to be inspected, and if that union represents employees at the installation, at the union's option (a) representatives from the committee may participate in the inspection at no additional cost to the employer; or (b) the union may designate a representative domiciled at the installation to be inspected to participate in the inspection. The number of union representatives is determined by appropriate collective bargaining agreements.

824.33 Performance Cluster and Subordinate Installations With Less Than 100 Workyears

824.331 Requirement

Collateral duty FSCs must conduct an annual inspection of each installation with less than 100 workyears of employment in the regular workforce. The FSC will conduct the inspection using instructions and an approved inspection checklist located in the Safety Toolkit or on the Safety Resources Page. FSCs must enter inspection findings into the Safety Toolkit if they have access to a Postal Service computer. District safety personnel provide

technical assistance and support as necessary. In addition, district safety personnel must visit facilities as necessary to verify results of inspections by the FSC and provide assistance. If district safety personnel perform an inspection, it serves as the annual inspection.

824.332 Teams

Inspection teams consist of the collateral duty FSC and at least one supervisor.

Union representatives from the local safety and health committee may participate in the annual inspection of each installation with less than 100 workyears of employment in the regular workforce where the committee exists in the installation being inspected. In installations that do not have a safety and health committee, inspectors give a bargaining unit employee (from each union that represents employees in that installation) the opportunity to accompany them during these inspections. If the unions request it, the bargaining unit employees should be selected on a rotating basis by the exclusive bargaining representatives in that installation. The number of union representatives is determined by appropriate collective bargaining agreements.

824.4 Conduct of the Inspections

824.41 Authority

Postal Service safety personnel are authorized:

a. To conduct inspections without delay.

b. To have access to all available information relevant to the occupational safety and health of the workplace to be inspected, including PS Form 1767, *Report of Hazard, Unsafe Condition, or Practice;* PS Form 1769, *Accident Report;* PS Form 1772, *Accident Log;* OSHA Form 300; OSHA citations or other correspondence; training records; and all checklist and deficiency reports.

c. To interview employees privately, if necessary.

d. To consult with a reasonable number of employees during the inspection if there are no authorized representatives of employees.

e. To deny the right of accompaniment to any person whose participation interferes with a fair and orderly inspection.

824.42 Inspection Procedures

824.421 Opening Conference

Members of the inspection team must conduct an opening conference with the installation head and the union representatives who are to participate in the inspection. The purpose of this conference is to explain the purpose and scope of the inspection and to inform the installation head that the inspection team will, in the course of inspection, consult with employees and managers as the need occurs.

824.422 Inspection Rules

Safety inspections must be conducted according to the following rules:

a. The responsible manager must ensure that the team, led by the senior safety professional (or collateral duty FSC) assigned, has adequate participation and resources to accomplish a meaningful inspection.

b. Members of inspection teams must comply with all safety and health rules at each installation including the use of protective clothing and equipment. The conduct of inspections must not result in unreasonable disruption of operations.

c. Representatives of Maintenance, In-Plant Support, Operations, and others designated by management as appropriate, must participate.

d. During the course of an inspection, any employee must be afforded an opportunity to bring to the attention of the inspection team any unsafe or unhealthful working condition that the employee believes exists in the workplace. In order to speak with the head of the inspection team, employees must first request permission from their immediate supervisors. Such requests must not be unreasonably denied.

e. Safety personnel must arrange for or conduct industrial hygiene evaluations and sampling and take photographs where necessary.

824.423 **Imminent Hazard Abatement**

If imminent danger is identified, the inspector must immediately inform the official in charge of the workplace. The official in charge of the workplace must undertake immediate abatement of the dangerous condition and the withdrawal of employees who are not necessary for the abatement. If the official in charge needs assistance to undertake full abatement, he or she must immediately notify, through channels, the district manager, who provides assistance for the abatement effort. The area Human Resources manager is also to be notified.

Safety and health committees and union representatives of the employees affected must be informed of all relevant actions.

824.424 **Closing Conference**

At the conclusion of a scheduled inspection, safety personnel must confer with the installation head and the union representative(s) who accompanied the inspection team and advise them of deficiencies disclosed by the inspection. Anyone at the conference may bring to the inspector's attention any pertinent information regarding conditions in the workplace.

824.425 **Documentation and Reporting**

The team leader must enter inspection findings into the Safety Toolkit, generate the inspection report, and give the inspection report to the installation head/manager no later than 5 days after completion of the closing conference. In addition, the team leader sends copies of the report to the employee representative(s) who participated in the closing conference and/or to the local safety and health committee.

824.426 **Notification**

Immediately upon receipt of the deficiency report the installation head must post a notice in a prominent place where it will be readily observed by employees stating that the inspection has been received and is available for viewing in a convenient location, such as the safety office. The notice must indicate, as applicable, that deficiencies were found and describe any

special procedures that are in place. The notice shall remain in place for 3 working days or until all items have been abated, whichever is longer. Copies of all inspections and reports will be maintained in the Safety Toolkit.

824.5 Deficiency and Hazard Abatement

824.51 Hazard Classifications

Safety hazards are classified as follows:

a. *Imminent danger* — A situation in which there is a reasonable certainty of danger that could cause death or serious physical harm immediately or before the danger can be eliminated through normal abatement procedures.

b. *Serious danger* — A situation in which there is a substantial probability that death or serious physical harm could result.

c. *Nonserious danger* — A situation that has a direct relationship to job safety and health but probably will not cause death or serious physical harm.

824.52 Hazard Abatement Committee

Within 5 working days after receipt of the inspection report, a hazard abatement committee must be established and meet to assign priorities and specific abatement dates within the limits set by the inspection team. The installation head/manager must chair this committee. **(Note:** Postmasters or others who serve as installation heads for detached units may designate a chair for those detached unit abatement committees only.) Committee members must include:

a. Installation head (or designee as noted above).

b. Safety representative (collateral duty FSC if appropriate).

c. Maintenance representative.

Additionally, Mail Processing, Customer Services, Industrial Engineering, Purchasing, and other personnel must attend when their functional areas are involved.

824.53 Abatement

824.531 Within 20 Days

Where feasible, correct deficiencies within 20 days of receipt of the inspection report.

824.532 More Than 20 and Fewer Than 45 Days

All deficiencies that are not corrected within 20 days must be reported immediately, along with a Hazard Abatement Plan (HAP) to the district manager with copies furnished to the manager, Post Office Operations, or the lead plant manager; the supporting manager, Safety; and manager, Human Resources, District. The HAP must contain the following:

a. Name of the installation.

b. Location of the unsafe condition.

c. Description of the unsafe condition.

d. Length of time the condition has existed.

e. Explanation of the circumstances of the delay in abatement.

f. A management action plan (MAP) that will be used for resolution of the problem.

g. A summary of steps being taken in the interim to protect employees from being injured by the unsafe or unhealthful working condition.

Affected employees must be informed of the provisions of the plan.

The Safety Toolkit provides a HAP template and reports. This template must be used to develop the inspection-specific Hazard Abatement Plan.

824.533 **More Than 45 Days**

All deficiencies that are not corrected within 45 days must be reported immediately, along with the HAP through management channels to the vice president of Area Operations, with copies to the area Human Resources manager and the area manager, Safety.

824.534 **Changes**

Once the HAP has been submitted, any changes in the plan require the submission of a new plan in accordance with the provisions of this section.

Once the HAP is created in the Safety Toolkit it is automatically updated as deficiencies are corrected. Managers with access to the Safety Toolkit can view the updated HAP by logging on to the Safety Toolkit.

824.535 **Submission of Abatement Record**

Within 5 days of abatement, a copy of the abatement record, signed by the installation head/manager, must be sent to the safety professional in charge of the inspection.

When deficiencies are corrected (hazards abated) the FSC or supervisor/manager responsible for the abatement must enter the abatement date for the deficiency in the Safety Toolkit. For facilities that do not have access to Postal Service computers, the installation head/manager must provide a copy of the abatement record to the supporting manager, Safety, within 5 days of completion of the abatement action.

When deficiency correction requires action by the General Services Administration or another federal lessor agency, the installation head/manager must contact the lessor agency and request corrective action. This does not, however, relieve management from the obligation to protect employees by implementing effective interim controls.

824.54 Reinspection and Follow-up

The procedures for correcting a deficiency must include a process to check (through spot checks and reinspections as appropriate) whether the corrective action taken has proven to be effective.

Spot checks and reinspections should be conducted by the same personnel (i.e., full-time safety personnel or FSCs) who performed the original inspection. Posting of the follow-up inspection results is not required.)

The area vice president may designate an Area-sponsored reinspection following submission of a HAP to the Area.

824.6 Investigating Employee Reports of Hazard, Unsafe Condition, or Practice

824.61 Purpose of PS Form 1767, Report of Hazard, Unsafe Condition or Practice

PS Form 1767 is designed to encourage employee participation in the Postal Service Safety and Health Program and to provide prompt action when employees report a hazard. This form provides a channel of communication between employees and management that promotes a prompt analysis and response with corrective action to reports of alleged hazards, unsafe conditions, or unsafe practices.

824.62 Availability of Form

Supervisors must maintain a supply of PS Forms 1767 in the workplace in a manner that provides employees with both easy and (if desired) anonymous access.

824.63 Procedures and Responsibilities

824.631 Employee

Any employee, or the representative of any employee, who believes that an unsafe or unhealthful condition exists in the workplace may do any or all of the following:

a. File a report of the condition on PS Form 1767 with the immediate supervisor and request an inspection of the alleged condition.

b. If the employee desires anonymity, file PS Form 1767 directly with the installation's safety personnel, who will immediately give the report to the employee's supervisor for necessary action. (In such cases, safety personnel must not disclose the name of the individual making the report.)

c. Report alleged unsafe conditions to a steward, if one is available, who may then discuss the condition with the employee's supervisor.

Discrimination against an employee for reporting a safety and health hazard is unlawful.

824.632 Supervisor

The immediate supervisor must promptly (within the tour of duty):

a. Investigate the alleged condition.

b. Initiate immediate corrective action or make appropriate recommendations.

c. Record actions or recommendations on PS Form 1767.

d. Forward the original PS Form 1767 and one copy to the next appropriate level of management (approving official).

e. Give the employee a copy signed by the supervisor as a receipt.

f. Immediately forward the third copy to the safety office.

It is the supervisor's responsibility to monitor the status of the report at all times until the hazard is abated. If the hazard remains unabated longer than 7 calendar days, the supervisor must verbally inform the employee as to abatement status at the end of each 7-day interval.

824.633 **Approving Official**

The approving official (the responsible manager) must initiate action to eliminate or minimize the hazard. If this results in the submission of a work order, attach the original PS Form 1767 and forward it, through channels, to the manager of Maintenance. If the approving official determines that there are no reasonable grounds to believe such a hazard exists, the employee must be notified in writing within 15 calendar days. (Safety personnel must assist in this determination when requested.) If the hazard was abated through actions of the approving official, the employee must be notified in writing, and the original PS Form 1767, with a statement of actions taken, must be forwarded to the safety office.

824.634 **Safety Personnel and Collateral Duty Facility Safety Coordinators**

Safety personnel assigned to plants and FSCs must log and sequentially number all hazard reports received on PS Form 1773, *Report of Hazard Log,* or if the FSC has computer access, enter the reports into the Hazard Log Module of the Safety Toolkit. Safety personnel and FSCs must also review all PS Forms 1767 for accuracy, completeness, and follow-up, as necessary. They must routinely provide status reports of PS Form 1773 logs and Safety Toolkit reports at executive and joint Labor-Management Safety and Health Committee meetings (or regular staff meetings in facilities with fewer than 50 employees).

824.635 **Maintenance**

Maintenance must notify the approving official when any PS Form 1767 maintenance-related work order has been completed.

824.636 **Installation Head**

Installation heads/managers are responsible for responding promptly to hazard reports and ensuring that line supervisors are diligent in correcting hazards. If a hazard report indicates that imminent or serious danger exists, the installation head must take immediate corrective action.

825 OSHA Inspections

Reference Note:
For additional material concerning OSHA inspections refer to:
- Handbook EL-802, *Executive's and Manager's Safety Compliance Guide.*
- The OSHA publications summarized and referred to therein.

825.1 Purpose

The purpose of 825 is to provide general guidance when compliance safety and health officers (CSHOs) or compliance safety and health officers industrial hygienists (CSHO-IHs) from OSHA conduct announced or unannounced inspections or investigations of Postal Service facilities. All such inspectors are referred to as CSHOs in 825.

825.2 Scope

These procedures apply to all facilities in which Postal Service employees work. In Postal Service-owned or -leased facilities, it is the responsibility of the Postal Service to ensure compliance with OSHA requirements. In leased

facilities, this responsibility continues to exist regardless of lease arrangements.

825.3 Authority

It is Postal Service policy to maintain safe and healthful working conditions and to cooperate fully with OSHA inspectors. As an employer subject to private sector enforcement, it is Postal Service policy to ensure that inspections are conducted in a reasonable manner.

825.4 Procedures

825.41 Arrival of Inspectors and Verification of Credentials

OSHA may conduct its inspections without prior notice. CSHOs generally conduct inspections during normal working hours but may arrive on any tour. On arrival at a Postal Service facility, the CSHO should ask to meet with the ranking Postal Service official. The senior Postal Service official must meet promptly with the CSHO.

The senior Postal Service official, or designee, must review all CSHOs' credentials and may request verification from the OSHA area office.

Once the CSHO has presented appropriate credentials, the senior Postal Service official must immediately notify, by telephone or in person, the district manager and area Human Resources manager (or their designees) of OSHA's presence and the scope of the inspection and request that a safety professional come to the facility immediately for the inspection.

825.42 Consent to Entry and Cooperation

The CSHO must be informed that he or she will be permitted to enter any Postal Service facility for inspection or investigation purposes without delay once a safety representative reaches the site or area, or once the area Human Resources manager or designee agrees that the inspection may proceed without such attendance.

The CSHO should be informed that a request for a representative has been made, that the Postal Service request is not intended to delay or interfere with the inspection, but to ensure that the Postal Service participates in a professional manner, and that the presence of the representative will expedite completion of the inspection. Postal Service officials must cooperate fully with OSHA CSHOs.

During an inspection, if the Postal Service official determines that the CSHO believes that a violation exists because the CSHO does not have complete information about a particular condition, the Postal Service official (subject to advice from the safety professional) should attempt to make the CSHO aware of all relevant additional information.

825.43 Opening Conference

825.431 Initiation

The CSHO holds an opening conference to inform the Postal Service of the purpose, scope, and conduct of the inspection. If the CSHO does not offer to conduct the conference, one should be requested.

825.432 **Attendance**

The opening conference must be attended by a safety professional unless the district Human Resources manager or designee says to proceed. The senior Postal Service official attends the opening conference and may invite other Postal Service officials from the facility, as appropriate. Employee representatives also should attend the opening conference; union representatives from the local safety and health committee should participate in accordance and 824.3 and 825.3.

825.433 **Provision of Materials**

The CSHO may provide copies of laws, standards, regulations, and promotional materials. The CSHO is required to furnish to the installation head any copy of an employee's report(s) of unsafe or unhealthful conditions that generated the inspection. If a complainant has asked to remain anonymous, OSHA is bound by regulations to respect that request. In such instances, the CSHO must provide a list of the unsafe conditions alleged.

825.434 **Outline of Scope**

The CSHO can be expected to outline the proposed general scope of the inspection, including employee interviews, physical inspection of the workplace, records review, and the taking of photographs or samples.

825.435 **Plan of Route Sequence**

The CSHO should be questioned during the opening conference so that the walk-around inspection can be planned as to route sequence, notifications to production supervisors, and technical support. Planning of a route sequence should be considered a guideline only, as the CSHO may investigate any other apparent hazards observed in plain view while en route to a particular area.

825.44 Records Review

825.441 **Safety Records**

It is the policy of the Postal Service to require that the CSHO present all requests for documents in writing to the person designated by the Postal Service as the one at the facility to receive such requests during the inspection. It is also Postal Service policy to respond as quickly as possible to such requests. All documents provided at the request of CHSO are recorded on a documentation log. The CSHO is authorized to review all records that are required to be maintained under the OSH Act. Examples of the types of records that can be reviewed include the OSHA log and summary and PS Form 1769 when it is used to record injuries and illnesses.

825.442 **Medical Records**

In certain instances, the CSHO may ask to review the medical records of some employees in order to verify compliance with the medical surveillance record-keeping requirement of an OSH standard. Access to medical records must be coordinated through the senior area medical director.

If the CSHO wishes to record or copy any medical records, a written access order in the form set forth in the OSHA *Field Information Reference Manual* must be provided.

825.45 Participation

825.451 Management Participation During Inspections

The safety professional, or designee, must accompany the CSHO during the walk-around portion of the inspection. The collateral duty FSC should also participate in the inspection. Representatives of Operations, In-Plant Support, and Maintenance must be with the CSHO whenever possible.

Management representatives, including managers and supervisors, must not sign any statements, affidavits, or notes.

825.452 Interviews of Management and Supervisory Personnel

Postal Service policy is:

a. To cooperate with CSHO requests for interviews with representatives of management, including supervisors and staff. Management should work with the CSHO to schedule such interviews so as not to interfere with mail processing. Subject to this consideration, management employees should be made available for interviews as soon as possible.

b. To have a representative of the Postal Service present for the entire interview. The representative may be an employee from Human Resources or Safety, a counsel, or a senior official or his or her designee.

c. Not to consent to the audio or video taping or other recording of interviews with representatives of management. The only exception is if OSHA issues an investigatory subpoena requiring a witness to appear for a formal, sworn, recorded interview. In such cases, the representative of management must be represented by counsel.

d. Not to allow representatives of management to sign statements, affidavits, notes, or other documents prepared by OSHA during interviews.

825.453 Employee Participation During Inspections

Union representatives from the local safety and health committee must be given the opportunity, in accordance with 824.3, to accompany CSHOs during inspections.

CSHOs also may consult with other nonsupervisory employees who are not part of the inspection team and may request to interview them in private or with their union representatives during the walk around. The CSHO may be permitted to talk with employees at their workstations for no more than 5 minutes. If further conversation is desired, the Postal Service walk-around representative should offer to make the employee available for a scheduled interview by the CSHO. Management should work with the CSHO to schedule such interviews so as not to interfere with production. Subject to this consideration, employees should be made available for interviews as soon as reasonably possible.

Employee representatives are on the clock whenever the inspection is conducted during the employee's regular work schedule. Employees are not compensated for time spent accompanying CSHOs outside of their work schedule.

825.46 Methods

825.461 Walk-Around Inspection

There are several types of inspections (see Handbook EL-802) that may involve detailed inspection of all areas and a thorough records review.

Normally, in an inspection triggered by a complaint, the CSHO limits the inspection to the items listed in the employee's report. The scope of the inspection may, however, extend to other areas of the Postal Service installation. During the walk-around inspection, the CSHO examines each item mentioned in the employee's report.

The CSHO may take photographs of or videotape any conditions observed. The Postal Service must duplicate as closely as possible each photograph or videotape taken by the CSHO and should specify in the detailed notes what each photograph shows. If necessary, as a less preferred but acceptable alternative, before the inspection begins, a written agreement may be reached with the CSHO that at the conclusion of the inspection, OSHA will promptly provide the Postal Service with copies of all the photos or videotapes that it has taken of the observed conditions.

The CSHO may use measuring devices or instruments to determine compliance with the OSH Act. The safety professional or designee must record the type of instrument used and the readings obtained, and take duplicate measurements using Postal Service instruments.

The CSHO can dismiss from the inspection team, at any time, anyone interfering with the orderly conduct of the inspection. If a management representative is dismissed, the occurrence must be thoroughly documented. Another management representative must be immediately named to complete the inspection.

825.462 Health Sampling

In order to determine whether a violation of health standards exists, the CSHO may collect samples, including full-shift (8-hour tour) sampling. Such sampling may require the wearing of sampling devices by employees. Postal Service officials are to cooperate with the CSHO and are to encourage cooperation by employees.

If the CSHO desires to conduct such monitoring, the Postal Service representative must request a delay until the Postal Service brings to the site an industrial hygienist or other person qualified to perform parallel monitoring. When such requests are made, the senior Postal Service official must immediately notify the district manager, area manager, Safety, and district manager, Safety, by telephone. Every effort must be made to bring the Postal Service hygienist to the site as soon as possible.

When OSHA conducts health sampling, the Postal Service must take duplicate samples and send the samples to an accredited laboratory for analysis. Proper chain-of-custody procedures established by the laboratory must be followed. Sample results must be retained locally and transmitted to the district Safety and area Human Resources.

825.47 Immediate Correction of Imminent Dangers or Other Violations

During an inspection, a CSHO may point out conditions that may be considered to be imminent dangers under the OSH Act. Immediate efforts

are to be made to evaluate the condition. If it appears that such a danger is present, the corrections are to be made immediately, if possible, or to remove the exposed employees from the zone of danger. Whenever feasible, correct other potential violations or hazards pointed out by the CSHO during the visit.

825.48 Closing Conference

After completing the review of records, employee interviews (if necessary), and the walk-around inspection, the CSHO ordinarily will conduct an exit conference with the senior Postal Service official and other team members. If the CSHO does not offer to conduct the conference, one should be requested. If the Postal Service installation has a full-time safety professional, that person must also attend this closing conference. If any safety professionals have been called in from a plant or district, they must also attend the closing conference along with the collateral duty FSC. Employee representatives from the walk-around inspection must also attend.

During this conference, all conditions or practices that the CSHO believes may constitute safety or health violations should be reviewed. Efforts should be made to have the CSHO explain in as much detail as possible what violations he or she believes have been observed, and what citations, if any, he or she intends to recommend for issuance to the area director.

825.49 Post Conference Internal Communications

Following the closing conference, the senior Postal Service official must immediately notify the area vice president that the inspection has been completed.

It is policy and direction of the General Counsel that following the closing conference, the installation head must prepare a memorandum for and directed to the General Counsel summarizing OSHA's findings and any other pertinent information concerning the inspection. This report must be considered privileged and confidential as attorney-client communications and attorney-work product. The report must be prepared and transmitted to the servicing area General Counsel within 48 hours of the closing conference. Copies of the report are to be sent only to the area Human Resources manager and the manager of Safety Performance Management at Headquarters. No other copies are to be distributed.

825.5 Citations

825.51 Issuance and Posting

Following an inspection, if violations have been observed, OSHA may issue citations alleging violations and stating a proposed penalty and proposed abatement date (OSHA Form 2, *Citation and Notification of Penalty).*

Upon receipt of a citation, notify area and Headquarters General Counsel and Safety Performance Management. A copy must be faxed immediately to Safety Performance Management, Headquarters, and the vice president of Area Operations. The citations must be forwarded to the district Safety and Health manager immediately (COB that day) and entered into the national citation management tracking system by area-designated persons, who will update each entry promptly until the citation is resolved and closed.

In accordance with the instructions that accompany the citations, copies of the citations are to be posted in the affected facility at the locations where important announcements are customarily posted for employees. The citations are to remain posted until they are finally resolved.

825.52 Abatement

A citation includes a proposed date by which each alleged violative condition must be corrected. The length of the period allowed varies based on the type of hazard involved, the severity of the risk to employees, and OSHA's assessment of the difficulty of correcting the hazard.

It is the policy of the Postal Service to abate violative conditions promptly. Whether a condition constitutes a violation, and whether a proposed penalty, abatement date, and means of abatement are reasonable, however, are matters to be resolved with OSHA once the citation has been reviewed by Headquarters Safety Performance Management and the Headquarters General Counsel.

825.53 Informal Conference

To assist in determining whether to contest or resolve a citation, the installation head (in concert with the Headquarters, area, and district safety representatives) must request an informal conference with the OSHA area director who issued the citation. Informal conferences are managed by area or Headquarters Safety Performance Management, and attended by field legal counsel or Headquarters legal counsel as deemed appropriate by Headquarters.

825.54 Citation Management and Procedure for Paying Fines

Citations must be managed in accordance with instructions from the Headquarters General Counsel and Safety and Environmental Performance Management. (See Handbook EL-802 and OSHA publications therein about citations and required actions.)

825.6 Performance Cluster File of OSHA Inspections

The performance cluster file of OSHA inspections is the official record of OSHA compliance activity. However, the citation management tracking system must be kept current to assist in tracking and managing citations and to provide a database of OSHA compliance activity nationwide.

The district Human Resources manager, or designee, must maintain a file on each OSHA inspection. The file must include the following:

a. A copy of any employee complaint letter or list of complaint items if the complainant wished to remain anonymous.

b. Any citations (OSHA Form 2) and accompanying materials.

c. The names of all CSHOs, management officials, and employees' representatives participating in the inspection.

d. Notes and other documentation, such as photographs, made by local management.

e. All correspondence relative to correction of hazards, abatement plans, and procedures and documentation submitted to OSHA.

f. Document log, if documents were provided to the CSHO.

All items listed above in the OSHA inspection file must be retained as stated in the , Records Control Schedule, items 32 to 43.

830 Motor Vehicle and Industrial Safety

831 Motor Vehicle Safety

831.1 Objective

The objective of the Motor Vehicle Safety Program is to comply with applicable U.S. Department of Transportation regulations; require safe driving; and reduce potential losses, human suffering, and property damage, while maintaining the efficient delivery and collection of mail.

The following handbooks provide policy and procedures for implementing an effective motor vehicle safety program:

- EL-801, *Supervisor's Safety Handbook.*
- EL-804, *Safe Driver Program.*
- EL-814, *Postal Employee's Guide to Safety.*
- PO-701, *Fleet Management.*

831.2 Vehicle Maintenance

All installation heads and managers having motor vehicles under their control must develop and administer the controls necessary to ensure that the provisions outlined in Handbook PO-701 are followed.

831.3 Driver Selection, Training, and Supervision

831.31 Driver Selection

Postal Service personnel responsible for hiring, testing, supervising, and providing medical services must ensure that only qualified applicants are hired and retained in driving positions. The determination of *qualified* is outlined in Handbook EL-312, *Employment and Placement.*

831.32 Driver Training

The goal of all types of driver training is to develop and maintain safe drivers. The careful selection of personnel to act as driving instructors is essential to ensure proper attitude, enthusiasm, interest, and understanding of the subject matter. Additional information and policy requirements can be found in Handbooks EL-804 and EL-312.

831.33 Driver Supervision

831.331 Supervisors' Responsibilities

Supervisors must ensure that the drivers under their supervision drive safely, practice defensive driving, practice personal safety, obey all state and local traffic laws and Postal Service driving policies, and extend courtesy in all situations.

831.332 **Drivers' Responsibilities**

Drivers must drive safely and defensively, practice personal safety, obey all state and local traffic laws and Postal Service driving policies, and extend courtesy in all situations.

831.4 Accident Analysis

Managers and supervisors must analyze driver observations, route layout, and vehicle accident data to determine potential hazards, contributing factors, and the root causes of accidents. They must also develop and implement countermeasures designed to prevent motor vehicle accidents at their installations

832 Powered Industrial Truck Safety

Employees authorized to operate powered industrial trucks (PITs) must be given operator training in accordance with Occupational Safety and Health Administration (OSHA) standard 1910.178, Powered Industrial Trucks. Before operating PITs, employees must be evaluated and certified. They must follow the operating rules and regulations outlined in Postal Service handbooks, OSHA 1910.178, and the manufacturer's operating instructions.

832.1 Objective

The objective of the PIT Safety Porgram is to comply with OSHA 1910.178 and to promote safe PIT operation to reduce potential losses, human suffering, and property damage while maintaining the efficient distribution of mail.

The following handbooks provide policy and procedures for implementing an effective PIT Safety Program:

- EL-801, *Supervisor's Safety Handbook.*
- EL-803, *Maintenance Employee's Guide to Safety.*
- EL-804, *Safe Driver Program.*
- EL-814, *Postal Employee's Guide to Safety.*
- PO-701, *Fleet Management.*

832.2 PIT Maintenance

All installation heads and managers having PITs under their control must develop and administer maintenance procedures that conform to the requirements of OSHA 1910.178.

832.3 Operator Selection, Training, and Responsibilities

832.31 Operator Selection

Postal Service personnel responsbile for hiring and providing medical services must ensure that only qualified applicants are hired and retained as PIT operators.

832.32 Operator Training

The goal of PIT operator training is to develop and maintain safe operators. PIT training will meet the requirements of OSHA 1910.178.

832.33 Operators' Responsibilities

Operators must follow Postal Service policy and procedures and OSHA 1910.178, and operate PITs safely and professionally.

832.4 Supervisors' Responsibilities

Supervisors must ensure that the PIT operators they supervise operate PITs safely and follow Postal Service policies and procedures.

832.5 Accident Analysis

Managers and supervisors must analyze operator observations, routes of travel, and PIT accident data to determine potential hazards, contributing factors, and the root causes of accidents. They must also develop and implement countermeasures designed to prevent PIT accidents at their installations.

833 Safety and Health in Design, Procurement, and Construction

833.1 Standards, Ergonomics, and Engineering

OSHA and applicable consensus safety and health standards, ergonomic considerations, and sound safety and fire protection engineering techniques must be used to plan, build, design, construct, modify, repair, and procure new equipment, vehicles, and facilities. Consideration must be given to employee work environment, equipment, tools, supplies used, and the material on which work is performed.

Purchasing, delivery, and engineering personnel must consult safety personnel to ensure that safety engineering, health protection, and ergonomic considerations are integrated into all activities of the Postal Service.

Managers responsible for purchasing, design, and construction are accountable for compliance with OSHA standards and applicable fire protection and building codes.

833.2 Supplemental Standards

When deemed necessary, the Postal Service may adopt more stringent, alternate, or supplemental standards. The Secretary of Labor must approve the adoption of alternate or supplemental OSHA standards. Therefore, Safety and Environmental Performance Management, Headquarters, must coordinate all such requests with the Department of Labor.

833.3 Supplier (Contractor) Safety

Installation heads, purchasing, contracting officers, and other managers are responsible and accountable for ensuring that all suppliers and contractors working on Postal Service property follow OSHA regulations and Postal Service safety and health policies. All suppliers must conform to OSHA regulations, and a Postal Service representative is to be assigned to monitor supplier activities as appropriate. Such monitoring includes coordinating with supplier safety "competent persons" and/or safety representatives. The process of evaluating and selecting suppliers must include review of a

supplier's safety and health record, written programs, training, and OSHA compliance activity, as apporpirate to the scope of the contracted work and in accordance with existing purchasing policy. See Handbook EL-800, *Managing Contract Safety and Health Compliance.*

840 Safety Awareness Programs

841 Program Promotion

841.1 Objectives

The purpose of the Safety Awareness Program is to promote interest, increase safety awareness, and gain acceptance of safe work practices. The aim is to secure maximum employee participation through the effective use of media and individual or group recognition. The cooperation of the local safety and health committee in the promotion of safety is to be encouraged.

841.2 Local Needs

Effective promotional programs must be based on a thorough study of local needs. Accurate planning and analysis are essential to achieve program objectives.

841.3 Media

Districts, plants, and other installations should procure or develop and distribute posters, publications, films, bulletins, pamphlets, newsletters, displays, etc., based on current and projected accident trends. The display of safety posters distributed by Headquarters must be kept current. Budgeting for safety promotional needs must be included in program planning.

842 National Safety Awards and Contests

842.1 Participation

All eligible installations must participate in the National Safety Council's Safe Driver Award Program. Additionally, all eligible installations should participate in:

a. The National Safety Council's National Fleet Safety Contest.

b. The National Safety Council's Injury Prevention Contest.

842.2 Safe Driver Award Program

842.21 Recognition

The National Safety Council Safe Driver Award is the recognized trademark of professional drivers who have proved their skill in avoiding traffic accidents.

842.22 Performance

The award plan is more than a means of rewarding drivers with good safety records. The guidelines in the National Safety Council Safe Driver Award

Rules establish what is expected of professional drivers in the way of safety performance: the ability to operate a motor vehicle without having a preventable (by National Safety Council definition) accident.

These guidelines constitute a yardstick by which drivers can measure their own performance and by which supervisors can measure the performance of individual drivers. When this standard of performance is clearly understood by both drivers and supervisors, it becomes a logical, fair, and workable basis for effective safety supervision. These rules are not intended as the yardstick of disciplinary action.

842.23 Participation

Postal installations having one or more postal employees operating postal-owned, hired, leased, contract, or private vehicles in conducting postal business must participate in the Safe Driver Award Program. All postal personnel operating motor vehicles on official business are eligible to participate in the Safe Driver Award Program under the rules for administering the National Safety Council's Safe Driver Award Plan (Postal Service edition). Eligibility for participation is without regard to race, color, religion, national origin, sex, age, or physical or mental disability. Contractors, contract personnel, supervisors, and personnel who drive sporadically or only during seasonal periods, holidays, vacations, etc., are excluded.

842.24 Preventability

After a vehicle accident, a determination must be made by a designated postal official or the Safe Driver Award Committee as to whether the accident was considered preventable for the purpose of evaluating eligibility for the National Safety Council Safe Driver Award.

842.25 Safe Driver Award Rules

For details on administering the National Safety Council's Safe Driver Award Program, see the latest Postal Service version of Safe Driver Award Rules.

842.26 Privacy Act Considerations

Safe driver award records contain information about individuals. As such, they may be handled and disclosed only in accordance with the Privacy Act and its implementing instructions. An individual's award records and related correspondence are maintained within the Postal Service as the privacy system entitled USPS 120.170, Personnel Records – Safe Driver Award Records.

843 Safety Incentive Programs

843.1 Concept

Safe working conditions and appropriate safety equipment are not always enough to prevent on-the-job injuries. Effective safety programs also need employee participation, team effort, and sustained safety consciousness. Safety incentive programs can motivate employee involvement and safety consciousness through awards or contests that incorporate the use of recognition and rewards. Incentive programs must not be used to encourage

nonreporting of accidents, injuries, or illness. Individual safety contests, awards, and incentive programs must be approved before implementation, in accordance with 620, Contests.

843.2 Selected Programs

Increased safety incentive may be accomplished with programs that recognize driver-of-the-month or -year, safety-captain-of-the-month or -year, best safety slogan, fewest violations during safety inspections, demonstrated safety consciousness, best accident record, million-mile awards, etc. Creative development of new and interesting programs designed to capture and stimulate interest should be encouraged. Sharing of ideas through cooperative exchange with other agencies or local private industry is encouraged.

843.3 Administration

The installation head or designee conducts, controls, and is responsible for approved driver and industrial safety incentive programs (see 620 for implementation procedures).

843.4 Presentation Ceremonies

Installation heads must provide publicity and an appropriate ceremony for each incentive award.

844 Seatbelt Use Incentive

844.1 Policy

The amount of $10,000 will be paid to the estate of any postal employee who, while in a pay-duty status, sustains fatal injuries as the result of a job-related motor vehicle accident, provided he or she is wearing the lap belt and shoulder belt when required and is not in violation of the traffic laws and postal policy at the time of the accident.

844.2 Determination

It is the responsibility of the investigation board, to determine and document whether or not an employee was wearing a seat belt at the time of the accident and that no traffic law was being violated by the postal driver. Such determinations are based on, but not limited to, postal and/or police accident investigative reports, autopsy reports, and/or interviews with witnesses, ambulance attendants, police, or attending medical and hospital personnel. For purposes of this incentive program, where a determination and documentation cannot be made or is conflicting, it will be assumed that the employee *was* wearing a seat belt and was in compliance with the law.

844.3 Payment

Upon receipt of the board's final investigative report, the area vice president notifies the area Human Resources manager, via memorandum, that payment should be made to the employee's estate. Included with the memorandum is a copy of the board's investigative report summary. The area Human Resources manager requests payment from the Eagan

Accounting Service Center and transmits the check to the division manager for disbursement to the employee's estate. A copy of the request for payment is to be forwarded to Safety Performance Management, Headquarters, and is part of the serious accident file.

850 Emergency Action Plans and Fire Prevention and Control

851 General Responsibilities

851.1 Installation Heads

Installation heads are responsible for implementing emergency action plans and a fire safety program for the protection of people, mail, and Postal Service property. This is required by 29 CFR 1910, Subparts E and L. This program must include (but is not limited to) training, education, inspection, enforcement, drills, emergency evacuation teams, written emergency action plans, written standard operating procedures for hazardous materials releases, and fire prevention plans as required in this subchapter. As an independent establishment of the executive branch of the federal government, the Postal Service must also conform to the National Response Plan (NRP) and the National Incident Management System (NIMS) established by the Department of Homeland Security. Plans and procedures required by OSHA and described in this subchapter will be integrated into or coordinated with the NRP and NIMS as appropriate by the Office of Emergency Preparedness.

851.2 Managers and Supervisors

Managers and supervisors must be constantly alert for fire hazards or other emergency situations and take immediate action to correct unsafe practices and conditions. If an immediate corrective measures is beyond his or her capability, the manager must take short-term precautions to ensure the safety of employees and protection of the workplace. Conditions that cannot be corrected immediately must be reported to a higher authority for corrective action. Managers must ensure that marked aisles and exits are maintained and clear and that all employees are trained in the evacuation and emergency procedures of the installation, including emergency alarm systems. Supervisors or managers are responsible for ensuring that personal protective equipment is available to employees who respond to spills and breakage involving hazardous materials.

852 Emergency Action Plan

852.1 Responsibility

Each Postal Service facility with more than 10 employees on the rolls must maintain an emergency action plan (EAP) in writing. If there are 10 or fewer employees, the plan may be communicated verbally. Safety personnel and/or collateral duty facility safety coordinators (FSCs) may provide advice and

technical assistance, where needed, in the development of such plans. The plan must include actions specifically designated for management and for employees to take to ensure employee safety and protection of property from fire and other emergencies (e.g., tornadoes, earthquakes, and hazardous materials (HAZMAT) spills). Management Instruction EL-810-96-1, *Hazardous Materials and Emergency Response,* provides guidelines for setting up standard operating procedures (SOPs) for releases and describes the relationship of the SOP to the EAP.

852.2 Content

The EAP must include the following elements (at a minimum):

a. Procedures for emergency evacuation, including the type of evacuation, exit routes, and illustrations of those routes; shelters; and location of fire alarms and extinguishers. Shelter in place procedures must also be documented, if applicable.

b. Procedures for employees who remain to operate or shut down critical building systems before they evacuate.

c. Procedures to account for all employees after emergency evacuation (or shelter in place) has been completed.

d. Procedures and details for special assignments.

e. Procedures for reporting fires and other emergencies based on local requirements.

f. Names or regular job titles of persons or departments who can be contacted for further information or explanation of duties under the plan.

852.3 Posting

Post items a and f (listed in 852.2) of the EAP in a prominent location.

853 Emergency Evacuation Teams and Drills

853.1 Emergency Evacuation Teams

853.11 Organization

In installations having 10,000 square feet or more, an emergency evacuation team (EET) of Postal Service employees must be maintained on each work tour. EETs may be maintained in smaller installations when warranted by the type of operations conducted. If available, EET members should be selected from volunteers. Every Postal Service installation with an organized EET must prepare and maintain a written policy statement that establishes the EET and describes (a) its basic organizational structure; (b) the type, amount, and frequency of training members will receive; (c) number of members; and (d) functions the EET will perform at the facility. This statement may be a part of the fire prevention plan.

853.12 Size

The size of a facility's EET will depend on the amount of fire-extinguishing and control equipment, the number of exits, and the number of employees on duty. A schedule must be developed to ensure the availability of the EET.

853.13 Duties of Emergency Evacuation Teams

The organizational statement must clearly indicate that at no time will a Postal Service EET fight any fire beyond the incipient stage or respond to HAZMAT emergencies. For Postal Service purposes, an incipient fire is one in the initial or beginning stages that can be controlled, contained, or extinguished by portable fire extinguishers without the need for personal protective clothing or self-contained breathing apparatus (SCBA). The use of SCBA requires a level of skill and training not usually expected of Postal Service employees. Other EET duties include, but are not limited to:

a. Stopping conveyor belts.

b. Closing doors to rooms and covers at dump holes and conveyor openings.

c. Directing the fire department to the fire.

d. Evacuating injured and handicapped personnel.

e. Inspecting the fire site with the fire department to determine that the fire is completely extinguished and that no possibility of rekindling exists.

f. Moving vans from loading docks.

g. Shutting down all electrical power to the building (or sections of the building) as directed by the local fire department.

h. Maintaining perimeter security to prevent reentry until officially instructed to permit it.

i. Accounting for all employees after emergency evacuation has been completed.

j. Assisting the fire department to maintain crowd control.

853.14 Membership

Building maintenance employees and security personnel should form the nucleus of the EET. Additional personnel may be assigned to assure adequate coverage on all tours. The assigned members are:

a. *EET Leader.* The installation head is responsible for appointing the EET leader, who should normally be the superintendent for building maintenance or someone in a similar position. The EET leader must establish a procedure to provide quarterly review of the program to ensure operational efficiency.

b. *Assistant EET Leader.* The EET leader appoints an assistant EET leader.

c. *EET Members.* Members are appointed as needed to cover all tours, with an alternate for each member. The alternate and regular should have different days off. The leader ensures that all members are physically capable of performing the duties that may be assigned to them during training or actual emergencies. Employees with known heart disease, epilepsy, or chronic obstructive pulmonary diseases must not be permitted to participate in any EET activity unless they present a certificate of fitness from their personal physician stating that they are physically capable of performing such duties. Employees with physical disabilities are permitted to be EET members; however, their

job assignments must be governed by their ability to perform specific tasks.

853.15 Training

Members are required to complete initial basic level and annual refresher training. Training and education must be provided to members and alternates before they are expected to perform EET activities. To the extent feasible, Safety and fire department personnel should assist in establishing the EET and training its members. EET leaders and training instructors must receive more comprehensive training and education than other members. Such training may be available from state firefighting academies and local fire departments. Training for all members must be on the clock and must cover:

a. Coordination of team activities.

b. Performance of specific EET duties for each member and alternate.

c. Familiarization with all fire-extinguishing equipment.

d. Familiarization with fire alarm systems and fire and other emergency reporting.

e. Classification of fires and the equipment used for each type.

f. Stopping fires from spreading along conveyor belts and between work levels.

g. Performance of first aid and rescue procedures.

h. Conducting EET drills at least once a year to ensure efficiency.

i. Familiarization with the facility incidental release (HAZMAT) SOP (First Responder Awareness Level).

j. Familiarization with procedures for special situations (e.g., tornado sheltering and earthquakes) where applicable.

853.16 Exposure

At no time should EET members or alternates perform a task that exceeds their level of skill, ability, or training, or expose themselves or other employees to unnecessary dangers and risks, including hazardous materials emergencies.

853.17 Special Hazards

The leader must inform EET members and alternates about special hazards to which they may be exposed during fire or other emergencies, such as storage and use of flammable liquids and gases, toxic chemicals, radioactive sources, and water reactive substances. In addition, EET leaders must inform team members of any changes that occur in relation to the special hazards. The EET leader must develop written procedures that describe actions to be taken in situations involving the special hazards. The procedures must be made available for inspection by EET members and must be included in the training and education program (see facility written hazard communication program).

853.18 Installations Without Emergency Evacuation Teams (Less Than 10,000 Square Feet)

In installations that do not have EETs, the installation head is responsible for ensuring that supervisors or employees are assigned the following functions in case of fire or other emergency:

a. Notification of fire department, police, ambulance, or other emergency services.

b. Evacuation of personnel including injured or handicapped employees promptly.

c. Accounting for all employees after emergency evacuation has been completed.

d. Securing of mail, monies, receipts, and accountable and valuable papers.

e. Use of fire extinguishers.

853.2 Drills

At least one emergency evacuation must be conducted annually on each work tour. Sheltering drills are appropriate in locations prone to tornadoes or earthquakes. The importance of fire drill training must be impressed upon all Postal Service employees. In conducting fire drills, the following objectives must be met:

a. Prompt sounding of alarms and notification of fire department, police, or other emergency services.

b. Orderly evacuation in minimum time.

c. Proper securing of mail, monies, receipts, and valuable papers.

d. Correct performance of EAP assignments by designated EET members and alternates.

854 Fire Prevention Plan

854.1 Responsibility

Each installation head managing a Postal Service facility with more than 10,000 square feet must maintain a written fire prevention plan (FPP). Installation heads managing smaller facilities may maintain written FPPs when warranted by the operations conducted. Safety personnel and/or collateral duty FSCs may provide advice and technical assistance, where needed, in the development of such plans.

854.2 Content

The FPP must include the following elements (at a minimum):

a. A list of the following:

(1) Significant workplace fire hazards.

(2) Handling, storage, and control procedures.

(3) Ignition sources (e.g., welding, electrical equipment, and heaters).

(4) Types of fire protection equipment or systems available to contain, extinguish, and control fires.

b. Names or regular job titles of personnel responsible for maintaining the equipment used to prevent or control fires.

c. Names or regular job titles of personnel responsible for control of fuel-source hazards.

d. Procedures to control the accumulation of flammable and combustible waste materials and residues so that they do not cause fires.

854.3 Employee Training

854.31 General

Employees must be instructed by their immediate supervisor in the following procedures at least once a year and any time there is a change in the plan or their role:

a. Evacuation and emergency procedures of the installation.

b. Use of fire-extinguishing equipment. (Employees whose work station is in or adjacent to high-hazard operations must be trained in the use of appropriate fire-extinguishing equipment for that specific operation.)

c. Good housekeeping practices.

d. Observance of smoking rules.

e. HAZMAT incidental release SOP using Handbook EL-812, *Hazardous Materials and Spill Response.*

854.32 Training for the Emergency Action Plan and Fire Prevention Plan

854.321 Emergency Action Plan

To maintain the EAP, a sufficient number of employees must be designated and trained to (a) assist with the execution of a safe and orderly emergency evacuation, and (b) deal with incidental and emergency releases of HAZMAT in the mail and elsewhere. This pool of employees must be kept current. See MI EL-810-96-1, *Response to Hazardous Materials Releases.*

854.322 Fire Prevention Plan

To maintain the FPP, the immediate supervisor must inform all employees of the fire hazards in the work area to which they may be exposed.

854.323 Orientation

The immediate supervisor must orient all newly assigned employees to those parts of the EAP and FPP that the employees must know to protect themselves in an emergency.

854.324 Review

The written plans must be kept at the workplace and be made available for employee review. The EAP and FPP must be reviewed with each employee of the installation:

a. Annually.

b. Whenever there is a change in employee responsibilities or designated actions under the plans.

c. Whenever the plans are revised.

855 Fire Inspections

855.1 Responsibility

Managers and supervisors that have been trained by safety and/or fire protection personnel must conduct fire inspections. Training must include instruction on how to conduct inspections, identify unsafe practices that cause fires, and eliminate or correct hazards. The installation head is encouraged to seek assistance from local fire officials and permit them to conduct fire inspections and prefire planning programs.

855.2 Frequency

Fire inspections must be conducted in all Postal Service-owned and Postal Service-leased installations. Semiannual inspections are required in all installations with less than 100 workyears of employment in the regular workforce. Quarterly fire inspections are required in all installations with more than 100 workyears of employment in the regular workforce and in vehicle maintenance facilities.

855.3 Procedures

Fire inspections may be scheduled to coincide with semiannual or annual safety inspections. They must be documented using the fire inspection checklists that are published periodically and available in the Safety Toolkit.

855.4 Corrective Action

Deficiencies identified in safety checklists must be reviewed by the hazard abatement committee and corrected.

Local authorities must be notified immediately upon discovery of fire hazards that are not under Postal Service jurisdiction, but that affect Postal Service personnel, mail, or property.

856 Alarm Systems and Extinguishers

856.1 Alarm Systems

Every Postal Service facility must have an established employee alarm system that complies with OSHA Standard 29 CFR 1910.165 and that includes:

a. Procedures for informing each employee of the preferred means of reporting emergencies, such as manual pull-box alarms, horns, public address systems, radio, or telephones. The installation head must have emergency telephone numbers posted near telephones, on employee bulletin boards, and at other conspicuous locations where telephones serve as a means of reporting emergencies. Where a communication system also serves as the employee alarm system, emergency messages must have priority over nonemergency messages.

b. Procedures for sounding emergency alarms in the workplace. For those installations with 10 or fewer employees in a particular workplace, direct voice communication is an acceptable procedure for

sounding the alarm provided all employees can hear the alarm. Such workplaces need not have a backup system. An alarm device must:

(1) Give a warning that provides sufficient reaction time for safe escape of employees from the workplace, the immediate work area, or both.

(2) Be in compliance with applicable alarm requirements in Handbooks RE-4, *Standards for Facility Accessibility;* AS-503, *Standard Design Criteria;* and MS-56, *Fire Prevention and Control,* to include audible and visible signals.

(3) Have the capability of being heard or seen above ambient noise or light levels by all employees in the affected areas of the workplace. (Tactile devices (e.g., vibrating pagers) may be used to alert employees who would not be able to recognize the audible or visual alarms.)

(4) Give a distinctive and recognizable signal to evacuate the work area or to perform actions designated under the EAP (such as shelter in place). If the employee alarm system is also used for alerting EET members or for other purposes, a different signal must be used for each purpose.

c. Procedures for maintaining and testing employee alarm systems in compliance with appropriate NFPA and OSHA standards.

856.2 Extinguisher

The number, type, location, maintenance, and inspection of fire-extinguisher equipment and systems must be in accordance with Handbook MS-56 and 29 CFR 1910.157–1910.163 as required.

Exception: The maximum travel distance to any portable fire extinguisher must not exceed 50 feet.

Fire-fighting equipment that is in damaged or unserviceable condition must be removed from service and replaced immediately.

857 Vehicle Protection

Fire extinguishers and emergency warning kits are to be placed in vehicles in accordance with Handbook PO-701, *Fleet Management.*

858 Codes, Standards, and Ordinances

Compliance with Postal Service standards, OSHA standards, NFPA codes, national building codes, and state and local fire codes is required. Managers must refer matters concerning prevention, extinguishment, and control that are not covered by municipal or other regulations to higher authority for resolution.

860 Medical and Occupational Health Services

861 Scope

861.1 Program Overview

The Postal Service is committed to a comprehensive National Medical and Occupational Health Program consisting of administrative functions, wellness initiatives, and other medically related activities designed to address the health and safety of employees in the workplace.

861.2 Mission

The mission of the National Medical and Occupational Health Program is to reinforce the relationship between health, productivity, and the achievement of the Postal Service's business goals. This is accomplished through the development of quality programs and policies designed to promote and maintain employee health and to help ensure a safe, healthful work environment.

The program's services include but are not limited to the following activities:

a. Providing preventive medical programs in health counseling, education, and training.

b. Managing the care of acutely ill or injured employees.

c. Determining medical ability of applicants and employees to perform the functions of the job.

d. Managing applicant and employee drug and alcohol testing programs.

e. Managing compliance with the regulatory requirements of the Department of Transportation, Office of Workers' Compensation Programs, Occupational Safety and Health Administration, and other entities for which program compliance is required.

f. Managing the medical records of applicants and employees.

g. Providing recommendations regarding physical capabilities, limitations, accommodation, and rehabilitation of disabled employees or applicants.

h. Providing immunization services and participating in community health programs such as blood pressure, glaucoma, and diabetes assessments and blood bank programs.

i. Assisting in the prevention of job-related injuries and illness.

j. Collecting and analyzing epidemiologic data to detect statistical trends in occupational illness or injury.

861.3 Approach

The National Medical and Occupational Health Program presents a uniform approach throughout the Postal Service with respect to occupational health services and health-related activities.

862 Policies

862.1 General Policy

It is the policy of the Postal Service to provide and maintain work environments that are conducive to and promote the good health and safety of all employees. To furnish the highest quality medical treatment for employees, many postal facilities have on-site health services offices staffed by postal occupational health nurses. These facilities, as well as facilities without on-site health services offices, are further supported by community-based contract medical facilities and providers.

862.2 Medical and Occupational Health Program Facilities

862.21 District Administrative Office

A Medical and Occupational Health Program administrative office is an office staffed with one or more occupational health nurse administrators and support staff as needed. The role of this office is to administer the Medical and Occupational Health Program at the district level.

862.22 District Health Services Office

A Medical and Occupational Health Program health services office is a service office in a postal facility staffed with one or more career postal occupational health nurses who provide medical and medically related services within that facility. This office is managed by the occupational health nurse administrator who also has the responsibility for administering the National Medical and Occupational Health Program for the district.

862.23 Area Administrative Office

The Medical and Occupational Health Program area administrative office is responsible for the administration of the Medical and Occupational Health Program for the area. The office consists of the senior area medical director, the associate area medical directors, the area occupational health nurse administrator, and support staff.

863 Staffing and Functional Responsibilities

863.1 General

Senior and associate area medical directors and area and district occupational health nurse administrators implement and manage the Medical and Occupational Health Program and are responsible for ensuring the highest level of service performance and for ensuring adequate medical staffing within their respective locales.

863.2 Staffing

863.21 General

The Postal Service medical staffing consists of a national medical director, senior area medical directors, associate area medical directors, area and district occupational health nurse administrators, staff occupational health nurses, and community-based contract medical facilities, physicians, nurses, and consultants.

863.22 Qualifications

All physicians must have a current, unlimited license to practice medicine in a state, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States. All nurses must have a current registered nurse (RN) certification and certification in cardio-pulmonary resuscitation (CPR). The full description of qualifications and requirements is found in the standard position descriptions.

863.3 Administrative and Functional Responsibilities

863.31 National Medical Director

The national medical director:

a. Plans and develops policy for the National Medical and Occupational Health program.

b. Provides guidance to the area Human Resources managers and area medical directors.

c. Evaluates the performance of all aspects of the National Medical and Occupational Health Program.

The national medical director is administratively responsible to the manager of Health and Resource Management.

863.32 Area Medical Directors

Senior area medical directors and associate area medical directors provide functional guidance in matters of policy and program requirements to district medical personnel and to postal management. They are also responsible for management of complex cases and issues.

863.33 Postal Physicians

863.331 Duty Assignments

Full-time and part-time postal physicians' work must be performed on postal premises and under the direction of the Postal Service.

863.332 Work Schedules

As specified in 5 CFR 2635 (see ELM 662.1), an employee may not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official government duties and responsibilities. Work schedule requirements are as follows:

a. Full-time postal physicians or medical directors are usually scheduled to work a minimum of 8 hours per day, 5 days per week.

b. Part-time postal physicians or medical directors are usually scheduled to work a minimum of 20 hours per week. Except for occasional changes in the workload, this minimum should be observed. Consideration should be given by local management to the use of contract physician services if their requirements are generally less than 20 hours per week. Management and the part-time postal physician should establish a mutually agreeable work schedule.

863.333 Duties

Postal physicians perform the following duties:

a. Manage professional medical and medically related services in the health services office.

b. Provide treatment of employees who have been injured or who have become ill.

c. Conduct physical examinations and review examinations performed by other physicians outside the Postal Service.

d. In conjunction with the area medical director, issue standing orders for all the health services office nursing staff within their area of responsibility.

e. Visit all health services offices in their assigned area at least every 3 months.

f. Establish and act as custodian for all employee medical records within their area of responsibility.

g. Make rounds on the workroom floor at regular intervals and evaluate working conditions to identify and recommend solutions to potential health and safety problems.

h. Monitor the medical status of employees returned to duty through the rehabilitation program at intervals of 2 to 4 weeks or as indicated.

i. Review all serious job-related injuries and fatalities to help determine if the employee's medical condition contributed to the injury or fatality (see 822.2).

j. Work with the Human Resources staff and coordinate medical activity with safety and injury compensation staffs.

k. Participate in management meetings, particularly those related to health, safety, and injury compensation.

l. Serve as consultant or expert witness in administrative appeal proceedings, as required.

m. In conjunction with an occupational health nurse administrator, medically assess reconsiderations of nonveterans and CPS disabled (30 percent or more) veterans' appeals.

863.34 Contract Physicians

Currently licensed physicians, under agreement with the Postal Service, are designated to perform specified medical services on a fee-for-service basis:

a. Where there is no coverage by a postal physician.

b. Where the postal physician is on leave.

863.35 Occupational Health Nurse Administrators

The occupational health nurse administrators are responsible for the administration of the National Medical and Occupational Health Program within their assigned locales. The duties include but are not limited to:

a. Providing administrative and policy guidance to local management.

b. Managing all aspects of health services office activity, including supervision of the staff occupational health nurses.

c. Designing and implementing programs of preventive health education.

d. Managing medical contract services and monitoring the quality of work provided by the contractors.

e. Providing guidance to injury compensation specialists in work-related injury cases.

f. Ensuring that resources are available for obtaining emergency medical care.

g. Serving as medical record custodian for assigned locales.

h. Generating qualitative and quantitative statistics and data.

i. Providing statistical analysis of data relating to all elements of the National Medical and Occupational Health Program.

j. Ensuring compliance with the regulatory requirements of the Department of Transportation, Office of Workers' Compensation Programs, Occupational Safety and Health Administration, and other entities for which program compliance is required.

k. Providing emergency care as needed.

863.36 Health Services Office Staff Nurses

Health services office occupational health nurses are functionally and administratively responsible to the district occupational health nurse administrator and to the district Human Resources manager. The duties of the occupational health nurses include but are not limited to:

a. Providing professional nursing care to employees.

b. Administering medications at the direction of a physician.

c. Assisting postal physician in conducting examinations.

d. Maintaining medical records.

e. Counseling and referring employees to health-related programs.

(See Handbook EL-806, *Health and Medical Service,* and the standard position description for additional functional responsibilities and duties.)

864 Medical Assessments and Examinations

864.1 Applicant Medical Assessments and Employee Examinations

It is mandatory that all applicants for career, temporary, or casual employment undergo a medical assessment before job placement. Employees who are converted to positions with different physical requirements than their present positions must first undergo medical assessments that may include the performance of a focused physical examination addressing those particular physical requirements. (See Handbook EL-312, section 57, for exceptions and scheduling procedures.)

Postal or contract physicians perform applicant examinations, when indicated, at a Postal Service health services office within reasonable commuting distance from the applicant's home or at the postal installation where employment is sought.

864.2 Determination of Suitability

See Handbook EL-312, chapter 5.

864.3 Fitness for Duty

See the corresponding management instruction for the specific procedures for fitness-for-duty examinations.

864.31 Purpose

The purpose of the Postal Service fitness-for-duty examination is to ascertain whether or not the employee is medically capable of meeting the requirements of his or her job.

864.32 Requesting Examination

Management can order fitness-for-duty examinations at any time and repeat them, as necessary, to safeguard the employee or coworker. Specific reasons for the fitness-for-duty should be stated by the requesting official.

In cases of occupational injury or illness, the district injury compensation control office may request an examination in the course of monitoring an injury compensation case (see 545.44).

864.33 Tests and Consultation

A specific medical test or consultation may be required in the judgment of the examining physician before rendering a decision on fitness for duty. The indications are documented as part of the report.

865 Return to Duty After Absence for Medical Reasons

865.1 Certification Required: All Bargaining Unit Employees and Those Nonbargaining Unit Employees Returning From Non-FMLA Absences

Return-to-work clearance may be required for absences due to an illness, injury, outpatient medical procedure (surgical), or hospitalization when management has a reasonable belief, based upon reliable and objective information, that:

a. The employee may not be able to perform the essential functions of his/her position, or

b. The employee may pose a direct threat to the health or safety of him/herself or others due to that medical condition.

In making this determination, management must consider the essential functions of the employee's job, the nature of the medical condition or procedure involved, guidance from the occupational health nurse administrator, occupational health nurse, and/or the Postal Service's physician regarding the condition or procedure involved, and any other reliable and objective information to make an individualized assessment whether there is a reason to require the return-to-work documentation.

In cases of occupational illness or injury, the employee will be returned to work upon certification from the treating physician, and the medical report will be reviewed by a medical officer or contract physician as soon as possible thereafter.

865.2 Intermittent or Reduced Schedule Leave Under FMLA

In the case of bargaining unit employees using intermittent or reduced schedule leave for a condition covered under the FMLA, the occupational health nurse administrator, occupational health nurse, and/or the Postal Service's physician shall decide under what circumstances employees must submit return-to-work documentation for subsequent absences for that condition. Only the Postal Service's physician can make the final authorization for requiring return-to-work clearance after subsequent absences.

865.3 Nonbargaining Unit Employees Returning After FMLA Absence

To return to work from an FMLA-covered absence because of their own incapacitation, nonbargaining unit employees must provide certification from their health care provider that they are able to perform the essential functions of their positions with or without limitations (see 410).

865.4 Documentation Required

All medical certifications must be detailed medical documentation and not simply a statement that an employee may return to work. There must be sufficient information to make a determination that the employee can perform the essential functions of his/her job, and do so without posing a hazard to self or others. In addition, the documentation must note whether there are any medical restrictions or limitations on the employee's ability to perform his/her job, and any symptoms that could create a job hazard for the employee or other employees. The occupational health nurse administrator, occupational health nurse, or the Postal Service's physician evaluates the medical report and, when required, assists placing employees in jobs where they can perform effectively and safely.

865.5 Assignments

Installation heads may temporarily assign any employee returning to duty to a modified work assignment during the employee's rehabilitation/recovery period consistent with operational needs and obligations under any applicable collective bargaining agreement or federal law.

865.6 Fitness-for-Duty Examinations

If, after review of the documentation required in 865.4, the Postal Service's physician questions whether an employee can perform the essential functions of his/her position, or whether he/she poses a direct threat to the health or safety of him/herself or others, the physician may require the employee to undergo a fitness-for-duty examination.

866 Medical Emergencies

See also Handbook EL-806, *Health and Medical Service*, chapter 1.

866.1 Requirement

All heath services offices must be prepared to respond to emergencies and to provide medical assistance as required.

866.2 Emergency Procedures

The recommended procedures for handling medical emergencies on postal premises are as follows:

a. Notify the health services office.

b. Notify security or other designee, who calls 911.

c. Evaluate (nurse or doctor) to determine severity of injury or illness.

d. Provide necessary first aid treatment.

e. Notify postmaster, personnel officer, or senior official in charge.

f. Transport the employee to hospital by most appropriate means if required.

g. In non-work-related cases, consult the employee's physician after control of the emergency and before any other arrangements are made. If the physician is not available, transport the employee to the nearest hospital or hospital of choice.

866.3 Posting Emergency Procedures

Instructions to be followed in an emergency must be posted in health services offices and on bulletin boards at appropriate places throughout the facility.

867 Rehabilitation After Work-Related Injury or Illness

Through coordination with the injury compensation program, every effort must be made to return the employee with a work-related injury to duty by:

a. Assessing the physical ability of an employee so that the employee can return to the workforce as a productive individual.

b. Recommending assignments in which the pace and physical requirements minimize risk of reinjury.

c. Consulting with the treating physician's professional medical staff to monitor, at regular intervals, the capabilities of employees with work-related injury or illness.

d. Consulting when necessary with the appropriate specialists to resolve differences of opinion between the treating physician and the postal physician.

868 General Procedures

868.1 Agreements

868.11 Special

The national medical director is responsible for the medical specifications of contracts requiring periodic physical examinations for a special category of employees (e.g., PCES, postal inspectors) as required by management.

868.12 Medical Surveillance and Surveys

Exposure to toxic substances is identified and quantified by the district Human Resources manager, Safety, or senior safety specialist. The district occupational health nurse administrator or area medical director negotiates

the surveillance. Such surveys must be coordinated with the senior area medical director. The district Human Resources manager implements appropriate action and notifies the area Human Resources manager.

868.13 Contract Medical Agreement

868.131 Initiating Medical Agreements

The following are the procedures for initiating medical agreements with contract physicians, clinics, or other health care providers:

a. The district occupational health nurse administrator or area medical director recommends and renews all agreements using PS Form 7314, *Medical Agreement.*

b. Management review of the contract is conducted by the district Human Resources manager. The area medical director approves the agreement as the contracting officer.

c. A copy of the contract is kept by the district occupational health nurse administrator and area medical director, and copies are furnished to the contractor and to the district Human Resources manager.

Note: Part-time nurses who are covered under the Postal Service-NPPN Agreement must not be confused with nurses who are contracted using PS Form 7314. Contracts for nursing services must not violate provisions of the Postal Service-NPPN Agreement, Article 7.02. Medical services for on-the-job injuries or illnesses must comply with the provisions in 543. Medical services for customer-related accidents must comply with Handbook M-19, *Accident Investigation — Tort Claims,* 253.2.

868.132 Certification for Payment of Invoices

As invoices are received for contracted services, the district occupational health nurse administrator or area medical director or designee executes the following procedures before submitting invoices for payment processing:

a. Verify that the specific services have been rendered and that the invoices are accurate.

b. Review invoices to detect any inconsistencies such as double-billing (billing twice for the same service on separate invoices).

c. Certify invoices by either stamping, typing, or handwriting on each *original invoice* the following information: (1) signature and title of the certifying official, (2) name of postal facility, (3) finance number, and (4) date that the services were rendered. A sample stamp reads: “I certify that the goods or services have been received and the invoice is correct and proper for payment.”

868.133 Payment — Statement of Account Offices

The payment procedures are as follows:

a. Forward certified invoices to the installation finance office for payment in accordance with local procedures and recording on PS Form 1555, *Statement of Account* (SOA).

b. Forward copies of paid invoices to the district occupational health nurse administrator or designees for their files.

c. Record payment for non-job-related medical services (such as routine medical examinations, nursing services, and first aid treatment that is not related to an on-the-job injury or illness) on the SOA using AIC 578.

d. Record payment for job-related medical services (such as office visits, X-rays, lab work, pharmaceutical bills, and fitness-for-duty examinations that are required because of an on-the-job injury or illness) on the SOA using AIC 577.

e. Note that payment for medical services for *customers involved in accidents* on or with Postal Service property is made only for the initial visit and record these payments on the SOA using AIC 597.

868.134 **Payment — Non-Statement of Account Offices**

For those postal installations that do not have a Statement of Account, the following payment procedures apply:

a. Forward certified invoices to the installation finance office for recording and subsequent forwarding to the San Mateo Postal Data Center (94497-9133).

b. Send copies of invoices (certifying official) to the occupational health nurse administrator or area medical director or designees for their files.

c. Charge payment for non-job-related medical services (such as routine medical examinations, nursing services, and first aid treatment that is not related to an on-the-job injury or illness) to General Ledger Account (GLA) 52428.

d. Charge payment for medical services that are job-related (such as office visits, X-rays, lab work, pharmaceutical bills, and fitness-for-duty examinations that are required because of an on-the-job injury or illness) to GLA 52427.

e. Charge payment for medical services for *customers involved in accidents* on or with Postal Service property (only for the initial visit) to GLA 55216.

Note: AICs 578, 577, and 597 automatically crosswalk to five-digit expense accounts 52428, 52427, and 55216, respectively, in the General Ledger.

Example: A sample payment log used for recording payment information follows:

Medical Payment Control Log — Calendar Year

Name:

Address:

City:

State:

ZIP + 4:

Social Security Number:

Invoice Amount	Date Paid	Total Year to Date

868.14 Health Agreements

Health agreements are negotiated between the Postal Service and other federal agencies to provide medical services to those agencies at Postal Service facilities. The occupational health nurse administrator and facility manager are responsible for approving such agreements.

868.2 Malpractice

Malpractice insurance is not available for postal medical personnel. Representation in civil or criminal proceedings is provided in accordance with 668.1.

868.3 Preservation of Privacy

Preservation of the privacy of medical records is a direct responsibility of the postal physician or nurse (see Management Instruction EL-860-98-2, *Employee Medical Records).* In facilities where no medical personnel are assigned, the district occupational health nurse administrator arranges with the installation head to properly secure the medical records.

868.4 Medical Training

See 740.

868.41 Continuation of Training

The Postal Service authorizes training for employees to upgrade or maintain proficiency in their current positions. Continuing medical education by the following is encouraged:

a. Attendance at seminars and medical meetings to improve the professional skills of occupational health nurse administrators, occupational health nurses, and medical directors.

b. CPR training (with annual recertification) is required for all medical personnel, at Postal Service expense.

868.42 Requests for Training

Requests for medical training by medical personnel are to be submitted through the employee's supervisor to the appropriate approving official at the installation.

868.5 Conflict of Interest

868.51 Full-time Medical Personnel

The following provisions apply for full-time personnel:

a. Full-time medical personnel must not accept any postal employee as a private patient. *Medical personnel* are defined as physicians, nurses, and other professional personnel. This rule applies to new patients and does not affect physician-patient relationships that were in existence prior to the issuance of this subchapter. The exception is where an existing private relationship creates an actual conflict of interest (see 662.1), in which case the relationship must be terminated.

b. Postal physicians who are treating postal employees in the scope of their duties may not refer employees to their private practice or that of a relative.

868.52 Part-Time and Contract Medical Personnel

The following provisions apply for part-time personnel:

Part-time and contract medical personnel may treat postal employees privately within the bounds of the general ethical conduct standard (see 662.1) that provides that outside employment may not interfere with the duties and responsibilities of Postal Service employment. Specifically, part-time or contract medical personnel may not:

a. Coerce, solicit, or inhibit an employee from the free choice of physician in the treatment of an occupational injury or illness.

b. Serve as the private physician to, or treat in private practice, postal employees sustaining occupational injuries or illness unless the physician is the physician of choice. Any treatment of an employee for an occupational injury or disease by a part-time or contract physician is, in all cases, considered to be performed within the scope of the physician's postal duties or pursuant to the terms of any contract with the Postal Service for up to two visits. If treatment of the medical condition goes beyond two visits, and if the injured employee selects the contract physician as "physician of choice," the contract physician then becomes the employee's physician and subject to OWCP's regulations rather than those of the Postal Service.

c. Continue to treat postal employees for a non-job-related injury or illness when the employee initially sought treatment while the physician, nurse, etc., was acting in an official capacity with the Postal Service.

868.53 Contract Medical Facilities and Providers

The provisions described in 868.52 are also applicable to medical clinics or other similar facilities under contract with the Postal Service.

870 Employee Assistance Program

871 Introduction

871.1 Purpose

871.11 General

The Employee Assistance Program (EAP) is a formal, nondisciplinary program designed to assist employees and their immediate families in recovering from alcoholism and drug abuse and in dealing with other problems — mental, emotional, familial, marital, financial, legal, and other — that may adversely affect both an employee's job performance and personal life. Assistance is provided through consultation, evaluation, counseling, and/or referral to community resources and treatment facilities.

871.12 Alcohol or Drug Abuse

Recognizing that alcohol and drug abuse are serious health problems that can adversely affect an employee's job performance and personal life, the EAP continues the Postal Service's obligation under the various

collective-bargaining agreements to provide a program for employees afflicted with these problems. EAP is not intended to alter or amend any of the rights or responsibilities of postal employees or of the Postal Service itself.

871.2 Definitions

Special terms used in this subchapter include the following:

a. *Alcoholism* — a complex disease characterized by the uncontrolled use of alcohol.

b. *Drug abuse* — an improper or illegal use of or dependency on drugs.

c. *External EAP service provider* — an individual or group external to the Postal Service providing EAP services through an interagency agreement or on a contractual basis.

d. *Family member* — any legal dependent of the employee, or anyone living in the employee's household, with the exception of tenants or employees of the postal employee who live in the household.

e. *Internal EAP* — employee assistance services provided by employees of the Postal Service.

f. *Other problems* — include, but are not limited to, gambling, stress, and emotional, family, marital, financial, and legal problems.

g. *Self-initiated referral* — an employee's voluntary referral of him- or herself for assistance from the EAP, made by directly contacting an EAP counselor. An employee's first visit to the EAP may be on the clock, provided the manager receives advance notice and concurs. Subsequent consultations are on the employee's own time. If a reasonable period of time has elapsed since a previously disclosed self-referral, the manager or supervisor may, at his or her discretion, approve an additional on-the-clock session.

h. *Written referral* — a manager's and/or supervisor's referral of an employee to the EAP based on job performance, attendance, or conduct issues. This type of referral is in writing, and the counselor receives a referral memo addressed to the EAP.

871.3 Policy

871.31 Job Security

Participation in the EAP is voluntary and will not jeopardize the employee's job security or promotional opportunities.

871.32 Limits to Protection

Although the employee's voluntary participation in EAP counseling for alcoholism or drug abuse should be given favorable consideration in disciplinary action, participation in EAP does not limit management's right to proceed with any contemplated disciplinary action for failure to meet acceptable standards of work performance, attendance, and/or conduct. Further, participation in EAP does not shield an employee from discipline or from prosecution for criminal activities.

871.33 Confidentiality

Inquiries regarding participation in EAP counseling are confidential, pursuant to the provisions of 874.4. EAP records may not be placed in an employee's official personnel file (OPF).

871.34 Reasonable Access

The contractor providing counseling must endeavor to provide confidential counseling facilities within a reasonable driving distance from the employee's work site or home. While it is desirable to provide ready accessibility to face-to-face EAP counseling, areas exist where it is not possible to do so. Counselors may offer telephone counseling or request that the employee travel to the counselor's office. Reasonable hours and days, including coverage of all three tours will be set as mutually agreed to between the EAP consultant and the HR manager. Counselors may adjust their schedules to respond to crisis situations and to meet other needs including, but not limited to, the provision of education sessions, and facility visits.

871.35 Scheduling

An employee's first visit to EAP is on the clock, whether the visit is initiated by management, the union representative, or the employee, unless the employee prefers to visit the EAP unit on his or her own time. Subsequent consultations are on the employee's own time. If a reasonable period of time has elapsed since a management referral or a previously disclosed self-referral, the manager or supervisor may, at his or her discretion, approve an additional on-the-clock session. To receive pay for an on-the-clock session, the employee must authorize the EAP provider to disclose to management the employee's attendance.

872 Program Elements

872.1 Education

EAP counselors and/or subcontract counselors must provide information periodically for all Postal Service employees so that they may become aware of the EAP services as well as the various personal problems that can affect job performance or conduct.

872.2 Problem Identification, Referrals, and Evaluation

872.21 Patterns of Behavior and Work Performance Problems

Certain patterns of behavior and/or work performance can be indicative of problems affecting the employee. Deterioration in attendance, appearance, conduct, ability, or any combination of these factors may signal that the employee is experiencing a personal problem that may affect his or her job performance. These problems may include gambling, substance abuse, emotional stress, or marital problems.

872.22 Referrals to EAP

872.221 Management Referrals

If a supervisor or manager observes the characteristics listed in 872.21, or has some other reason to believe that the EAP could provide needed assistance to an employee, he or she may refer the employee to the EAP.

The referral must be in writing and addressed to the EAP. The supervisor or manager should not attempt to diagnose the perceived problem. The employee has the option to refuse the referral, and the employee cannot be disciplined for noncompliance with the referral.

Exception: In instances when there is a Last Chance Agreement, or when the employee has signed a settlement agreement requiring EAP participation, the employee can be disciplined for noncompliance within the terms of the agreement.

872.222 **Referrals From Others**

Fellow employees, union representatives, management association representatives, medical personnel, family members, or judicial and social service agencies may refer employees to the EAP.

872.223 **Self-Referrals**

Employees who desire assistance with a substance abuse or other personal problem are encouraged to seek such assistance directly by personally contacting the EAP.

872.224 **EAP Response**

The EAP counselor must accept all referrals. Face-to-face or telephone interview appointments must be available within a reasonable period from the time the request is made by the employee or family member. Face-to-face and telephone appointments for urgent situations must be made consistent with need, regardless of the counselor's regularly scheduled hours. Crisis counseling must be available by telephone 24 hours per day, 365 days per year.

872.23 Problem Evaluation

EAP counseling staff provide assessment services and arrange counseling for employees or family members or refer them to appropriate treatment resources.

872.3 Recovery Counseling and Resources

872.31 EAP Counseling Units

EAP units are staffed by EAP professionals trained to counsel and provide referral services to individuals who seek their assistance. Postal EAP units are not equipped to provide detoxification or drug rehabilitation assistance, but they do make use of referral programs and other treatment facilities for these problems. To provide convenient, ready access to EAP counseling services for all Postal Service employees and their family members, a network of similarly qualified and capable affiliate counselors also provide EAP counseling services at other locations.

872.32 Residential and Community Resources

A variety of other outside programs and treatment facilities are available to be recommended to employees and family members. EAP counseling service providers maintain a current list of community programs and resources, and assist with initial arrangements and appointments. The cost of any such programs or treatment facilities is borne by the employee if it is not covered by the employee's health insurance. In cases for which

hospitalization or detoxification is recommended, requests for sick leave, leave without pay, annual leave, or advanced sick leave are the responsibility of the employee.

872.4 Follow-Up

872.41 Progress

If a manager or a supervisor has referred an employee to EAP counseling as a result of a job performance problem, that manager or supervisor should continue to monitor the employee's job performance.

872.42 Discontinuance of Participation

Whether an employee opts to continue or discontinue participation in EAP counseling, he or she is still responsible for maintaining prescribed job performance standards.

872.43 Return to Work

If an employee is on leave from the Postal Service to participate in an outside rehabilitative program for mental health or substance abuse issues, the EAP counselor monitors the course of rehabilitation and assists in any contemplated return to work. After participating in the rehabilitative program, Postal Service medical personnel or a contract physician must examine the employee and make a recommendation to management about his or her ability to return to work. The installation head determines whether to return the employee to duty.

872.5 Program Evaluation

The EAP must be evaluated annually or more often, as needed. The purpose of these evaluations is to measure the efficiency and effectiveness of the program and to ensure that it is operating within established policy.

873 Reinstatement of Recovered Employees

873.1 Policy

873.11 Consideration of Request

Requests for reinstatement from recovered employees should be given serious consideration, because the experience gained during postal employment might be a valuable asset.

873.12 Consideration of Other Factors

In reviewing reinstatement requests, local management must consider the former employee's postal work history and the nature of the charges that led to removal or resignation, as well as the eligibility factors set forth in ELM 873.2 and in Handbook EL-312, *Employment and Placement.* Exceptions to reinstatement consideration are made whenever the former employee's record reflects either a criminal conviction or pending criminal charges. In the latter instance, circumstances outlined in Handbook EL-312 must be followed. In addition, exceptions to reinstatement consideration are made when an employee has been removed from the Postal Service for theft of mail or postal property, possession and/or sale of drugs while on duty, fraud

against the Postal Service, and/or assaults or threats against postal personnel.

873.2 Eligibility

873.21 Procedures

Reinstatement of an individual whose removal or resignation from the Postal Service is related to alcoholism, dependency on drugs, or other problems, may be considered when the individual:

a. Submits a written request for reinstatement, accompanied by a signed authorization to release information, indicating the employee's written consent to a waiver of federal regulations on confidentiality restrictions.

b. Is willing to accept reinstatement on the basis of continuing to successfully participate in a course of care and/or activity based upon the recommendations of the EAP counselor.

873.22 Management Responsibilities

Prior approval of the district manager of Human Resources, the area manager of Human Resources, or the vice president of Employee Resource Management must be obtained before employing any former postal or federal employee who was removed from the Postal Service or other federal employment for cause or who resigned after being notified that charges proposing removal would be, or had been, issued. See Handbook EL-312, section 514.11, Handling Removals From Postal Service or Other Federal Employment, for further information.

873.3 Compliance With Agreements

If a former bargaining-unit employee is reinstated to a bargaining-unit position, employing officials must comply with all relevant provisions of applicable collective-bargaining agreements in determining the employee's seniority and other contractual rights.

874 EAP Counseling Records

874.1 Policy

Information about EAP counseling participants must be held in confidence. As restricted information, it may be disclosed only as described in ELM 874.4.

874.2 Definition of Restricted Information

Restricted information is information with limitations on its access within the Postal Service and its disclosure outside the Postal Service consistent with the Privacy Act and Public Health Service Act.

874.3 Custodians of Records

874.31 Postal Service Providers

When EAP services are provided by Postal Service employee counselors, counseling records are maintained within the Privacy Act system of records, USPS 120.140, Personnel Records — Employee Assistance Program (EAP)

Records. They are therefore subject to Postal Service access, disclosure, amendment, and records maintenance regulations and policy implementing the Privacy Act (39 CFR 266, Handbook AS-353, and the handbook's appendix).

874.32 Private Providers

When EAP services are provided through an interagency agreement or a private vendor, each EAP counseling service provider is responsible for maintaining records on participants. These counseling records are the property of the primary provider and maintained in a system of records. The primary provider must maintain policies and procedures for safeguarding the confidentiality of client data and files and may be liable under the law for improper release of such information. The primary provider agrees to assert any privilege allowed by law and to defend vigorously Postal Service and employee rights to confidentiality.

874.4 Disclosure

874.41 General

874.411 Usual Recipients

Information identifying program participants, whether or not such information is recorded, may be disclosed as follows:

a. To medical personnel to the extent necessary to meet a bona fide medical emergency involving the EAP participant.

b. To qualified personnel with the express written authorization of the vice president of Employee Resource Management, for purposes of conducting scientific research or program audits or evaluation. However, under no circumstances may any identifying information be disclosed in the resulting evaluation, research, or audit reports.

c. To a court, when authorized by a court order upon showing of good cause, such as when necessary to protect against an existing threat to life or of bodily injury, or in connection with the investigation or prosecution of a crime. In addition, in litigation or an administrative proceeding when authorized by the trier of fact, when the EAP participation offers testimony or other evidence pertaining to the content of his or her EAP participation. Counsel should be contacted for assistance in both evaluating the order and in determining the extent to which information must be released.

d. To any person when the EAP participant gives prior written consent to disclose information. This consent to the release of information is specific indicating the nature and scope of topics to be released, to whom information is to be released, the purpose of the disclosure, and the date on which the consent terminates.

e. To a person in any situation in which the EAP counselor has a duty to warn.

f. To an expert, consultant, or other individual who is under contract to the Postal Service to fulfill an agency function, but only to the extent necessary to fulfill that function, and in accordance with the Privacy Act restrictions as listed under 39 CFR 266.6.

874.412 **Limitation of Disclosure**

In all cases above, only information that is absolutely necessary to satisfy the recipient's business or medical need is to be disclosed.

874.42 Criminal Activity

874.421 **EAP Records**

No EAP counseling records or personnel may be used to initiate or substantiate any criminal charges against an EAP participant or to conduct any investigation of a participant, except as authorized by a court order for good cause.

874.422 **Limitation of Confidentiality**

If an employee who is an EAP counseling participant reveals the commission or intended commission of serious criminal activity, the EAP counselor is not prohibited from disclosing that information so long as the employee is not identified as an EAP counseling program participant. Confidentiality does not apply in any of the following cases:

a. A crime is committed on EAP premises or against EAP counselor personnel or a threat to commit such a crime is made.

b. Incidents when information must be reported as required by state law, for example, mandatory reporting of child abuse and/or neglect (elder/spouse abuse in some states) occur.

c. For a disclosure that may be required to elements of the criminal justice system that have referred employees who are EAP participants.

880 Smoking

881 Definition

Smoking is defined as having a lighted cigar, cigarette, pipe, or other smoking material.

882 Policy

882.1 Buildings

Smoking is strictly prohibited in all buildings or office space (including service lobbies) owned or leased by the U.S. Postal Service. There will be no indoor smoking permitted by any occupant of such space. Local managers, with input from employee representatives, may decide whether or not to permit smoking in designated outdoor locations on Postal Service property.

882.2 Vehicles

Smoking is prohibited in any General Services Administration interagency fleet management system vehicles.

890 Environmental Management

891 Policy

The Postal Service complies with all applicable federal, state, and local environmental laws and regulations and proactively seeks to develop innovative and cost-effective solutions to provide its customers, employees, suppliers, and communities with a safe and healthy environment through the implementation of a management system.

892 Scope

These policies apply to all Postal Service facilities, managers and employees, programs, projects, operations, products, and services.

893 Regulations and Authority

893.1 General

The Postal Service is subject to numerous federal, state, and local environmental laws and regulations. Certain Executive Orders and Environmental Protection Agency policies are recognized by the Postal Service as guidance.

893.2 Federal Laws and Regulations

Federal environmental laws are codified in Title 40 of the Code of Federal Regulations. The following federal laws apply to the Postal Service:

a. National Environmental Policy Act (NEPA).

b. Toxic Substances Control Act (TSCA).

c. Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

d. Resource Conservation and Recovery Act (RCRA).

e. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, also know as Superfund).

f. Clean Air Act (CAA).

g. Clean Water Act (CWA).

h. Safe Drinking Water Act (SDWA).

i. Energy Policy Act of 2005.

893.3 State and Local Laws and Regulations

Provisions of certain federal laws may be delegated to the states for compliance, monitoring, and enforcement. In many instances, the regulations so delegated present complex compliance requirements that vary by locality. To add to the complexity, states, cities, municipalities, and counties may enact their own environmental laws and regulations.

894 Environmental Management Program

894.1 Description

The Postal Service environmental management program establishes the strategic direction for, administers, and evaluates the programs and activities needed to ensure that federal, state, and local environmental considerations are integrated into all Postal Service operations.

894.2 Program Evaluation

The Postal Service conducts periodic evaluations of environmental management programs at all levels of the organization to review the effectiveness of its national environmental policies and programs based on established metrics. The Postal Service provides a management system for continual improvement that includes systems to manage information, allocate resources, and identify emerging Postal Service and regulatory issues.

894.3 Compliance Review

The Postal Service conducts periodic reviews of its activities and operations to ensure compliance with applicable Postal Service requirements and federal, state, and local environmental laws and regulations.

894.4 Communication and Outreach

The Postal Service communicates to employees and customers its environmental policies and commitment to implementing environmentally responsible business initiatives and seeks opportunities to partner with public and private organizations to further its environmental objectives.

895 Responsibilities

895.1 Headquarters

895.11 Vice President, Employee Resource Management

The vice president, Employee Resource Management (ERM), Human Resources (HR), performs the following environmental program management functions:

a. Serves as the Chief Environmental Officer for the Postal Service.

b. Communicates environmental policies and allocates resources.

c. Serves as chief liaison with the Environmental Protection Agency (EPA).

895.12 Director, Safety and Environmental Performance Management

The director, Safety and Environmental Performance Management (SEPM), ERM, HR, performs the following environmental program management functions:

a. Establishes the strategic direction for the environmental program.

b. Develops overall policies for environmental management.

c. Interacts with Headquarters stakeholders to ensure program and activity support.

895.13 Manager, Environmental Policy and Programs

The manager, Environmental Policy and Programs, SEPM, ERM, HR, performs the following environmental program management functions:

a. Coordinates with Finance to plan and budget for the development, implementation, and assessment of national environmental policies and programs.

b. Develops and supports the Postal Service's environmental policies and programs.

c. Conducts periodic environmental program reviews to ensure alignment with organizational objectives and management systems.

d. Establishes national environmental performance objectives with measurable targets.

e. Develops the requirements and infrastructure to support an environmental review program that evaluates facility activities and operations for compliance with federal, state, and local environmental laws and regulations.

f. Coordinates a national environmental training program based on regulatory and operational requirements.

g. Identifies area managers of Environmental Programs and environmental specialists with subject matter expertise to participate on ad hoc teams set up to support emerging environmental issues.

h. Tracks EPA regulatory developments and comments on proposed regulations.

i. Coordinates with other federal agencies, trade associations, and other professional stakeholders on matters of environmental management.

j. Provides environmental assistance during the prevention, preparedness, response, and recovery phases of emergencies.

895.14 Vice President, Facilities

The vice president, Facilities, performs the following environmental program management functions:

a. Ensures that environmental policies are incorporated into all aspects of facility management, including real estate transactions and design, construction, alteration, repair, and excessing activities.

b. Directs all Facilities Services Offices to follow Postal Service environmental policies and all applicable federal, state, and local regulations when managing projects.

895.15 Facilities Services Offices

When managing projects, the Facilities Services Offices (FSOs) perform the following environmental program management functions:

a. Maintain the reports and records required by environmental regulations.

b. Ensure that such reports and records are distributed to the appropriate installation heads and that copies are retained in FSO project records.

895.16 Other Headquarters Functions

All Headquarters functions (especially Engineering, Delivery and Retail, Operations, Information Technology, Emergency Preparedness, Product Development, and Supply Management) must ensure that environmental policies are incorporated into policies, programs, and projects under their control.

895.2 Area Offices

895.21 Vice Presidents, Area Operations

The vice presidents for Area Operations perform the following environmental program management functions:

a. Ensure adequate funding and resources to support area activities that directly align with national environmental policies and programs.

b. Support the efforts of the area managers of Operations Support, the managers of Environmental Programs, and the district managers and installation heads to ensure that facilities are in compliance with environmental laws and regulations.

c. Provide the support and resources necessary to implement environmental reviews of facility activities and operations and to see any corrective actions needed to successful completion.

895.22 Area Managers, Operations Support

The area managers of Operations Support coordinate with the area managers of Environmental Programs to:

a. Identify resource requirements to support area activities that directly align with national environmental policies and programs and facilitate compliance with environmental laws and regulations.

b. Provide the support and resources necessary to implement environmental reviews of facility activities and operations and to see any corrective actions needed to successful completion.

895.23 Area Managers, Environmental Programs

The area managers of Environmental Programs:

a. Consult with the manager, Operations Support, to document resource requirements for development, implementation, and assessment of area environmental programs that directly support national environmental policies and programs.

b. Coordinate with the area managers of Operations Support and manager of Environmental Policy and Programs to:

(1) Develop and implement area activities that directly support national environmental policies and programs and facilitate compliance with environmental laws and regulations.

(2) Plan and develop resource requirements to account for area activities that directly align with national environmental policies and programs.

(3) Implement area environmental performance objectives that directly align with national environmental program objectives and

ensure compliance with state and local national environmental laws and regulations.

(4) Deploy and implement periodic environmental reviews of facility activities and operations to evaluate compliance with federal, state, and local environmental laws and regulations.

(5) Assess the risks and liabilities associated with federal, state, and local environmental laws and regulations, evaluate operational activities against these laws and regulations, and convey this information to district managers and installation heads.

(6) Document unique area training needs based on state and local environmental laws and regulations and advise national environmental training program administrators about these requirements.

(7) Assign geographic areas of responsibility to each environmental specialist to ensure adequate support to district managers and installation heads.

(8) Provide technical expertise and participate on ad hoc teams set up to support emerging environmental issues.

(9) Track state and local regulatory developments and comment on proposed regulations.

(10) Provide environmental assistance during the prevention, preparedness, response, and recovery phases of emergencies.

895.24 Environmental Specialists

Environmental specialists:

a. Implement area activities that directly align with national environmental policies and programs and support district managers and installation heads in complying with federal, state, and local environmental laws and regulations.

b. Support managers of Environmental Programs with development of area environmental performance objectives and state and local environmental laws and regulations.

c. Provide support to district managers, installation heads, middle level managers and supervisors, and employees by responding to inquiries regarding procedures and training mandated by federal, state, and local environmental laws and regulations.

d. Conduct periodic environmental reviews of activities and operations to evaluate compliance with federal, state, and local environmental laws and regulations and recommend corrective actions, if necessary.

e. Provide technical expertise and participate on ad hoc teams set up to support environmental issues.

f. Provide environmental assistance during the prevention, preparedness, response, and recovery phases of emergencies.

895.3 Performance Clusters

895.31 District Managers

District managers:

a. Consult with managers of Environmental Programs and environmental specialists to plan and budget for potential environmental tasks and projects necessary to comply with federal, state, and local environmental laws and regulations. Budgeted items must include (but are not limited to) the following:

(1) Initiation and renewal of environmental permits and plans.

(2) Storage tank management, including removal, replacement, conversion, repair, cleanup, and testing.

(3) Remediation and abatement activities.

(4) Waste disposal and recycling services.

(5) Vehicle washing costs.

(6) Sewer maintenance.

(7) Environmental surveys.

(8) Building alterations to comply with environmental policy and regulations.

b. Provide the support and resources necessary for facilities under their jurisdiction to comply with federal, state, and local environmental laws and regulations.

c. Ensure the timely completion of environmental corrective actions within their management control.

d. Ensure that installation heads retain environmental records required by Postal Service policy and federal, state, and local environmental laws and regulations.

e. Provide the support and resources necessary for facilities under their jurisdiction to implement environmental programs.

895.32 Installation Heads

Installation heads:

a. Consult with managers of Environmental Programs and environmental specialists to plan and budget for potential environmental tasks and projects necessary to comply with federal, state, and local environmental laws and regulations. Budgeted items must include (but are not limited to) the following:

(1) Initiation and renewal of environmental permits and plans.

(2) Storage tank management, including removal, replacement, conversion, repair, cleanup, and testing.

(3) Remediation and abatement activities.

(4) Waste disposal and recycling services.

(5) Vehicle washing costs.

(6) Sewer maintenance.

(7) Environmental surveys.

(8) Building alterations to comply with environmental policy and regulations.

b. Ensure their facility's compliance with federal, state, and local environmental laws and regulations.

c. Ensure that facility personnel are properly trained, as applicable, and that such training is documented.

d. Ensure that *only* trained personnel manage tasks that trigger Postal Service policy and federal, state, and local environmental laws and regulations.

e. Maintain complete and up-to-date records pursuant to Postal Service policy and federal, state, and local environmental laws and regulations. Such records include operating permits, asbestos surveys, hazardous waste manifests, training certifications, and records of inspections.

f. Perform related tasks necessary to comply with applicable federal, state, and local environmental laws and regulations.

895.33 Middle-Level Managers and Supervisors

Middle-level managers and supervisors ensure compliance with Postal Service policy and applicable environmental laws and regulations within their respective areas of responsibility.

895.4 All Employees

All employees must follow Postal Service policy and applicable federal, state, and local environmental laws and regulations in the conduct of their duties for the Postal Service.

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9 Labor Relations

910 Employee Organizations

911 Participation and Membership in Labor Organizations

911.1 Right to Participation

Each postal employee has the right, freely and without fear of penalty or reprisal, to form, join, or assist a labor organization or to refrain from any such activity. Each employee is protected in the exercise of such rights. Except as specified in 911.3, this right extends to participation in the management of the organization and acting as an organization representative. It includes presentation of the organization's views to officials of the Postal Service, officials of the Executive Branch, the Congress, or other appropriate authority.

911.2 Right to Membership

No interference, restraint, coercion, or discrimination to encourage or discourage membership in a labor organization may be effected in the Postal Service.

911.3 Conflict of Interests

Supervisors and certain other employees may not actively participate in the management of a labor organization including voting in intra-union elections or acting as a representative of a labor organization when it would result in a conflict of interest, or apparent conflict of interest, or otherwise be incompatible with law or with the official duties of the supervisor or employee.

911.4 Postal Service Recognition

The Postal Service gives exclusive recognition to labor organizations that meet the requirements for such recognition under the provisions of the Postal Reorganization Act.

911.5 Employee Compensation During Negotiations

Employees who represent a recognized labor organization are not on official time when negotiating a collective bargaining agreement with postal management.

912 Participation and Membership in Supervisory and Managerial Organizations

912.1 Right to Participation

Postal personnel have the right, freely and without fear of penalty or reprisal, to form, join, or assist a supervisory or managerial organization or to refrain from any such activity. Such personnel are protected in the exercise of such rights. Such rights include participation in the management of the organization and acting as organization representative and may include the presentation of the organization's views to Postal Service officials, officials of the Executive Branch, the Congress, or other appropriate authority.

912.2 Right to Membership

No interference, restraint, coercion, or discrimination to encourage or discourage membership in such an organization shall be effected in the Postal Service.

920 Dues Withholding for Employee Organizations

921 Voluntary Withholding of Dues

Employees who are members of supervisory, managerial, or labor organizations that have approved dues withholding agreements with the Postal Service (see 923) may voluntarily authorize the Postal Service to withhold periodic dues from their salary payments. The organizations for which dues deductions are authorized include those encompassed by the provisions of the Postal Reorganization Act.

922 Dues Collection Schedule

Dues for the National Association of Postmasters of the United States (NAPUS), the National League of Postmasters (the League), and the National Alliance of Postal Employees are deducted in the pay period that includes the first day in a calendar month and are reflected in the salary check for that pay period. Dues for all other labor organizations and for the National Association of Postal Supervisors (NAPS) are withheld each pay period.

923 Eligible Organizations

The following organizations have been approved to participate in dues withholding. They are identified in data processing records by the indicated alphabetical code designations:

a. Labor organizations:

Recognized Bargaining Agent	Code
NATL POSTAL PROFESSIONAL NURSES PO BOX 1605 TEMPLE HILLS MD 20757-1605	D

Recognized Bargaining Agent	Code
FRATERNAL ORDER OF POLICE LABOR COUNCIL 2 PO BOX 826 NEW YORK NY 10008-0826	C
NATL POSTAL MAIL HANDLERS UNION 1101 CONNECTICUT AVE NW STE 500 WASHINGTON DC 20036-4304	H
NATL ASSOC OF LETTER CARRIERS AFL-CIO 100 INDIANA AVE NW WASHINGTON DC 20001-2196	L
NATL RURAL LETTER CARRIERS ASSOC 1630 DUKE ST 4TH FLOOR ALEXANDRIA VA 22314-3465	R
AMER POSTAL WORKERS UNION AFL-CIO 1300 L ST NW WASHINGTON DC 20005-4128	W
INTERNATIONAL ASSOCIATION OF MACHINISTS AUTOMOTIVE LODGE 1486 12303 SCOTCH BONNET CT RESTON VA 20191-1110	T

Other Labor Organization	Code
AMER FEDER OF GOVT EMPLOYEES AFL-CIO 80 F ST NW WASHINGTON DC 20001-1528	A
NATL ALLIANCE OF POSTAL EMPLOYEES 1628 11TH ST NW WASHINGTON DC 20001-5011	E

b. Supervisory and managerial organizations:

Supervisory and Managerial Organization	Code
NATL LEAGUE OF POSTMASTERS OF THE US 5904 RICHMOND HWY STE 500 ALEXANDRIA VA 22303-1864	N
NATL ASSOC OF POSTMASTERS OF THE US 8 HERBERT ST ALEXANDRIA VA 22305-2600	P
NATL ASSOC OF POSTAL SUPERVISORS 1727 KING ST STE 400 ALEXANDRIA VA 22314-2753	S

924 Authorization for Dues Withholding

924.1 Authorization Forms

924.11 Supervisory or Managerial Organizations

Standard Form (SF) 1187, *Authorization for Deduction of Union Dues,* is used by members of supervisory or managerial organizations for authorization of dues withholding.

924.12 Labor Organizations

One of two revised versions of SF 1187 is provided by the unions and used by members of labor organizations for authorization of withholding of dues, which may include the yearly subscription price to the union's publications. The forms used are:

a. For transitional employees, SF 1187, *Authorization for Deduction of Union Dues for Transitional Employees.*

b. For other bargaining unit employees, SF 1187, *Authorization for Deduction of Union Dues.*

924.2 Employee Eligibility

924.21 Employment Status Requirement

924.211 General

Employees who are members of approved organizations are eligible to participate in dues withholding procedures.

924.212 Exception

Because of the intermittent nature of their employment, casual and most nonbargaining temporary employees are excluded from this policy.

924.22 Multiple Dues Withholdings

An eligible employee may have dues deducted for up to three organizations at one time. A separate authorization is required for each organization.

924.3 Distribution of Authorization Forms

924.31 Function of Organization Representative

The organization representative:

a. Distributes appropriate forms to members who voluntarily desire to have the Postal Service withhold dues from their salary payments.

b. Makes certain that the top portion of the form is completed: indicating the name and alpha code (see 923) of the organization; identifying each member by name, address, and Social Security number; and showing the name and finance number of the installation where such member is officially assigned.

c. Certifies the amount of dues to be withheld biweekly or each month from the employee's compensation.

924.32 Limit on Time and Place

Distribution, collection, and certification of such forms should not be made on official time in a work area.

924.4 Submission of Completed Authorization Form

924.41 General

The organization representative submits the original SF 1187 to the postal installation where the member is employed. The installation head makes sure that the "date of delivery to employer" is entered and the form is promptly forwarded to the servicing distributed data entry/distributed reporting (DDE/

DR) site. This date cannot be entered by the organization representative, except as noted in 924.422.

924.42 Exceptions

924.421 Postmasters

The National League of Postmasters (the League) may submit the original SF 1187 through regular payroll channels to the servicing DDE/DR site. The National Association of Postmasters of the United States (NAPUS) processes the SF 1187 for its members to initiate dues withholding.

924.422 Rural Carriers

The NRLCA National Office, which is responsible for entering the "date of delivery to employer" at the time of transmittal, submits the SF 1187 for a rural carrier.

924.423 American Postal Workers Union

The APWU processes SF 1187 for its members to initiate dues withholding.

924.5 Implementation of Dues Withholdings

The Eagan Accounting Service Center (ASC) begins dues withholdings with the first full pay period following the receipt of a properly completed SF 1187 at the DDE/DR site. In the event that an SF 1187 is received at the DDE/DR site without the date of delivery filled in, the DDE/DR site enters the date of receipt as the "date of delivery," and proceeds to process the form, using the "date of delivery" as the anniversary date. The DDE/DR site sends a copy of this annotated form with an appropriate explanation to the installation of origin for transmittal to the organization.

924.6 Certification of Amount to Be Withheld

924.61 Function of Organization Representative

The appropriate official of each employee organization properly certifies the amount to be withheld.

924.62 Change by Organization

When the organization changes the amount to be withheld, a blanket authorization listing the affected employees is accepted and used for such purpose by the Eagan ASC. Such notice includes the employee's name, Social Security number, finance number, effective date, and "from" and "to" dues amounts. The notice is certified by a regional or national official of the organization and forwarded to the manager of human resources in the area office, who indicates approval and forwards it to the Eagan ASC.

924.7 Confirmation of Correct Deduction

924.71 Notation or Earnings Statement

The amount withheld for dues is shown on PS Form 1223-A or PS Form 1223-B, *Earnings Statement*. If the employee has authorized withholdings for more than one organization, the earnings statement shows the organization code and deduction for each organization.

924.72 Procedure in Case of Error

If an erroneous dues amount is withheld, the employee follows normal payroll inquiry procedures in questioning such deduction. The personnel office maintaining the employee's official personnel folder (OPF) rechecks the amount authorized by the employee on the current SF 1187, and the DDE/DR site changes the employee payroll master record if it is in error. The Eagan ASC does not make a retroactive adjustment unless the Postal Service is responsible for the error in dues withholding; e.g., if it fails to process a properly submitted SF 1187, or deducts an incorrect amount, or makes deductions for the wrong organization.

925 Cancellation of Dues Withholding Authorization

925.1 Voluntary Cancellations

925.11 Form Used

Employees use PS Form 1188, *Cancellation of Organization Dues from Payroll Withholdings,* to cancel dues withholding.

925.12 When Employees Can Cancel

925.121 General

Except as specified in 925.122, an employee can cancel an SF 1187 only in accordance with the terms of the authorization form that the employee signs to initiate the dues withholding. This holds true for members of organizations such as the American Federation of Government Employees or the National Alliance of Postal Employees, that are not "certified bargaining representatives" or "recognized organizations of supervisory and other managerial personnel."

925.122 Special Circumstances

Special circumstances that alter the conditions for canceling dues withholding are as follows:

a. Employees who enrolled in any organization before July 1, 1971, or who are members of supervisory or managerial organizations designated by Codes N, P, or S, may submit their cancellation notice at any time, but it is not processed until the first full pay period following March 1 or September 1, whichever occurs first after receipt of the form. These employees submit PS Form 1188 to the installation head, who forwards the form to the servicing DDE/DR site, except as noted in 925.122f (see).

b. An employee using the revised SF 1187 described in 924.12 may cancel only by submitting PS Form 1188 to the installation head and via certified mail to the organization's national office not more than 20 days, and not less than 10 days before the anniversary date (date of the delivery to employer). PS Form 1188 must be date-stamped upon receipt. It is this date that is used to determine if the cancellation request was received in accordance with the above requirements.

   Example: Assume an anniversary date of December 1. The employee signs and dates PS Form 1188 on November 10 and certifies that Copy 3 of the form has been sent to the organization's

national office by certified mail. To comply with the 20/10 day requirement specified above, the employing office must receive and date stamp part B of the form between November 11 and November 21. If the DDE/DR site receives all three copies of PS Form 1188, the entire form is returned to the employee with the reason(s) noted. The 20/10 day rule is a requirement of the revised SF 1187 that can be waived only by the union.

c. An employee whose documented position is not within a recognized bargaining unit (such as a supervisor), but who is having dues withheld for a labor organization that is recognized as a bargaining agent (see 923a), may voluntarily cancel the dues withholding authorization, effective the first full pay period after the request for cancellation is received at the DDE/DR site. The PS Form 1188 should be annotated to reflect the employee's current job title and effective date.

d. The SF 1187 of a transitional employee stays in effect for 180 days following termination, even though the Postal Service does not withhold dues, to allow the employee the option of continued withholding if the employee is rehired within that 180-day period. If a transitional employee wants to cancel dues withholding when rehired, he or she may do so within 10 days by submitting PS Form 1188. A transitional employee may also cancel dues withholding according to the 20/10 day requirement, i.e., not more than 20 days, and not less than 10 days before the anniversary date. This anniversary date is the "date of delivery to employer" of the SF 1187 originally authorizing dues withholding, and this date remains fixed regardless of the number of consecutive appointments.

e. The APWU processes PS Form 1188 for its members to cancel dues withholding.

f. NAPUS processes PS Form 1188 for its members to cancel dues withholding.

Exhibit 925.1
PS Form 1188, Cancellation of Organization Dues From Payroll Withholdings

UNITED STATES POSTAL SERVICE

Cancellation of Organization Dues From Payroll Withholdings

(See Privacy Act Statement on Reverse)

Part A — Completed by Employee

1. Employee Name *(Print -- Last, First, MI)*	2. Social Security Number
3. Post Office Name and State	4. Post Office Finance Number
5. Name of Organization and Code *(See reverse side for organizations and codes)*	6. Employee's Dues Deduction Anniversary Date

7. I hereby certify that I sent copy 3 of this cancellation to the above named organization's national office VIA CERTIFIED MAIL on this date, _____, as notice of my intention to discontinue payroll withholdings.

Notice must be received within the required window period *(see ELM, Chapter 9)*. Notice to the organization must be sent by certified mail to organization's national office, as directed in ELM, Chapter 9.

_____
Employee Must Sign & Date *(Mo., Day, Year)*

Part B — Completed by Employing Office

Date Form Received in the Employing Office:

Original and Copy 2 Will Be Separated by Processing Center

Part C — Completed by Processing Center

1. Date Form Received *(Mo., Day, Year)*	
2. Organization Code	
3. Effective Pay Period -- Year	
4. Date Processed *(Mo., Day, Year)*	
5. Verified By *(Initials)*	

6. Form Will Not Be Processed and Is Being Returned to the Employee Because:

- ☐ Not received within the required 20 - 10 day window period *(see notice in Part A, no. 7)*.
- ☐ Not currently enrolled in the organization shown.
- ☐ Form incomplete. See item _____.
- ☐ Explain:

FOR DDE/DR USE

Entered By	P/P	Initials

PS Form **1188,** March 2007 *(Page 1 of 2)* **1 -- Employee's OPF**

925.2 Discontinued Withholding

925.21 Separation

The Postal Service discontinues dues withholding upon separation of any employee enrolled in the dues withholding program, although the process is modified for transitional employees. Dues withholding is discontinued for a transitional employee at the end of a term of employment, but the SF 1187 stays in effect for 180 days. If the employee is rehired within 180 days, the dues deduction restarts, unless the employee submits a cancellation as specified in 925.122d. After 180 days, a rehired employee must complete another SF 1187 in order to activate dues withholding.

925.22 Organization Request

Withholding of dues is discontinued at any time upon written request from the organization for which the withholding is authorized.

925.3 Cancellation Notices

Cancellation notices must include the employee's name, date, dues deduction anniversary date, Social Security number, name and finance number of the installation where officially assigned, and name and alpha code of the organization involved.

925.4 Cancellation Procedures

The postal installation receiving a properly executed PS Form 1188 promptly forwards the original and Copy 2 to the DDE/DR site. The DDE/DR site promptly notifies the installation head or designee of any refusal to honor PS Form 1188, and the reason for doing so, by returning Copy 2 of the completed PS Form 1188 to the employing office. The installation head or designee, in turn, notifies the employee.

925.5 Filing Procedures

All SFs 1187 (as provided by the various eligible postal organizations as specified in 923) and PS Forms 1188 requiring a payroll adjustment are sent to the Eagan ASC for processing. The forms, however, are returned for filing with the permanent documents on the right side of the employee's OPF.

925.6 Transfer or Reassignment

When an employee who is having dues withheld for a management or labor organization (as listed in 923a or b) transfers or is reassigned to another postal installation, his or her dues withholdings are transferred to the local organization at the gaining installation. The dues amount remains the same unless otherwise changed by the new local organization. If a change in the dues amount is to be made, a request is submitted by the organization as provided in 924.62; however, such request is limited to the employee involved.

926 Coding Instructions

926.1 Organization Codes

Each national organization is identified by a specific alphabetical code as shown in 923.

926.2 Subdivision Codes

The post office finance number is used to identify each post office local organization. Official state codes are used to identify the postmaster and rural carrier organization subdivisions.

926.3 Remote or District Locals

In some cases, an employee working at one postal installation is a member of a local organization identified with a different post office. The postal installation finance number is used to identify the office of employment. In addition, the post office finance number used to identify such remote or district local organization is also entered.

926.4 Members at Large

If a member is attached directly to the national organization or state division instead of to a local organization, the words “Member at Large” are shown after the name of the organization. Such members include those at post offices that do not have local organizations. The finance number should be the state code followed by four zeros (i.e., 35-0000).

930 Work Clothes and Uniforms

931 Uniforms

931.1 Entitlement and Allowances

931.11 Entitlement

Certain employees must wear prescribed uniforms in performing their duties. These employees are entitled (a) to a uniform allowance to purchase authorized uniform items or (b) to be furnished uniforms that meet Postal Service specifications.

931.12 Allowances

The annual allowance authorized each employee covered by a collective bargaining agreement is determined by the terms of that agreement. Allowances for other employees are set as a matter of policy.

931.13 Types of Clothing

The Uniform Program consists of a number of types of clothing developed for various positions dependent on (a) the level of visibility to the public, (b) the type of work normally performed, and (c) the physical environment in which the employee normally works. The current categories are:

a. Type 1 – city letter carriers, clerk/special delivery messengers, clerks performing city letter carrier duties, motor vehicle operators,

tractor-trailer operators, driving instructors and examiners, letterbox mechanics, ramp clerks and transfer clerks, AMF, performing ramp clerk duties, area maintenance technician/specialists, maintenance mechanics working as letterbox mechanics (see 932.11h), passenger elevator operators, and elevator starters.

b. Type 2 – employees assigned to retail operations.

c. Type 3 – vehicle maintenance, custodial maintenance, mail handler, BMEU, and clerical employees eligible under 932.12 and 932.13.

d. Type 4 – security force police officers.

e. Type 5 – bargaining unit and nonbargaining unit medical personnel.

f. Type 6 – supervisors.

The criteria are different for each type, as well as the procedure necessary to establish or terminate an employee in each category. Installation heads must familiarize themselves with the criteria established for each type so that certifications are made under the correct program.

931.2 Purpose and Scope

931.21 Uniforms

Uniforms are provided to certain employees for the following reasons:

a. To provide immediate visual identification with the Postal Service to the public.

b. To project an appearance to the public that is neat, professional, and pleasing.

c. To help develop in the employee a feeling of esprit de corps.

d. To meet standard professional practices (doctors, nurses, etc.).

931.22 Work Clothes

Work clothes are provided to certain employees:

a. Who perform dirty work or work with toxic materials.

b. When it is important that they be recognized and identified with the Postal Service, work clothes are provided for employees who work in public view.

c. To certain full-time employees working full time in areas where work clothing is essential.

931.23 Personal Appearance

Supervisors are responsible for continually observing the uniforms of employees and taking appropriate corrective action, when necessary, to ensure employees are properly attired.

931.24 Administration of Uniform Policy

Items of uniform dress are listed in 933.1 through 933.6. These lists include all items to which allowances are applicable, that employees in these categories may be required to wear under various circumstances (see 936.14). The lists do not mean that every employee is required to acquire and wear every one of the items at some time during service in the category. On the contrary, the list for each of several categories contains a

number of items that some employees in a particular category may never need to wear. It is the intent of these regulations that appropriate items for wear in matters of this kind be determined at the installations, in accordance with collective bargaining agreements and Postal Service policy.

931.25 Responsibility of Installation Heads

Installation heads:

a. Post a list of uniform items authorized for the installation. The list indicates those items that are required and those that are optional to the employee.

b. Enforce all uniform allowance regulations and prevents abuses.

c. Make all rules and regulations governing uniform clothing and accessory purchases readily accessible to all employees and vendors.

931.26 Responsibility of Employees

931.261 Appearance

Postal employees are responsible for being adequately and properly dressed for duty. They are expected to maintain high standards of appearance, representing to the public the best tradition of service and efficiency while performing their official duties. Uniform garments should be properly fitted and maintained in a clean, neat, and serviceable condition. Jeans, shorts, sleeveless tops, T-shirts, sweats, spandex, etc., are not appropriate attire for employees working at a retail counter. This list is not meant to be exhaustive.

931.262 Conforming With Regulations

Uniformed employees are responsible for conforming with all uniform regulations.

931.263 When to Wear Uniforms

Uniforms are worn as follows:

a. *General.* A uniform is worn only while the employee is on duty, in connection with approved activities directly related to postal employment.

b. *Special Authorization.* Postmasters may authorize wearing postal uniforms for activities in which the Postal Service participates, or which it sponsors, where identification with the Postal Service is beneficial to the Service, and while the employee is traveling directly to and from work.

c. *Restrictions.* In no other case may the postal employee's uniform, or any part of it that identifies the garment or wearer with the Postal Service, be worn in nonpostal employment or activities.

931.264 Postal Service Emblem

The Postal Service emblem may not be worn except by uniformed postal employees as part of the prescribed uniform except in the following circumstances:

a. Postmasters and other installation heads may permit the voluntary wearing of the Postal Service emblems by a postal employee who has daily personal contact with the public, but who is not required to wear a uniform.

b. In all other situations, specific authorization is obtained through administrative channels from Labor Relations.

931.27 Employee Acting as Agent

No postal employee may act as agent, directly or indirectly, for any individual or firm engaged in the manufacture or sale of postal employees' uniform items.

931.28 Payment for Fabric

Payment is made for piece goods purchased for use in home sewing of items of uniform apparel authorized for the employee's craft. Reimbursement to the vendor is made in accordance with 936.5. Note the following:

a. Payment is not made for purchases of piece goods for home sewing of any item that is not an authorized uniform garment for the craft concerned.

b. Fabric must meet specifications in 932.3.

932 Uniform Requirements

932.1 Employees Required to Wear Uniforms and Work Clothes

932.11 Regular Uniforms

Employees in the following categories meeting the following conditions wear the prescribed uniform while performing their duties:

a. City letter carriers and clerk/special delivery messengers whose tours of duty during the course of a year average 4 hours or more a day performing carrier or special delivery duties.

b. Motor vehicle operators, tractor-trailer operators, or driving instructors and examiners, if they average 4 hours or more a day during the course of a year, driving vehicles or holding themselves in readiness to drive them.

c. Ramp clerks and transfer clerks, AMF, assigned on a full-time basis to ramp transfer service at airports who perform transfer duties between air carriers (or special transfer clerks, airmail where there are no ramp clerks assigned).

d. Postal Service Security Force Police officers.

e. Passenger elevator operators or elevator starters if they average 4 hours or more a day during the course of a year performing the duties of these jobs.

f. Clerks who average 4 hours or more a day performing city letter carrier duties.

g. Retail personnel, including postmasters and supervisors at CAG A–J post offices, whose official assignment at a retail counter is for a minimum of 4 hours daily for 5 days a week on a continuing basis, or for not less than 30 hours a week. Employees who do not qualify for a uniform allowance under the criteria described above must wear the appropriate uniform for the position if it is provided to them outside of the uniform allowance program.

h. Retail classroom instructors and retail coaches who qualify for uniform allowances.

i. Letterbox mechanics assigned to work outdoors more than one-half the time, or maintenance mechanics assigned to letterbox mechanic duties performed outdoors for more than one-half of the time.

j. Employees serving as area maintenance technician/specialists who are on official business away from their duty office for one-half or more of their time.

k. Nurses and first aid attendants.

l. Medical officers and technicians.

932.12 Contract Uniforms

The Postal Service has authorized uniforms for mail handlers, custodial maintenance, vehicle maintenance employees, and certain full-time employees in the Business Mail Entry Unit (BMEU) in CAG A–J post offices who meet certain criteria. To be eligible for uniforms under the contract uniforms program, employees must (a) be in public view 4 hours a day for 5 days a week or (b) be in public view not less than 30 hours a week in combined total time. Eligible employees are:

a. *Mail Handlers and Group Leaders (Mail Handlers).* Those who are assigned to dock areas, platforms, and other locations and meet the 4-hour-a-day or 30-hour-a-week criteria.

b. *Custodial Maintenance.* Those who are not otherwise authorized to wear uniforms, are assigned to multi-occupied buildings operated by the Postal Service, and meet the 4-hour-a-day or 30-hour-a-week criteria.

c. *Vehicle Maintenance.* Those who meet the 4-hour-a-day or 30-hour-a-week criteria, including time on road calls.

d. *Business Mail Entry Unit (BMEU).* Full-time employees in these positions:

(1) Bulk mail technician.

(2) Bulk mail clerk.

(3) Mailing requirements clerk.

932.13 Work Clothes

This program is separate from the contract uniform program. It is for employees who are not presently eligible for uniforms or contract uniforms. Affected are certain mail handlers, maintenance employees, motor vehicle employees, and clerical employees involved full time in pouching and dispatching units, parcel post sorting units, bulk mail sacking operations, and ordinary paper sacking units:

a. Mail handlers and maintenance employees working full time in the following duty assignments located in mail transport equipment centers, supply centers, and mail equipment shops:

(1) Accountable paper supply clerk.

(2) Computer printline production operator.

(3) Custodian.

(4) Electrician.
(5) Electronic technician.
(6) Group leader, mail bag examination.
(7) Group leader, mail equipment handler.
(8) Group leader, mail equipment repair.
(9) Group leader, warehousing.
(10) Label printing center mechanic.
(11) Laborer, custodial.
(12) Laborer, materials handling.
(13) Lockmaker.
(14) Machine operator.
(15) Mail equipment handler.
(16) Maintenance mechanic.
(17) Maintenance mechanic, general.
(18) Materials handling equipment operator.
(19) Packer-in-charge.
(20) Packer, shipper.
(21) Packer, warehouseman.
(22) Press operator.
(23) Receiving and shipping clerk.
(24) Sewing machine operator.
(25) Shipping clerk.
(26) Supply clerk.
(27) Tool and parts clerk.
(28) Warehouseman.

b. Clerk craft employees assigned to:
(1) Ordinary paper sacking units.
(2) Parcel postal distribution units (manual).
(3) Pouching and dispatching units.

c. Mail handlers — full-time mail handlers working in the following areas:
(1) Ordinary paper sacking units.
(2) Parcel post units (dumping of sacks or manual separation of sacks).
(3) Platform (dock) operations.
(4) Pouch dumping units.
(5) Sack dumping units.

d. Motor vehicle maintenance employees:
(1) Automotive painter.
(2) Automotive mechanic.
(3) Body and fender repairman.
(4) Garageman.

(5) Junior mechanic, automotive.
(6) Storekeeper, automotive parts.
(7) Tire repairman.
(8) Tool and parts clerk.
(9) Vehicle maintenance analyst.

e. Assigned full time in the specified duty assignment:
(1) Assistant engineman.
(2) Blacksmith-welder.
(3) Building equipment mechanic.
(4) Building maintenance custodian.
(5) Carpenter.
(6) Cleaner.
(7) Conveyor-mechanic.
(8) Custodian.
(9) Electrician.
(10) Electronic technician.
(11) Elevator mechanic.
(12) Engineman.
(13) Fireman.
(14) Fireman-laborer.
(15) Group leader.
(16) Label printing center mechanic.
(17) Laborer.
(18) Laborer, custodial.
(19) Laborer, materials handling.
(20) Maintenance mechanic.
(21) Mason.
(22) MPE mechanic.
(23) Office appliance repairman.
(24) Painter.
(25) Plumber.
(26) Postal machines mechanic.
(27) Scale mechanic.
(28) Stationary engineer.
(29) Maintenance support clerk.
(30) Vehicle operations maintenance assistant.
(31) Vending machine mechanic.

932.14 Aprons

Postmaster or installation heads are authorized to purchase aprons locally on an as-needed basis for those employees who work on assignments involving dirty work but do not qualify for work clothes.

932.15 Alternative Protective Items

If the installation head determines that the occasional use of such items as coveralls, smocks, aprons, or foul weather gear meet the need, these items are to be purchased for the installation through the GSA FEDSTRIP catalog or through other authorized means.

932.2 Uniforms Not Required

932.21 New, Part-time, and Casual Employees

Unless uniforms have been provided to them, the following employees are not required to wear uniforms:

a. *New employees* listed in 932.11 (except eligible Security Force employees) during the first 90 days of their employment, except for the prescribed uniform cap. Employees required to wear the uniform cap are reimbursed from uniform allowance funds for the cap (see F-1, Post Office Accounting Procedures, 756). When the employees become eligible for the full uniform allowance, the cost of the cap is charged against their first year allowance.

b. *Part-time employees* with a regular or flexible work schedule, except for the cap, unless they meet the basic minimum hourly and daily requirements outlined in 932.11.

c. *Casual employees*, except for the cap.

932.22 Ninety-Day Requirement Exemptions

The following employees are not required to wait 90 days for uniform eligibility (see 932.21a):

a. Eligible employees in the Postal Service Security Force.

b. Present career employees in the regular work force who are assigned into a uniform category and have completed their 90-day probationary period.

932.3 Specifications and Quality Control Certification

932.31 Specifications

The Postal Service Uniform Quality Control Office issues specifications for items of uniform dress for the guidance of uniform manufacturers and retailers.

932.32 Quality Control Certification

Payment is made only for purchases of authorized uniform items manufactured in accordance with specifications issued by the Postal Service Uniform Quality Control Office. All items except overboots, gloves, hose, face masks, and helmets must contain the certificate label issued by the Postal Service Uniform Quality Control Office (see 936.32). By incorporating the label, the manufacturer guarantees that the item conforms to

specifications. The label appearing in the uniform items must state the following:

This garment is warranted to meet or exceed the standards of specification number [__*number*__] and was produced under certificate number [__*number*__] from basic material warranted by the manufacturer as having been produced in accordance with the sample under current certification.

933 Authorized Uniform Items and Combinations

933.1 Type 1 Uniforms

933.11 Type 1 Items

933.111 Type 1a

Type 1a uniforms are worn by city letter carriers, clerk/special delivery messengers, clerks performing city letter carrier duties, motor vehicle operators, tractor-trailer operators, driving instructors and examiners, letterbox mechanics, ramp clerks and transfer clerks, AMF, area maintenance technician/specialists, and maintenance mechanics working as letterbox mechanics (see 932.11i).

Items for Men	
Parka	With reflective trim and vertical corporate emblem, postal navy blue
Bomber jacket	With reflective trim, vertical corporate emblem, and craft tab, with or without zip-in lining, postal navy blue
Windbreaker	Authorized for letter carriers and motor vehicle/tractor-trailer operators only. Hip-length, unlined, Taslan/Supplex, with reflective trim, vertical corporate emblem, and craft tab, postal navy blue
Vest	With reflective trim and vertical corporate emblem, navy blue
Sweater	Flat or bulky knit, zippered closing, postal navy blue with vertical corporate emblem
All-Weather Gear System	Waterproof, breathable parka with permanent hood and reflective trim, vertical corporate emblem, postal navy blue, incorporates two styles of zip-in jacket/liner; heavyweight liner, insulated, fleece lining with reflective trim, vertical corporate emblem, postal navy blue; fleece liner with fabric enforcements with reflective trim and vertical corporate emblem, postal navy blue; waterproof, breathable, detachable hood for parka with insulation and fleece lining, postal navy blue; waterproof and breathable trousers with reflective trim, postal navy blue
Shirt	Long- or short-sleeve, dress-style woven, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Shirtjac	Warm weather, finished bottom, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Knit shirt	Warm weather, short-sleeve knit, postal blue with vertical corporate emblem

Items for Men	
Tie	Four-in-hand, regular or pre-tied, navy blue with alternating red and white pin-dot stripes
Trousers	Postal blue with braid stripe[1]
Walking shorts	Postal blue with braid stripe[1]
Socks	Calf-length, crew style, or quarter-length uniform blue-gray, black, or white with blue stripes
Shoes	Black leather with visible SR/USA label
Accessories	Neck and chest protector, flat or shaker knit, postal navy blue; smooth leather belt with nickel buckle, black; leather or knit gloves, black; face mask with no ornamentation (when authorized by installation head), dark blue
Headgear	Service cap, postal navy blue; baseball cap, summer or winter style, postal blue with vertical corporate emblem; sun visor, postal blue with vertical corporate emblem; sun hat, postal navy blue with vertical corporate emblem, crown eyelets, and adjustable chinstrap; sun helmet, white with blue band; winter fur trooper cap, postal blue with vertical corporate emblem; knit watch cap, with convertible face mask, postal navy blue with vertical corporate emblem
Rain gear	Wet weather parka and trousers, raincoat, rain cape, postal blue with vertical corporate emblem and reflective trim; leggings, cap cover with or without cape, postal blue; rubbers, overboots, and galoshes, black
Optional coveralls	Authorized for and may be worn over the uniform by motor vehicle and tractor-trailer operators during periods when they are exposed to dirty or toxic materials

Items for Women	
Parka	With reflective trim and vertical corporate emblem, postal navy blue
Bomber jacket	With reflective trim, vertical corporate emblem, and craft tab, with or without zip-in lining, postal navy blue
Windbreaker	Authorized for letter carriers and motor vehicle/tractor-trailer operators only. Hip-length, unlined, Taslan/Supplex, with reflective trim, corporate logo, and craft tab, postal navy blue
Vest	With reflective trim and vertical corporate emblem, navy blue
Sweater	Flat or bulky knit, zippered closing, postal navy blue with vertical corporate emblem
All-Weather Gear System	Waterproof, breathable parka with permanent hood and reflective trim, vertical corporate emblem, postal navy blue, incorporates two styles of zip-in jacket/liner; heavyweight liner, insulated, fleece lining with reflective trim, vertical corporate emblem, postal navy blue; fleece liner with fabric enforcements with reflective trim and vertical corporate emblem, postal navy blue; waterproof, breathable, detachable hood for parka with insulation and fleece lining, postal navy blue; waterproof and breathable trousers with reflective trim, postal navy blue

Items for Women	
Shirt	Long- or short-sleeve, dress-style woven or maternity-style, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Shirtjac	Warm weather, finished bottom, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Knit shirt	Warm weather, short-sleeve knit, postal blue with vertical corporate emblem
Tie	Four-in-hand, regular or pre-tied, or crossover necktab, navy blue with alternating red and white pin-dot stripes
Slacks	Regular or maternity-style, postal blue with braid stripe[1]
Walking shorts	Postal blue with braid stripe[1]
Skirt	Postal blue with braid stripe
Culottes	Postal blue with braid stripe[1]
Jumper	Regular or maternity-style, postal blue with vertical corporate emblem
Socks	Calf-length, crew style, or quarter-length uniform blue-gray, black, or white with blue stripes
Shoes	Black leather with visible SR/USA label
Accessories	Neck and chest protector, flat or shaker knit, postal navy blue; smooth leather belt with nickel buckle, black; leather or knit gloves, black; face mask with no ornamentation (when authorized by installation head), dark blue
Headgear	Service cap, postal navy blue; WAVE-style hat, postal navy blue with vertical corporate emblem; baseball cap, summer or winter style, postal blue with vertical corporate emblem; sun visor, postal blue with vertical corporate emblem; sun hat, postal navy blue with vertical corporate emblem, crown eyelets, and adjustable chinstrap; sun helmet, white with blue band; winter fur trooper cap, postal blue with vertical corporate emblem; knit watch cap, with convertible face mask, postal navy blue with vertical corporate emblem
Rain gear	Wet weather parka and trousers, raincoat, rain cape, postal blue with vertical corporate emblem and reflective trim; leggings, cap cover with or without cape, postal blue; rubbers, overboots, and galoshes, black
Optional coveralls	Authorized for and may be worn over the uniform by motor vehicle and tractor-trailer operators during periods when the employee is exposed to dirty or toxic materials

[1] *Motor vehicle operator, tractor trailer operator, driving instructor, and examiner trousers are without braid stripe.*

933.112 **Type 1b**

Type 1b uniforms are worn by passenger elevator operators and elevator starters.

Items for Men	
Bomber jacket	With reflective trim, vertical corporate emblem, and craft tab, with or without zip-in lining, postal navy blue

Items for Men	
Shirt	Long- or short-sleeve, dress-style woven, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Tie	Four-in-hand, regular or pre-tied, navy blue with alternating red and white pin-dot stripes
Trousers	Postal blue with braid stripe
Shoes	Black leather with visible SR/USA label
Accessories	Smooth leather belt with nickel buckle, black
Headgear	Baseball cap, postal blue with vertical corporate emblem

Items for Women	
Bomber jacket	With reflective trim, vertical corporate emblem, and craft tab, with or without zip-in lining, postal navy blue
Shirt	Long- or short-sleeve, dress-style woven, solid postal blue or postal blue with red and blue pinstripes and vertical corporate emblem
Tie	Four-in-hand, regular or pre-tied, or crossover necktab, navy blue with alternating red and white pin-dot stripes
Skirt	Postal blue with braid stripe
Jumper	Regular or maternity-style, postal blue with vertical corporate emblem
Shoes	Black leather with visible SR/USA label
Accessories	Smooth leather belt with nickel buckle, black

933.12 Type 1 Combinations

Male Combinations			
	Warm Weather		
Cold Weather	**Option No. 1**	**Option No. 2**	**Option No. 3**
Required Items			
Shirt (long- or short-sleeve)	Shirt (long or short sleeve)	Shirt (short sleeve, shirtjac,[1] or knit polo shirt[2])	Shirt (short sleeve, shirtjac,[1] or knit polo shirt[3])
Navy blue tie	Navy blue tie		
Uniform trousers with uniform blue-gray or black socks	Uniform trousers with uniform blue-gray or black socks	Uniform trousers with uniform blue-gray or black socks	Walking shorts[3] with authorized uniform blue-gray, black, or white socks
Black belt	Black belt	Black belt	Black belt
Black shoes (SR/USA label)	Black shoes (SR/USA label)	Black shoes (SR/USA label)	Black shoes (SR/USA label)
Optional Items			

Male Combinations			
Headgear: winter service cap, fur trooper cap, baseball cap, parka-style hood, knit cap with convertible face mask, or visor	Headgear: summer service cap, baseball cap, helmet, sun hat, or visor	Headgear: summer service cap, baseball cap, helmet, sun hat, or visor	Headgear: summer service cap, baseball cap, helmet, sun hat, or visor
Bomber jacket [4]	Bomber jacket[4]	Bomber jacket[4]	Bomber jacket[4]
Rain gear	Rain gear	Rain gear	Rain gear
Windbreaker	Windbreaker	Windbreaker	Windbreaker
Parka			
Black gloves			
Vest[5]	Vest[5]		
Neck/chest protector			
Sweater[6]	Sweater[6]	Sweater[6]	Sweater[6]
Coveralls[7]	Coveralls[7]	Coveralls[7]	Coveralls[7]

1. *Shirtjacs are not to be tucked in or worn with any outer garments (e.g., sweaters, jackets, etc.) except rain gear. They are not to be worn with ties.*
2. *Knit shirts are to be worn tucked in. They may be worn only with authorized sweaters or windbreakers.*
3. *Hems of walking shorts should not be more than 3 inches above mid-knee. Shorts must be worn only with uniform socks.*
4. *Craft tabs are worn only on bomber jackets and windbreakers. Bomber jackets may be purchased and worn with optional zip-in lining. Liners may not be worn alone as outer garments.*
5. *Vests may be worn with or without jackets or parkas; however, they must not be worn without shirts and ties.*
6. *Delivery personnel may not purchase or wear the retail service personnel sweater.*
7. *Coveralls are authorized for motor vehicle operators when exposed to dirty or toxic materials.*

Female Combinations			
	Warm Weather		
Cold Weather	**Option No. 1**	**Option No. 2**	**Option No. 3**
Required Items			
Shirt (long- or short-sleeve)	Shirt (long or short sleeve)	Shirt (short sleeve, shirtjac[1], or knit polo shirt[2])	Shirt (short sleeve, shirtjac[1], or knit polo shirt[2])
Navy blue necktab, or four-in-hand tie	Navy blue necktab, or four-in-hand tie		

Female Combinations			
Uniform slacks with uniform blue-gray or black socks; skirt, culottes or jumper,[3] with uniform blue-gray, black, or white socks or skin-tone nylon stockings (not reimbursable)	Uniform slacks with uniform blue-gray or black socks; skirt, culottes or jumper,[3] with uniform blue-gray, black, or white socks or skin-tone nylon stockings (not reimbursable)	Uniform slacks with uniform blue-gray or black socks; skirt, culottes or jumper,[3] with uniform blue-gray, black, or white socks or skin-tone nylon stockings (not reimbursable)	Walking shorts[3] with authorized uniform blue-gray, black, or white socks
Black belt	Black belt	Black belt	Black belt
Black shoes (SR/USA label)	Black shoes (SR/USA label)	Black shoes (SR/USA label)	Black shoes (SR/USA label)
Optional Items			
Headgear: winter service cap, WAVE-style hat, baseball cap, parka-style hood, knit cap with convertible face mask, or visor	Headgear: summer service cap, helmet, baseball cap, WAVE-style hat, sun hat, or visor	Headgear: summer service cap, helmet, baseball cap, WAVE-style hat, sun hat, or visor	Headgear: summer service cap, helmet, baseball cap, WAVE-style hat, sun hat, or visor
Bomber jacket[4]	Bomber jacket[4]	Bomber jacket[4]	
Rain gear	Rain gear	Rain gear	Rain gear
Windbreaker	Windbreaker	Windbreaker	Windbreaker
Parka			
Black gloves			
Vest[5]	Vest[5]		
Neck/chest protector			
Sweater[6]	Sweater[6]	Sweater[6]	Sweater[6]
Coveralls[7]	Coveralls[7]	Coveralls[7]	Coveralls[7]

1. *Shirtjacs are not to be tucked in or worn with any outer garments (e.g., sweaters, jackets, etc.) except rain gear. They are not to be worn with ties.*
2. *Knit shirts are to be worn tucked in. They may be worn only with authorized sweaters or windbreakers.*
3. *Hems of walking shorts should not be more than 3 inches above mid-knee. Shorts must be worn only with uniform socks.*
4. *Craft tabs are worn only on bomber jackets and windbreakers. Bomber jackets may be purchased and worn with optional zip-in lining. Liners may not be worn alone as outer garments.*
5. *Vests may be worn with or without jackets or parkas; however, they must not be worn without shirts and ties.*
6. *Delivery personnel may not purchase or wear the retail service personnel sweater.*
7. *Coveralls are authorized for motor vehicle operators when exposed to dirty or toxic materials.*

933.2 Type 2 Uniforms

933.21 Type 2 Items

Type 2 uniforms are worn by employees assigned to retail operations.

Items for Men	
Shirt	Long- or short-sleeve, dress style. Solid blue or blue-gray stripe, button-down collar. Reinforced name badge eyelets on right side.
Knit (polo) shirt	Long- or short-sleeve light blue knit with dark blue interlock stitches. Dark blue ribbed collar and sleeve edge. Direct embroidered horizontal corporate emblem. Reinforced name badge eyelets on right side.[1]
Trousers	Dress style, all-season-weight fabric in postal navy blue and heather gray.
Tie	Two patterns available with choice of four in-hand or clip-on style and regular or extra-long lengths; Postal Service logo in navy with red pin-dot style or red, white, and blue stars and stripes.
Sweater	Cardigan, buttoned, unisex V-neck design with reverse jersey logo on front, solid blue, uncut buttonhole eyelets for name badge; sleeveless unisex V-neck pullover vest, reverse jersey logo on front, solid blue, uncut buttonhole eyelets for name badge.
Socks	Calf-length, crew style, or quarter-length uniform blue-gray, white black, or white with blue stripes.
Accessories	Leather belt, black with gold buckle, leather belt, black with silver logo buckle; name badge; silver logo tie bar.
Optional items	Butcher-style apron, with vertical corporate emblem, navy blue;[2] regulation shoes bearing SR/USA tag, black.[3]

1. *Unless approved by local management, the polo shirts must be tucked in and worn with authorized slacks, skirts, or skorts. A necktie is not to be worn with the knit shirt. This shirt may be layered under other authorized clothing.*
2. *The apron is nonreimbursable, although some offices may choose to provide retail service employees with aprons to protect their uniforms when working away from the retail counter. These aprons are not to be worn while working at the retail counter or in the lobby.*
3. *Footwear is reimbursable after the employee has completed at least 2 years of eligibility in the retail uniform program.*

Items for Women	
Blouse	Long- or short-sleeve, dress style. Solid blue or blue-gray stripe, hidden placket button-down blouse with sports collar. Reinforced name badge eyelets on right side. Also available in maternity style.
Knit (polo) shirt	Long- or short-sleeve light blue knit with dark blue interlock stitches. Dark blue ribbed collar and sleeve edge. Direct embroidered horizontal corporate emblem. Reinforced name badge eyelets on right side.[1]
Skirt, skort, slacks	Dress style, all-season-weight fabric in postal navy blue and heather gray. Skirts and slacks also available in maternity style.[2]

Items for Women	
Jumper	V-neck, all-season-weight fabric, with vertical corporate emblem, worn with or without coordinated fabric belt with gold buckle, postal navy blue. Also available in maternity style.
Tie	Knotted loop patterns with extender piece. Postal Service logo in navy with red pin-dot style or red, white, and blue stars and stripes.
Sweater	Cardigan, buttoned, unisex V-neck design with reverse jersey logo on front, solid blue, uncut buttonhole eyelets for name badge; sleeveless unisex V-neck pullover vest, reverse jersey logo on front, solid blue, uncut buttonhole eyelets for name badge.
Socks	Calf-length, crew style, or quarter-length uniform blue-gray, white black, or white with blue stripes.
Accessories	Leather belt, black with gold buckle; leather belt, black with silver logo buckle; fabric belt, fabric coordinated for wear with jumper, skirt, skort, or slacks, navy blue with gold buckle; and name badge; silver logo button cover.[3]
Optional items	Butcher-style apron, with vertical corporate emblem, navy blue;[4] regulation shoes bearing SR/USA tag, black.[5]

1. *Unless approved by local management, the polo shirts must be tucked in and worn with authorized slacks, skirts, or skorts. A necktie is not to be worn with the knit shirt. This shirt may be layered under other authorized clothing.*
2. *Skirts are to be no shorter than top of knee cap.*
3. *Silver logo button cover is worn in lieu of other ladies' neckware.*
4. *The apron is nonreimbursable, although some offices may choose to provide retail service employees with aprons to protect their uniforms when working away from the retail counter. These aprons are not to be worn while working at the retail counter or in the lobby.*
5. *Footwear is reimbursable after the employee has completed at least 2 years of eligibility in the retail uniform program.*

933.22 Type 2 Combinations

	Female Combinations	
Male Combination	**Option No. 1**	**Option No. 2**
Shirt (long- or short-sleeve)[1]	Shirt (long or short sleeve)	Shirt or maternity blouse (long or short sleeve)
Tie and tie bar[2]	Tie or button cover[2]	Tie or button cover[2]
Trousers	Slacks	Skirt or skort (unbelted), or jumper (with fabric belt)[3]
Black belt	Black belt	Fabric belt
Optional Item		
Vest	Vest	Vest
Sweater (emblem attached)[4]	Sweater (emblem attached)[4]	Sweater (emblem attached)[4]
Postal Service certified shoes	Postal Service certified shoes	Postal Service certified shoes

1. *Men must wear shirts tucked into pants.*
2. *Tie design and color choice is at the discretion of the employee.*

3. *Women must wear hosiery with skirts and jumpers. Hosiery may be in natural skin tones or navy blue. Socks or hosiery can be worn with the skort.*
4. *Retail personnel may not purchase or wear the delivery personnel sweater.*

933.3 Type 3 Uniform Items

Type 3 uniforms are worn by vehicle maintenance, custodial maintenance, mail handler, BMEU, and clerical employees eligible under 932.12 and 932.13.

Items for Men and Women	
Jacket	Utility, with or without liner, with horizontal corporate emblem, dark blue
Jacket liner	Zip-in
Sweatshirt	Hooded, zip-front, navy blue, with horizontal corporate emblem
Sweater	Zip-front, navy blue, with horizontal corporate emblem
Vest	Insulated, navy blue, with horizontal corporate emblem
Shirt	Long- or short-sleeve, light or dark blue; long- or short-sleeve denim; dark blue knit with horizontal corporate emblem; dark blue knit with embroidered horizontal corporate emblem; dark blue tee shirt with silk-screened horizontal corporate emblem.[1]
Trousers	Twill weave, dark blue
Coveralls	Authorized for and may be worn over the uniform by BMEU employees during periods when they are exposed to dirty or toxic materials; dark blue
Belt	Leather belt, black with gold buckle; leather belt, black with silver logo buckle.
Headgear	Baseball cap, summer or winter style, with vertical corporate emblem, postal blue; fur trooper cap, with vertical corporate emblem, postal blue
Socks	Calf-length, crew style, or quarter-length uniform blue-gray, white, black, or white with blue stripes.
Shoes	Regulation shoes bearing SR/USA tag, black

1. *Shirts available in 100 percent cotton*

933.4 Type 4 Uniform Items

Type 4 uniforms are worn by security force police officers.

Items for Men	
Uniform coat	Postal security dark blue
Overcoat	Postal security dark blue
Bomber jacket	Postal security dark blue
Emblem	Postal police officer shoulder patch
Rank insignia	Sergeant — embroidered or enameled stripes, blue, white, and black; Lieutenant — single gold metal bar; Captain — two connecting gold metal bars; Colonel — gold eagle
Uniform shirt (Regular Officer)	Long- or short-sleeve, postal security dark blue

Items for Men	
Uniform shirt (Sergeant, Lieutenant, Captain, Colonel)	Long- or short-sleeve, postal security white
Tie	Four-in-hand, clip-on, solid postal security dark blue
T-shirt	Crew neck, moisture management, ribbed, solid jersey, or mesh, white, and postal security dark blue
Trousers	Postal security dark blue
Socks	Crew or over-the-calf, solid dark blue or dark blue with white soles
Shoes	Black leather regulation-type shoe or boot with plain toe, not over 8" in height from sole tops, with or without built-in safety toes, bearing SR/USA label. Shoes or boots must be capable of accepting a buff shine to obtain a glossy finish.
Battle Dress Utility Uniform	Postal security dark blue
Accessories	Sweater, commando style, postal security dark blue; turtleneck, mock turtleneck,[1] dickie with postal police embroidered on neck, silver; belt, black; gloves, black
Headgear	Cap (uniform fabric), postal security dark blue; fur trooper cap, postal blue, baseball cap with postal police badge embroidered in silver[2]
Rain gear	Raincoat, full-length, reversible black-to-orange; cap cover, waterproof, reversible black-to-orange; rubbers, overboots, galoshes, black
Body armor shell	One approved body armor shell or armored shirt per uniform allowance year as certified by the inspector in charge to the St. Louis Accounting Service Center

1. *Turtleneck and mock turtleneck must be worn with long sleeve shirt or sweater. Turtleneck, mock turtleneck, and dickie available in moisture management.*
2. *Baseball caps may be worn only by craft employees when authorized by the Inspector-in-Charge, except that they may not be worn while working a fixed post.*

Items for Women	
Uniform coat	Postal security dark blue
Overcoat	Postal security dark blue
Bomber jacket	Postal security dark blue
Emblem	Postal police officer shoulder patch
Rank insignia	Sergeant — embroidered or enameled stripes, blue, white, and black; Lieutenant — single gold metal bar; Captain — two connecting gold metal bars; Colonel — gold eagle
Uniform shirt (Regular Officer)	Long- or short-sleeve, postal security dark blue
Uniform shirt (Sergeant, Lieutenant, Captain, Colonel)	Long- or short-sleeve, postal security white
Tie	Four-in-hand, clip-on, solid postal security dark blue
T-shirt	Crew neck, moisture management, ribbed, solid jersey, or mesh, white, and postal security dark blue

Items for Women	
Slacks	Postal security dark blue
Skirt	Postal security dark blue
Culottes	Postal security dark blue
Socks	Crew or over-the-calf, solid dark blue or dark blue with white soles
Shoes	Black leather regulation-type shoe or boot with plain toe, not over 8" in height from sole tops, with or without built-in safety toes, bearing SR/USA label. Shoes or boots must be capable of accepting a buff shine to obtain a glossy finish.
Battle Dress Utility Uniform	Postal security dark blue
Accessories	Sweater, commando style, postal security dark; turtleneck, mock turtleneck,[1] dickie with postal police embroidered on neck, silver; belt, black; gloves, black
Headgear	Wave-style hat, postal security dark blue; fur trooper cap, postal blue; baseball cap with postal police badge embroidered in silver[2]
Rain gear	Raincoat, full-length, reversible black-to-orange; cap cover, waterproof, reversible black-to-orange; rubbers, overboots, galoshes, black
Body armor shell	One approved body armor shell or armored shirt per uniform allowance year as certified by the inspector in charge to the St. Louis Accounting Service Center

1. *Turtleneck and mock turtleneck must be worn with long sleeve shirt or sweater. Turtleneck, mock turtleneck, and dickie available in moisture management.*
2. *Baseball caps may be worn only by craft employees when authorized by the Inspector-in-Charge, except that they may not be worn while working a fixed post.*

933.5 Type 5 Uniform Items

933.51 Type 5a

Type 5a uniforms are worn by bargaining unit medical personnel.

Items for Men	
Shirt	Medical style, white or optional colored
Trousers	Medical style, white or optional colored
Socks	White
Shoes	Consistent with USPS safety guidelines, white
Sweater	Optional, cardigan, white or navy blue
Lab coat	Optional, must be worn over uniform
Insignia	

Items for Women	
Dress	White
Top	Medical style, white or optional colored
Pants	Medical style, white or optional colored
Hose/socks	White
Shoes	Consistent with USPS safety guidelines, white
Sweater	Optional, cardigan, white or navy blue

Items for Women	
Cap	Optional
Lab coat	Optional, must be worn over uniform
Insignia	

933.52 Type 5b

Type 5b uniforms are worn by nonbargaining unit medical personnel.

Item for Men and Women	
Lab coat	Optional, may be worn over personal clothes

933.6 Type 6 Uniform Items

Certain supervisors may be eligible for a work clothes allowance (see 938).

933.7 Insignia

933.71 Stars

a. *Who shall wear.* Regular uniformed employees may, at their option, wear one or more stars, depending on their time in the service.

b. *Significance of Stars.* Stars indicate length of service. In computing length of service, credit is allowed for all career service. Stars are worn as follows:

Years of Service	Stars
5	1 Silver
10	2 Silver
15	3 Silver
20	4 Silver
25	5 Silver
30	6 Silver
35	1 Gold
40	2 Gold
45	3 Gold
50	4 Gold

933.72 Other Insignia

Except as indicated below, other insignia may not be worn with the uniform. Officially authorized name badges are worn by retail service personnel as prescribed. An award emblem for safe driving or superior accomplishment, or other officially authorized insignia, may be worn on the left side of the cap. Employees not required to wear caps may wear the insignia on the lapel of the jacket.

933.8 Apparel Worn for Promotional Purposes

933.81 Authorized Use

933.811 Uniformed Employees

Only caps may be used as promotional items for uniformed employees, and they may be used only to promote Postal Service products or services. Designs must be consistent with the overall appearance of the uniform and

must not contain extraneous decoration (e.g., gold leaf on the bill, commonly referred to as “scrambled eggs”). The senior vice president of Marketing must approve the designs. The use of pins and other insignia must be controlled and should not be required for uniformed employees.

933.812 **Nonuniformed Employees**

Items purchased for wear by nonuniformed employees may be of any design considered appropriate by the district manager.

933.813 **Contract Uniform or Work Clothes Program**

The policy for uniformed employees applies.

933.82 Source

All apparel items purchased with Postal Service funds for the purpose of promoting a product (e.g., Express Mail) or a program (e.g., safety) must be American made.

933.83 Payment

Payment for promotional items is not made from the Uniform Allowance Program.

933.84 Exceptions

The vice president of Labor Relations may grant exceptions to the policy.

934 Wearing of Uniform Items

934.1 Uniform Headgear

934.11 Optional Wear

For the following employees, the wearing of uniform headgear is at the option of the employee:

a. Area maintenance technician/specialist.

b. Letterbox mechanic.

c. Letter carrier.

d. Motor vehicle operator, tractor trailer operator, driving instructor.

e. Ramp clerk and transfer clerk, AMF.

f. Clerk/special delivery messenger.

934.12 Mandatory Wearing of Cap

Wearing of the cap is mandatory for (a) casual employees, (b) new employees who are not required to wear a uniform during the first 90 days of their employment, and (c) all other employees who are authorized only a cap as a means of identifying them with the Postal Service. No substitute headgear may be worn by these employees.

934.2 Cold Weather Items (Does not apply to Type 2 Uniforms)

934.21 Face Mask

In extremely cold climates, uniformed employees who are regularly assigned to outdoor duties for more than one-half of the time may purchase a face mask as an optional reimbursable item. The face mask must be dark blue with no ornamentation, in a wool blend or synthetic fabric. The use of this

item shall be authorized by the installation head. This section does not apply to face masks that are part of the “knit watch cap.”

934.22 Neck/Chest Protector

Employees authorized to wear the neck/chest protector as part of the cold weather uniform are not required to wear a necktie when the neck/chest protector is being worn to protect them from cold weather. However, employees must replace the protector with a tie if they work inside a postal facility and are in view of the public.

934.23 Sweaters

A sweater may be worn as an outer garment. When so worn, the official emblem is permanently attached.

934.24 Outer Garments

Only authorized outer garments are to be worn on the street during duty hours. Jacket liners may not be worn as outer garments, and only employees who choose or have chosen to purchase the related jacket may purchase them.

934.3 Warm Weather Items (Does not apply to Type 2 Uniforms)

934.31 Walking Shorts and Knee-Length Hose

Walking shorts may be worn only with blue-gray or white with blue stripe crew socks or blue-gray, white with blue stripe, or black knee-length hose.

934.32 Summer Shirt and Tie

Where a convertible collar, short- or long-sleeve summer shirt is authorized, the tie is not necessarily required. The tie must be worn whenever a jacket or coat is worn. After consulting with representatives of affected employees at the Post Office, if the postmaster decides a tie is to be worn with the convertible collared summer shirt, the tie is worn by all affected employees at that Post Office. However, if the decision is that a tie need not be worn, individual employees who desire to wear the tie may do so even though the majority are without ties.

934.4 Seasonal Changes of Uniform

The head of an installation determines when seasonal changes of uniforms take place, with the exception of retail employees.

934.5 Employees in Nonuniform Categories

Employees not eligible for the retail service uniform allowance, but who have contact with the public and wish to identify themselves with the Postal Service, may purchase the retail uniform though reimbursement will not be provided. Uniform items obtained under these provisions may only be purchased at the option of the employees at no cost to the Postal Service, and may be worn only when performing retail duties.

934.6 Prohibitions

Wearing postal uniforms is prohibited under the following circumstances:

a. A person not connected with the letter carrier branch of the Postal Service who wears the uniform or badge worn by a city carrier is fined not more than $100, or imprisoned not more than 6 months, or both. When employees are separated from the Postal Service, all emblems, buttons, or other identifying insignia must be removed before the uniforms are discarded.

b. The uniform is not worn during or in connection with the furtherance of private employment or commercial interests.

c. The uniform is not worn under circumstances that would tend to bring discredit upon the Postal Service.

d. The uniform is not worn, except when authorized by the postmaster or Headquarters, when an employee participates in activities such as public speeches, interviews, picket lines, marches, rallies, or any public demonstration that may imply service sanction of the cause for which the demonstration or activity is being conducted.

935 Uniform and Work Clothes Allowances

935.1 When Allowances Take Effect

935.11 Anniversary Date

Allowances take effect on the earliest date an employee is required to wear the uniform following completion of the 90-day probationary period. This date is known as the employee's anniversary date.

935.12 Transfers

When employees who have been receiving allowances in one uniformed category transfer or are reappointed to a different uniformed category within the allowance year, they start a new anniversary date, provided they are eligible in the new category on the date of assignment (see 935.251).

935.2 Adjustment for Certain Absences During Allowance Year

935.21 Absences From Uniform Category of 90 Days to 1 Year

935.211 Policy

Employees temporarily assigned to light duty assignments, OWCP absences, extended sick leave, or higher level detail for a period of 89 days or more that does not require wearing a uniform have their uniform allowance suspended for the time they are on this assignment. When such is the case, the following provisions apply:

a. A request for a personnel action to terminate the uniform allowance is submitted to the personnel office. The personnel office generates PS Form 50, *Notification of Personnel Action,* using Nature of Action (NOA) 903, Uniform Certification/Disallowance, to document the termination of allowance. (See Handbook EL-301, *Guidelines for Processing Personnel Actions,* for PS Form 50 processing instructions.)

b. Invoices showing purchase dates during the time an employee is in a nonuniform category may not be accepted for payment.

c. If the detail is terminated in less than a year after the last anniversary date, the allowance is redetermined by the postmaster as described in 935.23, and the employee retains the former anniversary date.

935.212 **Suspension Instructions**

A statement is inserted on the PS Form 50, NOA 903, Uniform Certification/ Disallowance, that the uniform allowance is suspended for the period of the detail. When the detail is terminated and the employee is reassigned to a position that makes him or her again eligible for a uniform allowance, if the employee's eligibility has been suspended for one year or more, a new PS Form 50, NOA 903, establishing the employee's eligibility is prepared. If the suspension is for less than a year, a PS Form 8006, *Uniform Allowance Code Sheet (For Regular, Contract, or Work Clothes Program),* must be completed and submitted to the St. Louis ASC.

935.22 Absences From Uniform Category Exceeding 1 Year

Employees on LWOP in excess of a year, or absent on military duty in excess of a year, who were eligible for uniform allowances immediately prior to their absence receive a new anniversary date for uniform allowances directly on return to a duty and pay status in a uniformed category. Other employees separated from a uniform category for periods in excess of 1 year are regarded as new employees and, therefore, entitled to the first-year allowances when reassigned to a uniform category.

935.23 Absences From Duty While in Uniform Category

An employee on LWOP, OWCP absence, extended sick leave, higher level detail, or military LWOP not in excess of 89 calendar days during a year of eligibility receives full allowance if otherwise eligible. If such leave exceeds 89 calendar days (not necessarily consecutive, but accumulative) during any uniform allowance year, the maximum allowance is reduced 10 percent for the 90 calendar days of LWOP and 10 percent for each full 30 calendar days of accumulative leave beyond the 90-day period. Recovery of earlier grants of allowance is not required, however, in achieving this reduction.

935.24 Reappointments

Eligible employees who are separated from a uniformed category and are later reappointed to a position in the same category within 1 year of their last anniversary date have their allowance redetermined as outlined in 935.23 and retain the former anniversary date.

935.25 Adjustment for Employees Who Transfer Crafts

935.251 **Change to Another Uniform Category**

An employee who has been receiving an annual allowance and later transfers to another uniformed category receives the allowance for newly eligible employees in that category. Any balance of the previous annual allowance is liquidated by the St. Louis ASC, and a new card is issued with the new allowance.

935.252 **Transfer or Separation in Excess of 1 Year**

An employee who transfers or separates from a uniformed category for a period exceeding 1 year and later returns to duty in a uniformed category is

regarded as a newly eligible employee. The employee receives the increased first-year allowance.

935.26 Notification to Employee and Accounting Service Center

935.261 Determination of Eligibility

When an employee's eligibility for a uniform allowance is uncertain, the installation head makes the decision. An employee is to be notified as soon as possible when his uniform status has changed.

935.262 Change in Eligibility

A change in assignment or eligibility that requires no other type of concurrent personnel action, but that changes eligibility for the uniform allowance, is recorded on PS Form 50 using NOA 902, Uniform Certification/Disallowance. The form indicates the employee has either become or is no longer eligible for the uniform allowance. The postmaster notifies the personnel office whether the employee is newly eligible for a uniform allowance and is entitled to the additional first-year allowance (see 935.25). The personnel office generates a PS Form 50 notifying the employee of his or her eligibility for the uniform allowance. A Form 8006 must be completed and submitted to the St. Louis ASC.

936 Payments

936.1 Limitations on Payments

936.11 Total Yearly Payments

Total payments for an employee during an allowance year may not exceed the maximum allowance prescribed except as indicated in 935.25.

936.12 Insufficient Funds for Claims

Payment is not made for a purchase made in excess of an employee's yearly allowance. Employees must be particularly careful not to have merchandise invoiced before their anniversary date if the current year's allowance has been exhausted.

936.13 Related Expenses

Payment is neither claimed nor made for expenses involved in the purchase of secondhand items of uniform nor for cleaning, repairs, or alterations (except alterations made at the time of purchase for the sole purpose of ensuring proper fit).

936.14 Items Not Specified

All branches of service have specific detailed specifications for the style and color of their particular uniforms. Detailed specifications and styles are prescribed for both male and female uniform items of clothing in each specific category of employment. Payment is neither claimed nor made for any items of clothing that do not conform with the detailed male or female specifications and styles for the employee's category of employment.

936.15 Purchases Exceeding Allowances

Each employee is personally responsible to the authorized licensed vendor for all purchases exceeding his or her uniform allowance. In cases where

employees purchase in excess of their full allowance or existing allowance balance, the full licensed vendor invoice is processed regardless of amount (even if records show a zero balance in the employee's allowance). The St. Louis ASC pays only the maximum left in employee's account and notifies the vendor why the remainder has not been paid.

936.2 Payment for Uniform Purchase After Separation of Employee

Payment to the vendor is not allowed if the following conditions exist:

a. The employee separates from the uniform program for any reason, including retirement, within 30 days following purchase of items of uniform wear that are *not* recognizable as distinctive uniform items unless worn with the basic outer garments of the uniform. In these cases notify both employee and specific vendor involved. Return the invoice to the vendor (see 936.32). Nondistinctive items include shoes, gloves, rubbers, galoshes, overboots, hose, face masks, pith helmets, and belts.

b. When there is evidence that, before making the purchase, the employee indicated an intention to separate from the uniform program for any reason, including retirement, involuntary separation, or bid to an assignment not requiring the same uniform category, do not process the invoice for payment. After placing a copy of the invoice in the employee's uniform file with the appropriate remarks, return the invoice to the vendor advising why it will not be honored.

936.3 Approval by Installation Head

936.31 Inspection of Purchases

The installation head may require the employee to present the uniform purchases for inspection within 10 working days from receipt of the uniform item. An employee who is unable to comply with this requirement because of being in an approved leave status may present the purchased items for inspection upon return to a work status. All items must contain the certificate label issued by the Postal Service Quality Control Office except as noted in 936.32. Discretion is exercised in permitting the purchase of excessive amounts of one-of-a-kind items, such as shoes, gloves, socks, and other civilian type items.

936.32 Purchases Not Meeting Regulations

If all or a portion of the merchandise presented in 936.31 is unacceptable because it does not conform to current postal regulations, the employees responsible for reviewing vendor invoices (see 936.53) returns the invoice to the vendor stating why it was unacceptable. The employee retains but does not wear the unacceptable merchandise and waits for instructions from the vendor.

936.33 Disallowing Payments

The district accounting office may disallow payment for excessively priced items, for items not needed for local climatic conditions, and for excessive amounts of civilian-type items.

936.34 Employee's Responsibility for Excesses

The installation head cautions all employees that uniform purchases exceeding their current allowances are the employees' personal responsibilities.

936.35 Notification of Responsibility

Although not responsible for purchases made in excess of an employee's uniform allowance, the Postal Service advises employees in writing of their responsibilities to make payment when notified of delinquencies.

936.4 Separating Employees

936.41 Conditions for Nonpayment

Invoices dated before an employee's separation date and submitted for payment are processed for payment. However, they are not paid under any of the following conditions:

a. When purchases of uniform items not recognizable as distinctive uniform items were made within 30 days before separation (see 936.2a).

b. When there is evidence that before making the purchase the employee indicated an intention to separate for any reason, including retirement (see 936.2b).

936.42 Addition to Form 337

Postmasters and installation heads add "Uniform Allowance Invoices Submitted" on PS Form 337, *Clearance Record for Separated Employee,* as a write-in item.

936.43 Employee Submission of Invoices

When an employee who is leaving the Postal Service checks out, the postmaster, or other designated employee, asks the separating employee if any uniform purchases have been made during the past 30 days. If the answer is negative, complete the item in the same manner as the other items on the checkout sheet. If the answer is affirmative, contact the district accounting office and advise the employee accordingly.

936.5 Payment to Licensed Vendors

936.51 Direct Payment

Payment is made directly to licensed vendors.

936.52 Employee Reimbursement

Employees are not reimbursed for uniform purchases except for caps (see 932.21) and as provided for in 936.6 and 938.4.

936.53 Examination of Invoice

The installation head assigns an employee(s) at each facility to examine questionable invoices referred by the district accounting office to ensure that purchases are reasonable under all circumstances and that they comply with postal regulations.

936.54 Evidence of Purchase

Payment to the vendor is made on the basis of submission of the certified invoice by the vendor (see 936.55). Order blanks and cash register tapes are not acceptable evidence. Licensed uniform vendors' invoices must contain an itemization and description of the uniform garments purchased including the size of each item. The evidence also contains the full name of the employee, the post office finance number, the first seven digits of the employee's Social Security number, the employee's anniversary date, the vendor's license number, the vendor's invoice number, the date on which the purchase was made, and a statement by the supplier that the items are in accordance with Postal Service specifications. The itemization must be sufficiently specific to permit a determination that payment is being claimed for prescribed uniform items in accordance with Postal Service specifications. Prices of items represented on receipts, or other acceptable evidence of acquisition, must represent the actual net amount charged by the supplier.

936.55 Submission of Invoice

Vendors are directed to submit the original invoice to the appropriate district accounting office or to the inspector in charge for purchases made by security force employees.

936.56 Processing of Invoice

The district accounting office reviews the invoice and determines employee eligibility. If the employee is not eligible, a copy of the invoice is sent to the installation head for review and resolution. After review, if the employee is not eligible, the installation head notifies the district accounting office. The district accounting office returns the original invoice to the vendor with an explanation. If the employee is eligible, the district accounting office retains the invoice for 10 working days, pending possible submission of PS Form 6375, *Uniform Allowance Stop Payment Notice.* If the employee does not submit a stop payment notice, the invoice is processed for payment immediately after the 10-working-day period has elapsed. If the employee submits a stop payment notice within the 10-working-day period, the original invoice, along with the stop payment notice, is returned to the vendor for resolution of the problem directly with the employee. Stop payment notices received after 10 working days, or after the invoice is processed for payment, are duplicated. One copy is sent to the St. Louis ASC to adjust subsequent payments to the vendor; the second copy is sent to the vendor, who initiates resolution of the problem directly with the employee. An invoice that exceeds an employee's annual allowance is to be processed to establish a record in case of future claims.

936.57 Processing of Stop Payment Notice

Employees receive a duplicate of the vendor's invoice. If there is any problem associated with the purchase, e.g., wrong size, wrong item, etc., the employee submits a stop payment notice within 10 working days from receipt of the vendor invoice, through the employee's supervisor, to the person responsible for certifying invoices for payment to the St. Louis ASC. Employees are encouraged to submit the stop payment notice immediately if

there is a problem with the purchase to ensure quick resolution of the problem. However, an employee may submit a stop payment notice after 10 working days have elapsed when circumstances prevent earlier submission. Employees should retain their invoice copies until receipt of the adjusted PS Form 1961, *Employee Uniform Allowance Statement,* from the St. Louis ASC. At that time, a comparison can be made between both documents to be certain the annual uniform allowance balance on the current PS Form 1961 is correct.

936.58 Restrictions of Payment

Except for temporary employees who are required to wear the cap prescribed for their category, payment is made only for employees required to wear full uniform dress or work clothes as specified.

936.59 Posting Publication 136

Publication 136, *Licensed Vendor Listing: Uniform Allowance Program,* is placed at a designated point within the postal installation and all eligible employees notified of its availability and location. Additions to the listing are published in the *Postal Bulletin.* The listing must be kept up to date and available to employees at all times.

936.6 Purchase Procedures for Nurses Program

936.61 Eligibility

Full-time and part-time nurses who have completed their probationary period receive a uniform reimbursement card following their uniform anniversary date. Part-time nurses who have not worked at least 1,560 hours in the 12-month period immediately before their anniversary date are not entitled to uniform reimbursement.

936.62 Procedures

936.621 Standard

Nurses may purchase uniforms from Postal Service licensed uniform vendors. Payment to the vendor is made in the same manner as that for other employees eligible for uniform allowances.

936.622 Optional

Nurses who have difficulty in locating a Postal Service licensed uniform vendor that provides nurses uniforms may purchase their uniforms from any bona fide source in the following manner:

a. Nurses must purchase their uniforms within 60 days after receipt of their uniform authorization card (PS Form 1961).

b. Nurses must present itemized invoices to the uniform clerk at their facility. Invoices must include the following information:

(1) Name of employee.

(2) Name of the firm from which the purchase was made.

(3) Date of purchase.

(4) Employee's Social Security number.

(5) An itemized description of the items purchased including size and color.

(6) A statement by the employee certifying that the items listed were actually purchased.

c. Installations process the purchase in the same manner as a vendor invoice except that 81886 is used for the vendor number. This provides payment to the nurse.

937 Uniform Vendors

937.1 Communication From Vendors

The district accounting office designates an employee to respond to all licensed vendor correspondence relating to employee uniform purchases. All correspondence that requires an answer must be received from the licensed vendor in the following manner:

a. Addressed to:

UNIFORM CLERK
C/O DISTRICT ACCOUNTING OFFICE
[CITY] [STATE] [ZIP CODE].

b. In duplicate with self-addressed stamped return envelope.

c. Showing the employee's name, the first seven digits of the employee's Social Security number, the invoice number in question, the invoice amount, and the date of invoice.

d. Providing space for a reply.

937.2 Access to Postal Premises

Postmasters may permit a licensed vendor of official postal uniform items access to postal installations and their subinstallations as follows:

a. Licensed vendors or their representatives must present proper identification to postmasters or their designated representatives.

b. The location must have a lunchroom or other nonwork area space of sufficient size so that vendors and interested employees may conduct their business without interfering with postal activities.

c. Vendors must strictly adhere to local rules as to location, hours, etc., as required by local postmaster.

d. Vendors failing to meet requirements in 937.2 items a and c may be denied admission by the postmaster.

938 Supervisor Work Clothes Program

938.1 Purpose

A work clothes allowance is authorized for certain categories of supervisors whose duties require them to come in contact with dirty or toxic materials while supervising or inspecting the work of their subordinates.

938.2 Eligibility

The installation head is responsible for determining the individual supervisor's eligibility for the allowance.

938.21 Determined by Installation Head

The installation head is responsible for determining the individual supervisor's eligibility for the allowance.

938.3 Acquisition of Work Clothing

938.31 Alternative Protective Items

If the installation head determines that occasional use of such items as coveralls, smocks, or aprons meet the need, these items are purchased for the installation through the GSA FEDSTRIP catalog.

938.32 Work Clothes Allowance

938.321 Reimbursement Limit

If the installation head approves a work clothes allowance for an eligible supervisor, the supervisor is reimbursed for the actual cost of an initial purchase of two sets of work clothes (two shirts and two pairs of trousers). However, total reimbursement for both initial sets may not exceed $44. Work clothes may be purchased from any retail outlet.

938.322 Types of Work Clothes

Work clothes may be in any shade of blue, green, brown, or khaki. Although further specifications are not prescribed, it is recommended that the trousers be twill weave, polyester, cotton, durable press, or medium- or heavy-weight fabrics and that the shirts be poplin weave, polyester/cotton, or durable press fabrics.

938.323 Purchases Not Authorized

Reimbursement is not authorized for dress shirts, slacks, sport clothes, or any other types of garments that are not clearly identifiable as work clothes.

938.324 Replacements

Replacement work clothes may subsequently be authorized by the installation head on an as-needed basis in order that the supervisor maintain two complete sets. Reimbursement for replacements is limited to a maximum of $54 per year beginning on the anniversary date of the initial purchase.

938.4 Reimbursement Procedure

The installation head lists all eligible supervisors on Form 8006, Uniform Allowance Code Sheet, and submits the completed form to the designated DDE/DR site.

When set up on the Uniform Allowance Master File at the St. Louis ASC, a card Form 1961 is cut for each eligible supervisor.

When invoices for an eligible supervisor are processed for payment, vendor number 81886 should be used to ensure payment directly to the supervisor.

939 Authorized Exceptions

939.1 Footwear

939.11 Standard Specification

Employees purchasing footwear under the uniform and work clothes programs must ensure that the footwear meets Postal Service standard specifications and bears the SR/USA label.

939.12 Exceptions

Footwear must be purchased from a Postal Service-licensed vendor; however, exceptions to the certified footwear program may be granted, when appropriate (e.g., medical reasons, very unusual sizing restrictions), under the following guidelines:

a. Employees must submit their request for exception, in writing (with appropriate supporting documentation), to the district Human Resources manager. The employee's request, whether approved or not, must be filed in his uniform folder.

b. When authorization is granted to purchase footwear from other than a Postal Service vendor, employees must present an itemized invoice to the uniform clerk at their facility. Invoices must include the name of the employee; the name of the firm from which the purchase was made; the date of purchase; the post office finance number; the employee's anniversary date; the employee's Social Security number; an itemized description of the items purchased including size and color; and a statement by the employee certifying that the items listed were actually purchased.

c. Installations process the purchase in the same manner as a vendor invoice except that 81886 is used for the vendor number. This provides payment to the employee.

939.2 Nurses Uniforms

Nurses uniform and footwear exception procedures are outlined in 936.622.

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Appendix — Records Control Schedules

Introduction

Description: These Record Control schedules contain records retention and disposal information related to most of the records discussed in *the Employee and Labor Relations Manual* (ELM). Each record series listed should include the related papers and forms filed with it. The specific papers and forms mentioned in the series descriptions are illustrative but not all-inclusive. Some descriptions refer to forms that are obsolete. However, the forms were in use when retention and disposal authority was approved for those records. Therefore, the obsolete forms are still retained in the file, and they must be held in accordance with approved retention and disposal instructions.

Privacy Act systems of records are indicated by a numerical designation enclosed in parentheses (xxx.xxx) after the record series name. Descriptions of Privacy Act systems are contained in Handbook AS-353, *Guide to Privacy and the Freedom of Information Act.* Retention and disposal instructions for records and forms referenced in this manual can be found in the *Administrative Support Manual* (ASM), Section 89, Records Retention, or in the electronic Records and Information Management System (eRIMS) on the Intranet.

For records that may be stored at a Federal Records Center (FRC), the National Archives and Records Administration's (NARA) job approval number is also provided. For example, the record: NC1-28-XX-YY/ZZ means the following:

- **NC1** or **N1** is FRC's internal correspondence control symbol.
- **28** is the group of records to which all Postal Service records are assigned.
- **XX** is the fiscal year that retention and disposal instructions for the specific records series was submitted to NARA for approval.
- **YY** is the sequential number of the submission that fiscal year.
- **ZZ** is the sequential number of the records series on the records control schedule that was submitted to NARA for approval).

The official and approved name for the records series must be used when preparing XX for storage in a records center. Postal Service records control numbers (e.g., ACBX.00.03) are also shown. These numbers correspond with the numbers assigned under the RIMS operated by the Records Office. These numbers are used for internal Postal Service identification purposes only.

Disposal: Disposal procedures are described in ASM 895.3.

Cutoff: The cutoff is the date, period of time (e.g., weekly, A/P, monthly, or annually) or event after which a file should be closed to allow the orderly transfer to storage and ultimate disposal of a series of rcanceledecords. If no cutoff date is indicated, the series is cut off annually at December 31.

Questions: For questions concerning the records control schedules, contact:

RECORDS OFFICE
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-5010

General Records

Program Administration

1. Correspondence Files.

a. Subject files.

Arrangement: Alphabetically, by subject.

Description: Used to retain a record of the daily operations and administration of an office and to provide reference to current subjects.

Cut off this file each calendar year; screen and bring forward current material; dispose of 1 year from the date of cutoff.

NC1-28-78-6/6a
ACBX.00.03

b. Information Copies.

All other correspondence and forms, reports, work papers, lists that accumulate in the performance of office housekeeping not filed by subject and not related to specific programs, projects, or investigative matters, and concerning matters for which other offices have primary responsibility.

Cut off this file each calendar year; dispose of 1 year from the date of cutoff.

NC1-28-78-6/6b
ACBX.00.04

c. Correspondence case files pertaining to specific programs or projects.

If maintained separately from the program or project case file, move to an inactive file upon completion of the program or project, and dispose of when 2 years old. Otherwise, dispose of along with the program or project files.

NC1-28-78-6/6c
ACBX.00.05

2. **Reference Files.**

Description: Copies of documents that duplicate record copies filed elsewhere, documents that require no action, drafts, notes, feeder reports and other such papers, studies, and all documents related to the job.

Dispose of when superseded or no longer required for reference, whichever is sooner.

NC1-28-78-6/3
ACBX.00.01

3. **Working Files.**

Arrangement: Alphabetically, by subject.

Description: Preliminary or rough drafts, notes, and other materials maintained for use in the development of a final product.

Dispose of when obsolete or no longer needed.

NC1-28-77-1/2
ACBX.00.02

4. **Speech Files.**

Arrangement: Alphabetically, by subject matter and cross-indexed by speaker's name.

Description: Invitations to speak, schedules, drafts, work papers, artwork, and related correspondence.

a. Record copy of key speeches by senior USPS executives, concerning substantive issues such as policy, organizational, and procedural changes.

Permanent. Cut off the file each 3 calendar years; transfer to FRC when 2 years old; offer to National Archives when 10 years old.

NC1-28-78-6/5a
ACBX.00.06

b. Reference copies of speeches, work papers, and schedules.

Dispose of when 1 year old.

NC1-28-78-6/5b
ACBX.00.07

c. Other speeches and related materials.

Dispose of when there is no further reference administrative value.

NC1-28-78-6/5c
ACBX.00.08

Office Administration

5. **Chronological, Reading, or Circulating Files.**

Arrangement: Chronologically, by date, without regard to subject.

Description: Copies of all types of communications. The communications in these files are copies of those filed elsewhere by subject or case.

Note: This item does not apply to the reading files of the Postmaster General.

Cut off this file each calendar year; dispose of 1 year from the date of cutoff.

NC1-28-78-6/4
ACCX.00.01

6. **Shorthand, Stenographic, and Word Processing Materials.**

Description: Shorthand notes, stenographic notebooks, stenographic tapes, magcards, cassettes, and diskettes.

Dispose of shorthand and stenographic materials when notes have been transcribed; erase magnetic media when information contained thereon is no longer required for current operations.

NC1-28-77-1/5
ACCX.01.01

7. **Duplicating Materials.**

Description: Stencils, photographic plates, paper mats, etc.

Dispose of when no longer needed for duplicating purposes.

NC1-28-77-1/6
ACCX.00.03

8. **Accountable Property Records (110.010).**

Description: Records that are used for controlling issuance of accountable property such as equipment, credentials, and documents to individuals.

Sample Form: PS 296

Return to individual when accountability is terminated.

NC1-28-80-3/4
ACCX.03.01

9. **Nonrecord Copies of USPS Publications, Releases, and Other Issuances.**

Description: Extra or obsolete copies of such publications as the Headquarters telephone directory, regulations, instructions, manuals, guidance letters, copies of documents, reports, studies, publications or documentation from other government agencies or organizations not in current use, legislative publications and documents such as congressional directories, congressional records, legislative hearings, appropriations hearings, and the Federal Register.

Dispose of when superseded or no longer needed in current operations, whichever is sooner.

NC1-28-77-1/7
ACCX.00.05

Employee and Labor Relations Records

Note: See Key Word Index at the end of this Appendix to locate records series information by item number.

Personnel Planning

Position Management

1. Memorandum of Authorization.

Arrangement: Numerically, by reference code number.

Description: The memorandum is evidence that a position has been authorized to a certain organizational element or that an organizational unit has been established or changed.

a. Record copy.

Move to deletion file when position is no longer authorized. Cut off this file each calendar year; dispose of 10 years from date of cutoff. Do not transfer to FRC.

NC1-28-79-4/92a
EABC.03.01

b. All other copies.

Dispose of when no longer needed.

NC1-2-79-4/92b
EABC.03.02

Affirmative Action

2. Work Force Profile Statistics Files.

Description: Statistics relating to race and sex of career employees, including postmasters, craft, promotions, accessions, and separations. Reports include quarterly work force profiles, goal monitoring reports.

Use: To monitor progress of minority employees and affirmative action goals.

a. Field copies.

Cut off this file each calendar year; dispose of 5 years from date of cutoff by shredding or burning.

NC1-28-79-4/77
EADA.23.01

b. Headquarters copies.

Cut off this file each fiscal year; transfer to FRC when 10 years old; dispose of 15 years from date of cutoff by shredding or burning.

N1-28-86-2/26
EADA.23.02

3. Equal Employment Opportunity (EEO) — General Files.

Description: General correspondence and copies of regulations with related records pertaining to the Civil Rights Act of 1964, the EEO Act of 1972, the Rehabilitation Act of 1973, and any pertinent future legislation; and USPS EEO Committee meetings and records including minutes and reports.

a. Field copies.

Cut off this file each fiscal year; dispose of 3 years from date of cutoff. Do not transfer to FRC.

N1-28-86-2/27a (Replaces NC1-28-79-4/78)
EADX.00.01

b. Headquarters copies.

Cut off this file each fiscal year; retain copies of such documents permanently in order to maintain a historical record for the Postal Service. Do not transfer to FRC.

N1-28-86-2/27b
EADX.00.02

4. Equal Employment Opportunity (EEO) — Affirmative Action Plans (AAP). Includes Affirmative Action Plans for handicapped individuals and disabled veterans.

a. Record copy of consolidated Affirmative Action Plans.

(1) Field copies.

Cut off each fiscal year. Dispose of 10 years from date of the plan.

EADX.11.01

(2) Headquarters copies.

Cut off each fiscal year. Maintain copies of national plans for 15 years. Dispose of by burning or shredding.

N1-28-87-4/8A (2)
EADX.11.02

b. Office copies or feeder plans. Statistics for consolidating Affirmative Action Plans.

Dispose of 5 years from date of the plan or when administrative purposes have been served, whichever is sooner.

N1-28-87-4/8B
EADX.11.03

5. Equal Employment Opportunity (EEO) — Reports.

Description: Copies of statistical reports to Equal Employment Opportunity Commission. Information in the reports consists of minority census data for regions and Headquarters, EEO inventory data, and other statistical analyses.

Cut off this file each fiscal year; dispose of 5 years from date of cutoff. May be retained beyond 5 years at Headquarters level, if deemed appropriate. Do not transfer to FRC.

NC1-28-79-4/80
EADX.25.01

6. **Equal Employment Opportunity (EEO) — Staff Directory.**

Description: Directory of EEO counselors/investigators and AA/EEO program coordinators and EEO service center personnel.

Dispose of when superseded.

NC1-28-79-4/81
EADX.00.03

7. **Women's Program — Statistical Reports.**

a. Annual reports.

Description: Statistical reports including workforce profiles, promotions, accessions, and separations.

Cut off each fiscal year. Dispose of 15 years from date of report by burning or shredding.

EADC.23.01

b. Quarterly or special reports.

Cut off the report file each fiscal year. Dispose of 1 year from date of cutoff.

NC1-28-79-4/85b
EADC.23.02

8. **Women's Program — Applications and Resumes.**

Arrangement: Alphabetically, by last name of applicant.

Description: Copies of resumes and job applications (PS Form 991) from women seeking a position with the USPS, exclusive of copies maintained elsewhere within the USPS.

Destroy after 1 year on file.

NC1-28-79-4/86
EADC.03.01

Employment Administration

Recruitment

9. **Outside Applicant Files — Nonbargaining-unit Positions.**

Arrangement: Case files, alphabetically, by name of applicant, within job title or code.

Description: Correspondence, reports, working papers, resumes, applications, and other material pertaining to the operation and administration of recruitment and employment functions.

a. Case files on vacant positions.

Cut off file when position is filled or announcement is cancelled. Dispose of 6 months from date of cutoff.

EBBX.12.08

b. Successful applicant files (120.151).

Move PS Form 50B or PS Form 52, as appropriate, to the OPF. Cut off file when position is filled. Dispose of all other forms and papers 6 months after cut off.

NC1-28-79-4/24b
EBBX.12.07

c. Unsuccessful applicant files (120.151).

Cut off file when position is filled. Dispose of 6 months after cutoff.

EBBX.12.06

d. List of active applicants (120.151).

Dispose of when no longer of value.

NC1-28-79-4/24d
EBBX.26.01

Selection

10. Vacancy Selection Files.

Arrangement: Case files, numerically, by announcement number.

Description: Vacancy announcement, application for promotion or assignment, promotion report, position description, and other supporting correspondence such as waiver authorization; if applicable, review committee's recommendation memorandum, copies of letters to all nonselected applicants, and copy of offer letter to selectee.

Sample Forms: PS 990, 991, 5938.

Move to a closed file when selection has been made. Cut off this file each calendar year. Dispose of 2 years from date of cutoff.

EBBX.12.02

11. PCES Application for Candidacy.

Arrangement: Alphabetically, within year of application.

Description: Application and other documents submitted by candidates for PCES Program. Includes screening sheet, group discussion and individual ratings, feedback summary, overall evaluation, executive evaluation panel's recommendation.

Sample Forms: PS 991, 992A, 992B, 2451A

a. Recommended candidates. Dispose of 3 years after expiration of eligibility.

EBEB.03.01

b. Not Recommended candidates. Cut off the file upon determination of unsuitability; dispose of 3 years from date of cutoff.

EBEB.03.02

12. Vacancy Files.

Arrangement: Numerically, by vacancy announcement number.

a. Vacancy case files maintained by the personnel office.

Description: Information such as the vacancy announcement, standard position description, names, position titles, and grades of all review committee members; applications; review committee's recommendations memorandum to the selecting official signed by all committee members; copies of letters of nomination and letters to all disqualified and nonselected candidates; and name of candidate selected.

Sample Forms: PS 991, 991A, 991B.

Cut off the file upon selection; dispose of 2 years from date of cutoff.

NC1-28-79-4/28a
EBBD.12.01

b. Notes made by individual review committee members to assist in evaluating candidates.

Description: Such notes are considered the property of the committee member and not records of the USPS. They are not to be circulated among other committee members, other USPS personnel, nor are they to be included in the vacancy case file.

Dispose of immediately after they have served their purpose.

NC1-28-79-4/28b
EBBD.00.01

c. Vacancy Announcement Files.

Description: These files are located in the Human Resources Group. They result from announcements of vacancies throughout the USPS.

Move to a closed vacancy announcement file when vacancy has been filled. Cut off this file each calendar year; dispose of 2 years from date of cutoff.

NC1-28-79-4/28c
EBBD.12.02

13. Postmaster Selection.

a. Card Files.

Arrangement: Alphabetically, by post office name.

Description: 3x5 cards that record the succession of postmasters at a particular post office, showing status as postmaster, acting postmaster, or officer-in-charge. Also recorded are dates of appointments and terminations and reasons therefor. These cards replaced the Register of Appointments in 1971 and were superseded in October 1986 by the Automated Postmaster Tracking System.

Dispose of when data entry has been verified as correct.

EBBX.03.01

b. Appointment List.

Arrangement: Numerically and by effective date of appointment list.

Description: Postmaster selection appointment lists and minutes.

Cut off the file each calendar year; dispose of 6 years from date of cutoff.

NC1-28-79-4/30b
EBBX.00.01

c. Complaint or Inquiry Files.

Arrangement: Chronologically or by subject.

Description: Correspondence created in conjunction with inquiries from the public, employees, contractors, business firms, or Congress regarding the USPS, its personnel, policies, relationships, or any other aspect of the Postal Service as regards postmaster selection.

Cut off these files each calendar year; dispose of 5 years from date of cutoff, or when no longer of value for reference, whichever is sooner.

NC1-28-79-4/32
EBBX.11.02

d. Selection Case Files — Record Copy.

Arrangement: Case files alphabetically by vacancy location.

Description: Selecting official's recommendation, review committee's recommendations, comparative analysis and narrative evaluation of the applicants recommended, copy of vacancy announcement, information on the vacant office and applications of other candidates not recommended and other pertinent information.

Move to closed selection file after each selection is made. Do not send to FRC. Cut off this file each calendar year. Dispose of 2 years from date of cut off unless an audit, investigation, or appeal is pending.

EBBX.12.09

14. Preemployment Investigative Records (120.110).

Arrangement: Alphabetically, by name of applicant.

Description: Character references, local police records, drug history records, and other investigative reports such as National Agency Check and Inquiry (NACI). Includes PS Form 2591 of individuals not selected for employment.

Use: To determine suitability for employment by USPS. These records are exclusive of records filed in the Official Personnel Folder (OPF).

Retain for 5 years from the date the employee is initially found suitable for employment or 5 years from the date action was taken to deny or terminate employment. Send to the appropriate Federal Records Center (FRC) for an additional 5-years retention period.

EBBX.12.03

15. Equal Employment Opportunity (EEO) — Staff Selection Records (030.020).

Arrangement: Case files, alphabetically, by name of applicant.

Description: Postings or bulletin notices announcing position, narratives, resumes, and interviews.

Use: To certify all EEO staff selections as consistent with OPM regulations and public law.

Sample Forms: PS 2591, 2497, 991, 442, and 1814.

Move to an inactive file when position becomes vacant. Cut off this inactive file each calendar year; dispose of 3 years from date of cutoff.

NC1-28-79-4/82
EBBX.12.04

16. Employment Registers (120.151).

Description: A series of 3 cards containing such information as name of applicant, post office name, Social Security number, date of examination, and final rating.

a. Notice of rating card.

Forward to applicant.

NC1-28-79-4/26a
EBBB.00.01

b. Record card.

Arrangement: Alphabetically, by name of applicant. Used to form a locator system. Transfer to FRC along with corresponding numerical card. See c below.

NC1-28-79-4/26a
EBBB.03.01

c. Register card.

Arrangement: Numerically, by veteran preference and numerical rating.

Description: Applicant name, post office name, Social Security number, date of exam, and final rating.

Use: To develop hiring worksheets, reports, and audits of the hiring process. The reverse of this card is a chronological record of the eligible's consideration and referrals in the selection process.

Move to an inactive file upon hiring, declining of an offer, if USPS unable to locate eligible for a job offer, or upon expiration of eligibility (2 years). Screen the inactive file every 5 years; match cards that are 5 years old or more with corresponding card from the alphabetical file; transfer to an FRC. Dispose of when 10 years old.

NC1-28-79-4/26c
EBBB.03.02

17. Applications for Employment (120.151).

Arrangement: Alphabetically, by title of examination, in descending grade (test score) order, within examination.

Description: Employment applications submitted to post offices in response to vacancy announcements. The applications contain such information as name of applicant, employment background, Social Security number, address, and other personnel data.

Sample Form: PS 2591.

Dispose of upon expiration of eligibility. (Eligibility expires 2 years from the date of entrance on register, unless extended for an additional year at the request of the eligible.)

NC1-28-79-4/25
EBBX.03.03

18. Personnel Research and Test Validation Records.

Arrangement: Chronologically, by date of examination, batched by type of exam, or by research project identifier.

Description: Personnel research and test validation records may contain applicant and research demographic data; project identification codes; responses to or evaluation of, personnel assessment instruments; responses to organizational questionnaires; and other applicant or research subject work-related data. Reports generated contain aggregate statistics only.

a. Hard copy.

Move batch to a closed file upon processing. Cut off this file monthly. Dispose of 6 months from date of cutoff.

EBBA.03.01

b. Magnetic tape.

Maintain for 30 years. Do not transfer to FRC.

EBBA.30.01

19. Employee Assistance Program (EAP), Coordinator/Specialist Applications, and Interviews (120.140).

Arrangement: Alphabetically, by name within location.

Description: Resumes, applications, and interview forms for EAP counselor positions.

Dispose of 1 year from date of application.

NC1-28-79-4/36
EBBX.12.05

Placement

20. Employee Bidding Records (Bid for Preferred Assignment) (120.040).

Arrangement: Numerically, by seniority, within job number.

Description: Employee name, SSN, seniority, job title, and information on qualifications such as schemes and driving.

Use: To match vacant positions and qualified candidates. (Article 37, National Agreement.)

Sample Form: PS 1717.

Move to a closed file when vacancy is filled. Cut off this file monthly; dispose of 6 months from date of cutoff. (Where records become part of a grievance case file, dispose of with the case file.)

NC1-28-79-2/1
EBCX.03.01

21. Applications for Master Instructor Positions (120.151).

(Positions are with Managerial Training System (MTS) – a formal job-related program for USPS supervisors in selected occupation codes.)

Arrangement: Case files, alphabetically, by functional area.

Description: Application forms, estimates of potential, notes, and recommendations.

Sample Forms: PS 2591

Cut off the files with each selection; dispose of 3 years from date of cutoff.

N1-28-86-2/28 (Replaces NC1-28-79-4/47)
EBCX.12.01

Development

22. Management Training Program Records (120.152).

Arrangement: Case files, alphabetically, by name of trainee.

a. Trainee's individual files.

Description: Copies of personnel actions, certificates, and other material found in the OPF.

Move to a closed file when trainee leaves the program. Cut off this file each calendar year; dispose of 5 years from date of cutoff.

NC1-28-79-4/33a
EBDX.12.01

b. Trainee travel files.

Description: Copies of travel advances, vouchers, and supporting records such as bills for lodging, car rentals, and other receipts.

Move to a closed file when trainee leaves the program. Cut off this file each calendar year; dispose of 1 year from date of cutoff.

NC1-28-79-4/33b
EBDX.12.02

c. Travel files of postal managers in connection with the program.

Arrangement: Alphabetically, by name of manager.

Cut off this file each calendar year. Dispose of 1 year from date of cutoff.

NC1-28-79-4/33c
EBDX.12.03

23. Nominations for Executive Leadership Files (120.152).

Arrangement: Alphabetically, by name.

Description: Nominations, recommendations, and other related documents.

Move to a closed file upon selection. Cut off this file each calendar year; dispose of 1 year from date of cutoff.

NC1-28-79-4/51
EBDX.12.04

Evaluation

24. Merit Performance Evaluation File (120.153).

Arrangement: Case files, alphabetically, within fiscal year, by organizational unit.

Description: Audit sheets, performance ratings, self-appraisals, statements of goals and objectives, and related correspondence.

Sample Forms: PS 2452A, 2452B, 2452C, 2456.

Cut off the file each fiscal year; dispose of 5 years from date of cutoff.

N1-28-86-2/29 (Replaces NC1-28-79-4/94a)
EBEC.12.01

Employee Complaints

25. Equal Employment Opportunity (EEO) Discrimination Complaint Cases.

a. Precomplaint counseling (030.010).

Arrangement: Alphabetically, by name.

Description: EEO counselor files of informal employee discrimination complaints.

Use: In resolution of EEO complaints before formal complaints are filed.

Move to a closed file upon final adjustment at the counselor level or when a formal complaint is filed. Cut off this file each calendar year; dispose of 1 year from date of cutoff. Do not transfer to FRC.

N1-28-86-2/30a (Replaces NC1-28-83-2/35a)
EBFD.12.04

b. Official complaint file (030.010).

Arrangement: Case files, alphabetically, by name, within location.

Description: Complaints with related correspondence, reports, exhibits, withdrawal notices, copies of decisions, records of hearings and meetings, and other records as described in 29 CFR 1613.222.

Use: To process EEO complaints.

Move to a closed file upon resolution. Cut off this file each calendar year; dispose of 4 years from date of cutoff.

NC1-28-83-2/35b (Replaces NC1-28-79-4/72)
EBFD.12.01

c. Appeal case files (030.030).

Arrangement: Alphabetically, by name.

Description: Cases appealed to the Equal Employment Opportunity Commission. Includes Inspection Service cases appealed to the Commission.

Move to a closed case file upon final decision. Cut off this file each calendar year; dispose of 4 years from date of cutoff.

NC1-28-83-2/35c
EBFD.12.02

d. Copies of official complaint files (030.010).

Dispose of 1 year after resolution of case. Do not transfer to FRC.

N1-28-86-2/30b
EBFD.12.03

e. Selected appeals case files (030.030).

Arrangement: Alphabetically, by name.

Description: Selected case files that reflect new or unusual precedents related to EEO, which are useful for training or reference purposes.

Move to an inactive file upon final decision. Cut off this file each calendar year; maintain in office; dispose of 4 years from date of cutoff, or when they have no further use for reference, training, or similar purpose, whichever is longer. Do not transfer to FRC.

N1-28-86-2/30c
EBFD.12.05

26. Equal Employment Opportunity (EEO) Background Files (030.010).

Arrangement: Alphabetically, by name of complainant.

Description: Background records not filed in the official discrimination complaint case files.

Move to a closed file upon final decision. Cut off this file each calendar year; dispose of 2 years from date of cutoff.

NC1-28-79-4/74
EBFD.00.01

27. Equal Employment Opportunity (EEO) — Class Complaint Litigation Files (030.010, 030.030).

Arrangement: Alphabetically, by complainant name.

Description: Copies of documents used by the Postal Service in litigating an EEO discrimination class complaint. Includes copy of the formal complaint, depositions, interrogatories background material, memoranda, and a copy of the settlement agreement or final court order.

Move to a closed file upon final adjudication, cut off the closed file each calendar year. Transfer to FRC 3 years after cutoff. Dispose of 20 years from date of cutoff.

EBFD.12.06

Disciplinary/Adverse Actions

28. Adverse Actions, Discipline, Grievances, and Appeals of Nonbargaining-Unit Employees (120.036).

Arrangement: Case files, alphabetically, by employee name.

Description: Notice of proposed action, reply, summary of oral reply, employee notice of appeal, hearing proceedings, appeal decisions, notice of actions, investigative reports, and related records, decisions, and papers resulting from appeals to the Merit Systems Protection Board.

Use: To document grievance and appeal procedures for employees not covered by a collective-bargaining agreement.

Move to a closed case file upon receipt of final decision. Cut off this file each calendar year; transfer to FRC 3 years after cutoff; dispose of 7 years from date of cutoff.

N1-28-86-2/31 (Replaces NC1-28-83-2/32)
EBHX.12.02

29. Merit Systems Protection Board (MSPB) Decisions (120.230).

a. Initial Decision.

Arrangement: Alphabetically, by MSPB Regional Office and, within office, alphabetically by appellant name.

Description: Copies of initial decisions from MSPB Regional offices on appeals of agency decisions. Includes name of appellant, case number, analysis and findings, and decision.

Cut off the file each calendar year; dispose of 5 years from date of cutoff.

EBFD.03.01

b. Final orders and related records.

Arrangement: Alphabetically, by appellant name.

Description: Copies of MSPB initial decision, appellant's petition for review, cross-petitions, responses, hearing transcripts, and briefing papers.

Use: To support the Postal Service position before the MSPB concerning adverse actions and restoration to duty decisions.

Move to a closed file upon final decision. Cut off the closed file each calendar year; dispose of 10 years from date of cutoff.

EBFD.12.07

30. Adverse Actions Appeals (120.230).

Arrangement: Case files, alphabetically, by name of litigant.

Description: Copies of original adverse actions, discipline, grievance, and appeals case files of nonbargaining-unit employees. They concern employees involved in veteran's appeals and other adverse action appeals. Files also contain formal pleadings, memorandums of law, and other relevant documents such as case notes, case analyses, and telephone records.

Move to a closed file upon final decision. Cut off this file each calendar year; transfer to FRC when 3 years old; dispose of 7 years from date of cutoff.

N1-28-86-2/32 (Replaces NC1-28-83-2/33)
EBHX.12.01

31. Logs or Indexes of Disciplinary and Contract Grievances, and Adverse Action Cases.

Maintain and dispose of with the records to which they pertain.

NC1-28-83-2/34
EBHX.26.01

Health and Employee Services

Safety

32. Reports and Records (Headquarters — Safety Performance Management)

Arrangement: Headquarters, Area, Cluster, District, Plant, local; by accounting period, month, or annually.

Description: PS Form 1769; OSHA Form 300, *Log of Work-Related Injuries and Illnesses;* OSHA Form 300A, *Summary of Work-Related Injuries and Illnesses;* and OSHA Form 301, *Injury and Illness Incident Report.*

Use: Meet statutory and internal recordkeeping requirements

Cut off this file each calendar year; transfer to FRC 3 years after cutoff; dispose of 5 years from date of cutoff.

N1-28-86-2/33 (Replaces NC1-28-83-2/11)
ECAE.00.01

33. PS Form 1769, Accident Report (ELRIC)

Description: PS Form 1769 is completed by the supervisor and sent to the supporting Safety Office for entry into the Human Resources Information System (HRIS).

Use: To enter accident data into Postal Service Accident Reporting System.

Cut off this file each calendar year; transfer to FRC 3 years from date of cutoff; and dispose of 5 years from date of cutoff.

N1-28-88-5/2
ECAE.01.01

34. Accident Report Records (Local)

Arrangement: Chronologically by installation or name of injured employee.

Description: Records pertaining to local accidents. These reports pertain to all types of accidents, including fire, motor vehicles, customer on property, and industrial.

Use: To meet statutory requirements under OSHA 1904. Also used to access and analyze accident trends and accident cost.

Sample Forms: PS Form 1769 and OSHA 301.

Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff. Do not transfer to FRC.

N1-28-86-2/34
ECAE.00.02

35. Fatality/Serious Accident Investigative Boards and Reports

Arrangement: Chronologically by installation or name of injured employee.

Description: Investigations of fatalities and serious accidents, which include findings, reviews of actions taken, and recommendations.

Use: Accident investigation and prevention.

Cut off this file each fiscal year; transfer to FRC when 3 years old; dispose of 6 years from date of cutoff.

N1-28-86-2/35 (Replaces NC1-28-83-2/12)
ECAE.00.03

36. Vehicle Accident Investigation and Tort Claims Records (Maintained by Tort Claims Administration)

Arrangement: Case files, numerically, by accident case number, by fiscal year.

a. Case files.

Description: Records that result from a claim being filed that alleges personal injury or damage that exceeds $10. Also consists of driver's accident report, investigation worksheet, statements of witnesses, analyst report, correspondence, summary of claims, examiner's report showing disapproval or award of damages.

Use: For investigation, adjudication, and litigation.

Sample Forms: SF 91, 94, and 95; PS 1700, 1769, 1902, 2106, 2198, 4523, 4570, and 4586.

Move to a closed accident investigation case file upon award or disapproval. Cut off this file each fiscal year; dispose of 6 years from date of cutoff.

NC1-28-83-2/47
ECAE.03.01

b. Other vehicle accident case files.

Description: Where damages are under $10.00, where no claim is filed, or where there is no damage or injury.

Cut off the file each fiscal year; dispose of 5 years from date of cutoff.

NC1-28-83-2/47a
ECAE.03.02

37. Safety Program Evaluation Records, Inspection Checklists, and Other Administrative Papers

Arrangement: Program evaluation records in terms of data and reports are maintained in the Safety Toolkit database. Safety personnel enter program evaluation findings into the Safety Toolkit application. Chronologically by date.

Description: Facility program evaluation data is provided in a variety of report formats in the Safety Toolkit. Reports focus on implementation and performance of facility safety and health programs in seven major categories and 24 subcategories. Inspection reports on deficiencies, safety hazards, and other types of safety inspections, including any logs.

Use: To determine safety program performance, identify program elements that need improvement, and suggest alternatives for improvement, program effectiveness, and detecting potential causes of accidents.

Sample Forms: Program evaluation checklists available electronically in the Safety Toolkit or from the Safety Resources Page. PS Forms 1767 and 1773.

Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff.

NC1-28-83-2/13
ECAB.00.01

38. Safety and Health Inspections Records

Arrangement: Safety and Health inspection records in terms of data and reports are maintained in the Safety Toolkit database. Safety personnel enter inspection findings into the Inspections Module of the Safety Toolkit application.

Description: The Safety Toolkit Inspections Module provides a wide variety of reports on the identification of deficiencies (safety hazards), provides timelines for hazard abatement, and enables responsible personnel to track and verify the status of hazard abatement activities.

Use: To identify safety and health deficiencies in facilities and track the correction of these deficiencies.

Sample Forms: Safety and Health inspection checklists are available electronically in the Safety Toolkit and from the Safety Resources Page.

Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff.

39. Employee Report of Hazard, Unsafe Condition or Practice

Arrangement: Employee reports are entered in the Safety Toolkit Hazard Log Module or maintained chronologically in hard copy at Postal Service facilities.

Description: The Safety Toolkit Hazard Log Module provides a variety of reports based upon the data entered in response to employee reports of hazards. Facilities that do not use the Safety Toolkit maintain copies of PS Form 1767 and report summary data on PS Form 1773, *Hazard Log.*

Use: To provide a mechanism for employees to report workplace hazards and for management to track and ensure abatement of the hazards reported.

Sample Forms: PS Forms 1767 and 1773.

Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff.

NC1-28-83-2/47b
ECAE.26.01

40. Occupational Safety and Health Administration Inspection Reports and Letters Concerning Corrections of Violations

Arrangement: Chronologically by citation or complaint number. Files are maintained at the supporting District/PC Safety Office and Legal Office.

Description: OSHA citations, employee complaint letters referred by OSHA to the Postal Service, supporting documents, and all correspondence of a legal nature between the Postal Service and OSHA. Letters concerning corrections of violations, copies of hazard correction lists, notices of unsafe or unhealthy working conditions, complaints, findings, names of persons participating, notes, and other documentation.

Sample Form: OSHA-2H.

Use: To document compliance with OSHA procedures and to document abatement of hazards identified in citations and employee complaints referred to the Postal Service by OSHA. Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff.

NC1-28-83-2/14
ECAA.00.01

41. Accident Analyses and Studies

Arrangement: Chronologically.

Description: Studies, other statistical reports, and analyses.

Use: To study accident trends, make comparisons, identify, and correct accident causes.

Sample Form: None

Move to a closed file when study or analysis is complete. Cut off this file at end of each fiscal year; dispose of 6 years from date of cutoff.

NC1-28-83-2/15
ECAE.23.01

42. Mail Piece Spill or Leak Incident Reports, PS Form 1770

Arrangement: Chronologically.

Description: Information describing the type of incident, packaging, and damage assessment.

a. Local offices.

Sample Form: PS Form 1770 (original).

ECAE.00.07

b. Headquarters (Aviation Mail Security, Safety Performance Management, and Environmental Management Policy).

Use: To develop incident statistics and trends.

Sample Form: PS Form 1770 (copies).

ECAE.00.08

c. Local Inspector-in-Charge.

Use: For necessary follow-up action on incidents.

Sample Form: PS Form 1770 (copy).

ECAE.00.09

Cut off the file at end of each fiscal year; dispose of 6 years from date of cutoff.

43. Safety Inspection Reports by the Postal Service Office of Inspector General (OIG), Inspection Service, or the Government Accountability Office (GAO)

Arrangement: Chronologically.

Description: Reports of inspections of the Postal Service Safety Program and Postal Service facilities by the Postal Service OIG, OSHA, GAO, the Postal Service Inspection Service, or the safety staff.

Use: As a basis for evaluation of and improvement of the Postal Service Safety Program.

Cut off the file each fiscal year; dispose of 3 years from the date of cutoff. Do not transfer to FRC.

Medical

44. Employee Exposure Records (Air Sampling Surveys in Facilities).

Description: Analyses of employee exposure records and surveys and records of environmental monitoring of the facility. These records relate to facility air sampling/monitoring and do not contain individually identifiable employee records.

Cut off the file each calendar year; dispose of 30 years from the date of cutoff.

ECAA.00.02

45. Employee Assistance Program (EAP) History Record Card.

Arrangement: Alphabetically, by client's name.

Description: Client information found on PS 2545.

Use: To track status, study history, and to establish and update individual records.

a. History Record Card (120.140).

Move to a closed file when case is closed. Cut off this file each calendar year; dispose of 25 years from date of cutoff. Do not transfer to FRC.

N1-28-88-1/10 (Replaces NC1-28-79-4/38a and NC1-28-79-4/40)
ECBD.03.05

b. History Record Card (ELRIC copy).

Arrangement: Chronologically, by date of entry (daily batch method).

Dispose of after second reporting cycle.

N1-28-88-1/11 (Replaces NC1-28-79-4/38b)
ECBD.01.01

46. Employee Assistance Program (EAP) Correspondence and Reports.

Arrangement: Alphabetically, by installation.

Description: General correspondence and reports, such as the Accounting Period Activity Report.

Use: For administering the EAP Program.

Sample Form: PS 2546.

Cut off the file each calendar year; dispose of 3 years from date of cutoff.

N1-28-88-1/8 (Replaces NC1-28-79-4/39a and NC1-28-79-4/39b)
ECBD.11.03

47. Employee Assistance Program (EAP) Case Number Assignment Sheets.

Arrangement: Chronologically.

Description: Master sheets for the assignment of case numbers, and other personnel data for control and tracking.

a. Master file.

Move to a file of completed assignment sheets when last entry is made. Cut off this file each calendar year; dispose of 25 years from date of cutoff. Do not transfer to FRC.

N1-28-88-1/12 (Replaces NC1-28-79-4/41)
ECBD.26.01

b. Daily log.

Cut off this file each calendar year; dispose of when 1 year old.

NC1-28-88-1/9
ECBD.26.02

48. Employee Assistance Program (EAP) Case Files (120.140).

Arrangement: Case files, alphabetically, by client last name.

Description: Referrals and other correspondence, quarterly evaluation worksheet, participation agreement, disciplinary action, and case history.

Use: To monitor client participation and progress.

Sample Forms: PS Forms 2545 (front page), 2588, 2592, 2597, 1267.

a. Client case files — records of deceased persons.

Remove from active file upon death of client. Cut off this file each calendar year; dispose of 1 year from date of cutoff.

N1-28-88-1/14 (Replaces NC1-28-79-4/42a)
ECBD.12.04

b. Persons successfully completing the program.

Move to a completed file upon completion of program. Cut off this file each calendar year; dispose of 3 years from date of cutoff.

N1-28-88-1/6 (Replaces NC1-28-79-4/42b)
ECBD.12.05

c. Persons dropped from the program for reasons of termination of employment, retirement, or transfer.

Move to an inactive file upon termination, retirement, or transfer. Cut off this file each calendar year; dispose of 3 years from date of cutoff.

N1-28-88-1/7 (Replaces NC1-28-79-4/42c)
ECBD.12.06

Injured on Duty

49. Employee Injury — Office of Workers' Compensation Program (OWCP) Case Files (120.098).

Arrangement: Case files, alphabetically, by last name of employee.

Description: Copies of Department of Labor forms, medical information, claims, and other supporting documentation to include correspondence, payment, and accounting records.

Use: To provide benefits and a record for audit and review.

Sample Forms: CA 1, 2, 2a, 3, 4, 5, 5b, 6, 7/20, 8/20, 10, 11, 13, 16, 17, 35A-35G; OWCP 1500; PS 202, 2490, 2491, 2556, 2557, 2559, 2560, 2562, 2572, 2572A, 2573, and 2577.

Move to an inactive file when employee leaves the Postal Service. Cut off this file each calendar year; transfer to FRC when 5 years old; dispose of 30 years from date of cutoff.

NC1-28-83-3/1 (Replaces NC1-28-79-4/59)
ECCB.12.01

50. Health Benefits Refund Records.

Description: Quarterly claims from post offices showing individual injury compensation and health benefits premiums deducted by OWCP at the federal rate. Printouts generated from information supplied on PS Form 202 are filed to provide information by finance number, list of people paid for the quarter, payment amount, and address of payee.

Cut off this file each calendar year; dispose of 10 years from date of cutoff or termination of the program, whichever is sooner. Do not transfer to FRC.

NC1-28-79-4/95
ECCB.11.01

Employee Communications

51. Standards of Conduct Files.

Description: Correspondence, memorandums, and other records relating to codes of ethics and standards of conduct.

Dispose of when obsolete or superseded.

NC1-28-79-4/87
ECDX.11.01

Suggestions and Incentive Awards

52. Employee Suggestion Program Files (120.050).

Arrangement: Case files, by suggesters' names, or by suggestion number.

Description: Suggestion forms, evaluations, and other related papers such as administrative reviews and evidence of any payments made.

Use: To monitor the performance of certain adopted measures or modifications.

a. Adopted suggestions.

(1) Record copies.

Move to a closed file upon adoption or approval. Cut off this file each fiscal year; dispose of 4 years from date of cutoff.

NC1-28-79-4/65a(1)
ECAE.12.01

(2) All other copies.

Move to a closed file upon adoption or approval. Cut off this file each fiscal year; dispose of 2 years from date of cutoff.

NC1-28-79-4/65a(2)
ECAE.12.02

b. Disapproved suggestions.

Move to a disapproved file upon disapproval. Cut off this file each fiscal year; dispose of 2 years from date of cutoff.

NC1-28-79-4/65b
ECAE.12.03

53. Incentive Award Files.

Arrangement: Case files, chronologically within region, by award type or name.

Description: Recommendations, nominations, evidence of any payments made, and related correspondence.

Move to a closed file upon approval or disapproval. Cut off this file each calendar year; dispose of 4 years from date of cutoff.

NC1-28-79-4/66
ECEB.00.01

54. Incentive Award Program Reports.

Description: Statistical reports pertaining to the operation of the Incentive Awards Program.

Cut off this file each fiscal year; dispose of 3 years from the date of cutoff.

NC1-28-79-4/67
ECEB.23.01

55. Length of Service Awards Files (120.100).

Description: Correspondence, memorandums, reports, computations of service, and lists.

Cut off this file each calendar year; dispose of 1 year from date of cutoff.

NC1-28-79-4/68
ECEB.00.03

56. Postal Career Executive Service (PCES) Awards and Statistics (120.100).

a. Special achievement award records.

Arrangement: Alphabetically, by employee name.

Description: Annual special achievement awards documentation for headquarters and field PCES personnel.

Cut off the file each calendar year; dispose of 5 years from date of cutoff.

ECEB.03.01

b. Special achievement awards statistics.

Description: Statistical reports, other summaries, and Postal Leader articles pertaining to the PCES Achievement Award program.

Cut off the file each calendar year; dispose of 10 years from date of cutoff.

ECEB.23.02

c. Minority statistics.

Arrangement: Chronologically.

Description: Quarters 1–4 Minority Statistical report on PCES personnel including numbers, percentages, and reassignment statistics.

(1) Quarters 1–4.

Cut off the file each calendar year; dispose of 5 years from date of cutoff.

EADA.23.03

(2) Printouts.

Cut off the file each calendar year; dispose of 5 years after cutoff.

EADA.23.04

57. Non-USPS Awards.

Arrangement: Case files by award name or sponsor.

Description: Correspondence or memorandums pertaining to awards from other government agencies or private organizations.

Cut off this file each calendar year; dispose of 2 years from date of cutoff.

NC1-28-79-4/69
ECEB.00.04

58. Letters of Commendation and Appreciation (120.100).

Description: Copies of letters recognizing length of service and retirement letters of appreciation and commendation for performance, excluding copies filed in the OPF.

Cut off this file each calendar year; dispose of 2 years from date of cutoff.

NC1-28-79-4/70
ECEB.00.05

Food Services/Parking

59. Headquarters Car Pool Coordination and Parking Records.

Description: Paper and machine-readable files. Paper files include applications, correspondence, violations, and photographs. Machine-readable files consist of information from the application file, such as name, space number, principal and other drivers' license numbers, and home addresses.

a. Application case files.

Arrangement: Numerically, by parking space number.

Use: To develop history of individual parking space and to house paperwork.

Retain until next carpool/parking space revalidation program is completed, then destroy.

ECFX.12.01

b. Machine-readable files (100.010).

Arrangement: Accessed by name, tag number, office location, and space number.

Use: In daily car pool and parking administration.

Immediately remove all information when employee surrenders space.

N1-28-86-2/37b/c
ECFX.35.01

c. Accounting reports generated in Office of Headquarters Services.

Use: To reconcile and monitor accounts.

Dispose of after audit.

ECFX.24.01

d. Other miscellaneous reports in Office of Headquarters Services.

Use: To administer parking program.

Dispose of when no longer needed for reference or when 1 year old, whichever is sooner.

N1-28-86-2/37e
ECFX.23.01

e. Violations maintained in applications case file.

Screen this file annually, dispose of all violation notices when 1 year old.

N1-28-86-2/37f
ECFX.04.01

f. Medical files maintained by the medical officer (120.090).

Arrangement: Alphabetically, by employee's name.

Use: To assign handicapped parking spaces.

Dispose of 1 year from date of termination of assignment. Do not transfer to FRC.

N1-28-86-2/37g
ECFX.12.04

Record Keeping

60. Employee Housing Requests.

Description: Forms requesting USPS assistance in housing matters, such as rental or purchase.

Dispose of when 1 year old.

NC1-28-79-4/76
ECGX.11.01

61. Personnel Work Sheets.

Arrangement: Chronologically, batched by day, at Employee and Labor Relations Information Centers.

Description: Work sheets and associated reports containing personnel data identical to that found in the Official Personnel Folder.

Use: To enter information for hires and change information for current employees into the automated PS Form 50 system.

Dispose of 30 days after a new PS Form 50 is issued.

NC1-28-80-3/8
ECGX.01.01

62. Official Personnel Folders (OPF) (120.070).

a. Upon separation from the Postal Service for purpose of employment by another government agency.

Transfer folder to gaining Federal agency.

NC1-28-79-4/20a
ECGX.12.04

b. Upon separation from the federal service for purposes such as retirement, military service (active duty), or employment in the private sector.

Transfer folder to National Personnel Records Center (NPRC), St. Louis, MO, 90 days after separation. NPRC will destroy 75 years after the birth date of employee or 60 years after the date of the earliest document in the folder if the date of birth cannot be ascertained, provided the employee has been separated for at least 5 years.

NC1-28-79-4/20b
ECGX.12.10

63. Temporary Records of Individual Employees (120.070).

Description: Records filed on the left side of the Official Personnel Folder in accordance with USPS regulations.

Dispose of when 2 years old, upon separation, or upon transfer of employee, whichever is sooner.

NC1-28-79-4/21
ECGX.12.05

64. Supervisors' Personnel Records (120.190).

Description: Duplicate copies of individuals' employment records and other records maintained at the supervisor's discretion. May include copies of correspondence, personnel action forms, disciplinary records, and other related material.

a. Records of Discussions.

Dispose of when 1 year old if there has been no disciplinary action initiated against the employee during the period.

NC1-28-80-3/7a
ECGX.12.06

b. Letters of warning.

Dispose of when 2 years old if there has been no disciplinary action initiated against the employee during the period.

NC1-28-80-3/7b
ECGX.12.07

c. All other records.

Dispose of immediately upon termination of supervisor/ employee relationship.

NC1-28-80-3/7c (Replaces NC1-28-77-1/3)
ECGX.12.02

65. Service Record Cards (120.070).

Description: Standard Form 7 or its equivalent.

Use: To document employee's PS Form 50 history.

Move to an inactive file upon separation or transfer of the employee. Cut off this file each calendar year; dispose of 3 years from date of cutoff.

NC1-28-79-4/23
ECGX.03.01

66. Financial Disclosure Reports for Executive Branch Personnel (120.060).

Arrangement: Alphabetically by last name of employee, and by year of submission.

Description: Public financial disclosure reports (SF 278) and related documents submitted by senior level employees as required by Ethics in Government Act of 1978 (PL-521). Includes changes and additions.

Use: For compliance with Ethics in Government Act and for reviews of possible conflict of interest violations.

Dispose of 6 years from date of receipt unless needed in connection with pending investigation; then dispose of along with investigative file. Do not transfer to FRC.

N1-28-87-5/6a (Replaces NC1-28-79-4/88)
GFXX.03.01

67. PS Forms 2417 and 2418, Confidential Statements of Employment and Financial Interests — (120.060).

Arrangement: Alphabetically by last name of employee.

Description: Confidential statements of employment and financial interests, supplemental statements, and related documents submitted annually by certain Law Department employees as required by the Ethics in Government Act.

Use: For compliance with Ethics in Government Act and for reviews of possible conflict of interest violations.

Dispose of 2 years after employee is no longer subject to reporting requirements. Destroy by shredding. Do not transfer to FRC.

N1-28-87-5/6b (Replaces NC1-28-79-4/88)
GFXX.03.02

68. Motor Vehicle Operators' Records (120.170, 120.210).

Arrangement: Case files, alphabetically, by driver's name.

Description: Records relating to individual employee operation of Postal Service-owned or -leased vehicles; including driver tests,

licenses, safe driving, accidents, necessary medical information, and any related correspondence.

Sample Forms: PS 1543, 1768, 2480, 2548, 4584, 5908, 5909, 5932; OF-346, V-11P.

Upon separation, expiration of license, recision of authorization, or transfer of driver into a nondriving status, or transfer (unless requested by new installation or agency), move to an inactive file. Cut off this file each fiscal year; dispose of 4 years from date of cutoff.

NC1-28-83-2/46
ECGX.12.01

69. Combined Federal Campaign Records.

Description: General campaign records, statistical reports, record copy of coordinator and keyworker's report by offices, and other related documents.

Cut off the file each calendar year; dispose of 4 years from date of cutoff.

NC1-28-78-6/2
ECGX.11.02

Training

Career Development

70. Training Aids.

Arrangement: Sequentially, by 7-digit course number.

Description: Copies of manuals, syllabuses, textbooks, and lesson plans developed according to the American Council on Education (ACE); and other training aids developed by a USPS training facility, other agencies, or private institutions.

Cut off when course is dropped from curriculum; dispose of when no longer needed for reference or instruction purposes.

NC1-28-79-4/48a(2)
EDBB.00.01

71. Employee Training Files (120.152).

Description: Correspondence, memorandums, reports, and other records relating to the availability of training and employee participation in Postal or non-Postal training programs.

Sample Forms: PS 1734, 1782, 2432, 2548, 3132.

Cut off this file each calendar year; dispose of 5 years from date of cutoff.

NC1-28-79-4/48c
EDBX.12.01

72. Technical Training Center Class Records.

a. Class folders.

Arrangement: Chronologically, by course number and name.

Description: Student records: course number, test results and cross reference to tests administered, individual and course grade averages, counseling, and leave records.

Store in locked cabinets in local storage room. Do not send to FRC. Cut off this file at end of fiscal year. Dispose of 3 years from date of cutoff.

N1-28-86-2/65
EDAB.00.01

b. Registrar's office folders.

Arrangement: Numerically, by course offering number (course title, date, and number).

Description: Training requests, authorizations and class rosters. Contains student's name, Social Security number, duty station, and final grade. Contains a record of training (PS Form 1734) for students who complete course and withdrawal/failure form for individuals not completing course.

Cut off this file at end of the fiscal year; dispose of 1 year from date of cutoff.

N1-28-86-2/66
EDAB.00.02

c. Registrar's office magnetic tape (120.120, 120.121, 120.152, 120.153)

Arrangement: Alphabetically, by name and Social Security number (within class).

Description: Information from class rosters. Consists of name, Social Security number, final grade, duty station, course number, and title. Connected by terminal to database at the William F. Bolger Management Academy.

Use: For various statistical analyses and transcript requests. Cut off at end of each class. Maintain for 30 years. Do not send to FRC.

EDAB.30.01

73. Technical Training Center Test Records.

Arrangement: Chronologically, by date and course number.

Description: Senior instructor created tests and test validation information (pre- and post-test analysis data).

Cut off this file at end of each fiscal year. Dispose of 5 years from date of cutoff. Do not send to FRC.

N1-28-86-2/67
EDAB.00.03

Labor Relations

Collective Bargaining

74. USPS-Union Negotiation Files.

Arrangement: Numerically, by article number of the National Agreement.

Description: Correspondence, notes, memorandums, and other material pertaining to USPS-union contract negotiations.

Use: For preparation for future collective bargaining negotiations and for arbitrations.

Cut off this file upon termination of the contract; dispose of 50 years from date of cutoff, or when no longer needed for reference, whichever is later. Do not send to FRC.

N1-28-88-5/4 (Replaces NC1-28-79-4/97)
EEAX.00.01

Contract Administration

75. Minutes of Meetings: Joint Labor/Management. (Committees such as EAP, Safety and Health, and scheme committees are established pursuant to Articles of the National Agreement.)

Arrangement: Chronologically.

Description: Minutes of joint meetings of labor/management committees at both the national and field levels.

a. National level.

Cut off this file upon termination of the contract; transfer to FRC when 10 years old; dispose of 20 years from date of cutoff.

NC1-28-79-4/98
EEBX.03.01

b. Field level.

Cut off this file at the end of each calendar year; dispose of 5 years from date of cutoff. Do not transfer to FRC.

N1-28-86-2/38
EEBX.03.02

76. Bulk Mail Center Labor Negotiations.

Arrangement: Alphabetically, by BMC name.

Description: Records pertaining to the Labor Relations involvement in setting up the Bulk Mail Centers. Includes staffing plans and changes, correspondence, and documents resulting from local labor/management negotiations.

Use: To document labor/management agreements relating to BMCs.

Cut off this file when no longer needed for reference or research. Dispose of 2 years after cutoff.

EEAX.00.02

77. Disciplinary and Contract Grievances and Appeals of Bargaining-Unit Employees.

Arrangement: Case files, numerically, by case number.

Description: Notices of disciplinary action, standard grievance forms from the unions, statements of fact, statements of witnesses and supervisors, copies of supporting records from other USPS files, summaries, decisions, union corrections or additions, appeal requests, papers that result from an appeal to the Merit Systems Protection Board, and other pertinent papers.

Use: To document grievances and appeals for employees covered by the collective-bargaining agreements. (Articles 15 and 16.)

Sample Forms: PS 2608, 2609, 2610.

Move to a closed case file upon receipt of final decision. Cut off this file upon expiration of the National Agreement. Do not send to FRC; dispose of when 7 years old.

N1-28-86-2/40 (Replaces NC1-28-83-2/30)
EEBX.12.01

Note: No disposal is to occur without approval of the Director, Office of Grievance and Arbitration.

78. Arbitration Case Files.

Arrangement: Case files, numerically, by case number.

Description: Copies of original disciplinary and contract grievances, and appeals of bargaining-unit employees. Includes formal pleadings, memorandums of law, and other relevant documents such as case analyses, notes, and telephone records.

Use: To provide legal advice and representation to the Postal Service.

a. Disciplinary and contract application cases (national and field level).

Move to a closed case file upon receipt of final decision. Cut off this file each calendar year.

Transfer to FRC 7 years after cutoff; dispose of 15 years from date of cutoff.

N1-28-86-2/39a(1) (Replaces NC1-28-83-2/31a)
EEBX.12.02

b. Contract interpretation cases (national level).

Move to a closed file upon receipt of final decision. Cut off this file upon expiration of the agreement; transfer to FRC when 7 years old; dispose of 15 years from date of cutoff.

NC1-28-83-2/31b
EEBX.12.04

c. Court actions.

Move to a closed file upon receipt of final decision. Cut off this file upon expiration of the agreement; transfer to FRC when 7 years old; dispose of 15 years from date of cutoff.

N1-28-86-2/39b
EEBX.12.05

79. PS Form 186, Directives Clearance Files — Labor Relations Issues.

Arrangement: Chronologically.

Description: Copies of PS 186 packages from other Headquarters departments relating to proposed program changes that have labor relations implications. Include background papers and correspondence.

Use: To notify unions of proposed policy or program changes affecting bargaining unit employees.

Cut off this file at the end of each calendar year. Transfer to storage 2 years after cutoff. Dispose of 4 years after cutoff.

EEBX.03.03

Compensation

Job Evaluation

80. Position Evaluations — Files on Nonbargaining Positions.

a. Record copy.

Arrangement: Case files, by occupation code.

Description: Position evaluations and descriptions of established positions including job title, series, grade, duties, and responsibilities. Requests for reviews (PS 6802), letters of appeal, letters from management, worksheets, decision letters, and fact sheets from USPS and from associations representing postmasters and supervisors.

Move to an inactive file when position is abolished. Cut off this file each calendar year; transfer to FRC when 2 years old; dispose of 10 years from date of cutoff.

NC1-28-79-4/90a(1)
EFAA.12.01

b. Incumbency data — reports on nonbargaining positions.

Arrangement: Numerically, by occupation code sequence.

Description: Statistical survey and listing of individuals in job descriptions by occupation code sequence. Reports are issued bimonthly.

Dispose of when superseded.

NC1-28-79-4/90c
EFAA.22.02

81. Position Evaluations and Related Files — Bargaining Positions (Employees covered by a formal bargaining agreement).

Record copy of position descriptions. Files describing established positions including title, series, grade, duties, occupation codes, responsibilities of incumbents, reference materials used to develop position descriptions, correspondence on bargaining positions

utilization and authorization, reports such as master occupation code lists, job evaluation information and statistical surveys.

Move to an inactive file when position is abolished or description is superseded. Cut off this file each calendar year; transfer to FRC when 5 years old; dispose of 10 years from date of cutoff.

NC1-28-79-4/91a(1)
EFAB.12.02

Administration

82. Wage and Salary Administration Records — Pay Consultations with Management Organizations.

Description: All background information, wage comparability data, correspondence, data requested by and furnished to management organizations, and pay package decisions and articles issued.

Cut off these files upon termination of the Agreement to which they pertain; dispose of 50 years from date of cutoff.

EFCB.11.01

83. Unemployment Compensation.

a. Claims Files.

Arrangement: Chronologically, by date of action.

Description: Wage and separation information from USPS and correspondence from state unemployment agencies.

Use: To verify employment and unemployment in order to determine compensation. If appealed, this becomes the appeals file.

Sample Form: PS 6803.

Move to a closed file upon award or denial of compensation or expiration of appeal date. Cut off this file each accounting period; dispose of 3 years from date of cutoff.

EFCF.03.01

b. Appeals Files.

Arrangement: Case files, alphabetically, by name of claimant.

Description: Forms and correspondence from state agencies, to include notices of appeals hearing, copies of transcripts, decision letters, evidence, court orders, through all levels of appeals.

Use: To defend the Postal Service position in unemployment compensation appeals.

Sample Form: PS 6803.

Move to a closed file upon final determination or expiration of appeal date; dispose of 6 years, 3 months from date of cutoff.

EFCF.12.01

84. Uniform Program Records.

Description: Correspondence and other information pertaining to the USPS Uniform Program.

a. Special correspondence dealing with items of uniform equipment, arranged by equipment.

Cut off this file each calendar year; dispose of 2 years from date of cutoff.

NC1-28-79-4/43a
EFCX.11.01

b. Complete set of published uniform specifications: USPS quality control standards, arranged in numerical sequence. (The history of USPS uniform items is presently retained at Natick Laboratories, Department of the Army, U.S. Army Research and Development Command, Natick, MA 01760-5000.)

Dispose of when superseded or no longer needed for reference.

NC1-28-79-4/43b
EFCX.12.01

c. Uniform vendor files consisting of vendors' applications, copies of signed code of ethics, and related records.

Move to an inactive file upon terminating vendor and USPS association. Cut off this file each calendar year; dispose of 1 year from date of cutoff.

NC1-28-79-4/43c
EFCX.12.02

85. Uniform Allowance Payment Records (050.040).

a. District accounting office copies.

Arrangement: By pay period. No other sortation required.

Description: Batches of invoices submitted by uniform vendors requesting payment for uniform items supplied to postal employees eligible for uniform allowances.

EFCX.03.01

Cut off the file at the end of each calendar year; dispose of two (2) years from the date of cutoff.

b. Post office case files.

Arrangement: Alphabetically by employee last name. Move to an inactive file when problem is resolved.

Description: Correspondence, copies of bills and invoices, and related papers resulting from post office research of employee problems or questions regarding the Uniform Allowance Program.

Cut off the inactive file at the end of the calendar year; dispose of two (2) years from the date of cutoff.

EFCX.12.03

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