

**Memorandum of Understanding
Between The
United States Postal Service
And The
National Postal Mail Handlers Union, AFL-CIO,
A Division of the Laborers' International Union of North America**

Re: One-time Retirement Incentive

The parties agree that the Postal Service will make lump sum incentive payments totaling \$15,000 (less applicable taxes and deductions) to eligible full-time career employees who choose optional retirement, retire pursuant to a Voluntary Early Retirement Authority (VERA), or voluntarily separate from the Postal Service. Part-time employees shall be eligible for a prorated amount, as provided below. These payments are subject to the following terms and conditions.

- 1. All career employees covered by the USPS-NPMHU 2006-2011 National Agreement are eligible for incentives pursuant to this Memorandum of Understanding (MOU) except for employees in a probationary status on the date of this MOU or employees who have a pending notice of discharge that was received on or before the date of this MOU.**
- 2. Within thirty (30) days of the signing of this MOU, employees must indicate in a manner prescribed by the Employer their intent to participate in the retirement incentive program by indicating that they wish to take optional retirement, retirement pursuant to a VERA, or voluntary separation. Full-time employees will be assigned by the Employer a retirement or separation date of October 31 or November 30, 2009 based on operational need, or, at the employees' option, they may retire or separate on or before September 30, 2009. Part-time flexible and part-time regular employees will be assigned a retirement or separation date of November 30, 2009. Employees who indicate they are taking a VERA under the terms of this MOU and wish to revoke their decision must do so on or before September 25, 2009.**
- 3. The \$15,000 incentive for eligible full-time career employees will be paid as follows. For those employees who separate or retire on October 31 or November 30, a \$10,000 payment will be effective within two full pay periods after they retire or**

separate. For employees who separate or retire on or before September 30, the \$10,000 payment will be effective pay period 21, to be paid October 16, 2009. The remaining \$5,000 payment shall be effective for all eligible employees the first full pay period in October 2010 (pay period 22, to be paid October 29, 2010).

Part-time flexible and part-time regular employees shall receive incentive payments that are prorated based on the number of hours paid in the twenty-six full pay periods prior to the effective date of this MOU, in accordance with the following schedule:

<u>Number of Paid Hours</u>	<u>Percent of Incentive Payment</u>
Under 520	25
520 and under 1020	50
1020 and under 1520	75
1520 and over	100

The prorated percentage shall be applied separately to the \$10,000 and \$5,000 payments. These payments shall be made on the same dates as for full-time employees.

An employee who accepts the incentive payment, and subsequently seeks future employment with the Postal Service, must return the incentive payment received to the Postal Service as a precondition for employment, unless a period of two years has passed from the date of retirement or separation and the date of rehire.

4. If excessive numbers of employees in particular offices take advantage of the provisions of this MOU, the parties at the national level will discuss the terms for relaxing contractual restrictions on casual use for a reasonable period of time (not to exceed 60 days past December 31, 2009) in order to meet operational needs. In such circumstances, the Employer reserves the right to amend the retirement and separation dates in paragraph 2 to the extent reasonably necessary to meet operational needs, but in no event later than December 31, 2009.

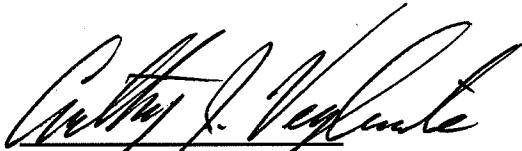
The parties further agree that these incentives will be provided to no more than 30,000 employees in the Mail Handler and APWU bargaining units combined. If more than 30,000 employees indicate that they wish to take advantage of the

terms of this MOU, the number allocated to each of the bargaining units shall be proportional to the number of employees in the bargaining units that are eligible for these incentives. The parties agree to meet and discuss implementation of this paragraph once the number of employees indicating a desire to take advantage of this MOU reaches 25,000.

5. This MOU has the potential to impact pending excessing actions. In order to give the Postal Service time to review and consider those impacts, the parties agree to a moratorium on excessing from the date of this MOU through October 9, 2009. The parties recognize that they may need to discuss the proper application or modification of notice requirements under the provisions of Article 12 based on the impact of this MOU.

Any disputes arising under this MOU will be referred to the National Administrative Committee for discussion and resolution.

This MOU is without prejudice to the positions of the parties on any issue and shall not be cited in any dispute resolution proceedings, except for the purpose of enforcing its terms.



Anthony J. Vegliante
Executive Vice President and
Chief Human Resources Officer
United States Postal Service



John F. Hegarty
National President
National Postal Mail
Handlers Union, AFL-CIO

Date: 8/27/09