

PSE
COLLECTIVE
BARGAINING
AGREEMENT

Between
American
Postal Workers
Union, AFL-CIO

And

U.S. Postal Service
May 21, 2015

September 20, 2018

MEMORANDUMS OF UNDERSTANDING
AND LETTERS OF INTENT

APPENDIX A

APWU Postal Support Employees Memoranda

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
AMERICAN POSTAL WORKERS UNION, AFL-CIO

Re: Postal Support Employees

The parties agree to the following general principles concerning Postal Support employees (PSEs):

1. General Principles

- a. The PSE work force will be comprised of noncareer, bargaining unit employees, which is the only category of noncareer employees established to work within the APWU bargaining unit. **There will be no PSEs in the Maintenance Craft. In the Motor Vehicle Craft there will be no PSEs except as agreed upon in Paragraph 2 of the Motor Vehicle Craft Jobs MOU.**
- b. PSEs will be hired for a term not to exceed 360 calendar days and will have a break in service of at least 5 days, if reappointed.
- c. Leave provisions for PSEs are included in Attachment A.
- d. For PSE percentage use allowances, see Article 7.1.B.
- e. The Postal Service will provide a report every four week reporting period with information needed to monitor compliance with the provisions above, i.e., the total number of career bargaining unit employees and PSEs by craft, function, installation and District.
- f. The hourly rates for PSEs effective **November 14, 2015**, shall be as follows:

Grade	Hourly Rate
3	\$13.21
4	\$13.63
5	\$15.10
6	\$16.06
7	\$17.07
8	\$17.43

Should it be necessary for recruitment or retention of PSEs, the Postal Service may pay higher hourly rates, with the concurrence of the Union.

Whenever contracting or in sourcing is under consideration, the Union may propose different hourly rates for competitive purposes.

2. Contract Provisions

The parties agree that only the following articles and portions of articles of the National Agreement apply to PSEs as outlined below:

Article 1

Article 2

Article 3

Article 5

ARTICLE 7 EMPLOYEE CLASSIFICATION

Section 1. Definition and Use

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B. Postal Support Employees (PSEs)

1. The PSE work force shall be comprised of noncareer bargaining unit employees.
2. During the course of a service week, the Employer will make every effort to insure that qualified and available part-time flexible employees are utilized at the straight-time rate prior to assigning such work to PSEs.

3. In the Maintenance Craft, the Postal Service will convert “in place” all Maintenance Craft Postal Support Employees to career status. Upon completion of all conversions, the category of Postal Support Employees will cease to exist and references to the term “Maintenance Craft PSE” will be deleted from the National Agreement.

(See Postal Support Employees Memoranda,
Attachment B, page 261)

4. In the Motor Vehicle Craft, the Postal Service will convert all Motor Vehicle Craft Postal Support Employees to career status. In the future, PSEs will be permitted in the Craft only when created in accordance with Paragraph 2 in the 2010 Motor Vehicle Craft Jobs MOU.

(See Postal Support Employees Memoranda,
Attachment B, page 261)

5. In the Clerk Craft, the total number of PSEs used in mail processing (function one) within a District, will not exceed 20% of the total number of career mail processing (function one) clerk craft employees within that District, except in accounting periods 3 and 4. The total number of PSEs used in retail/customer services (function four) within a District will not exceed 20% of the total number of career retail/customer services (function four) clerk craft employees within that District. The number of PSEs derived from the retail/customer services (function four) percentage may be used in function one and when doing so will not count against the 20% mail processing (function one) District cap.

**(PSEs employed in POSTPlan offices will not
count against the 20% district cap except
as provided for in the PostPlan Memo Re:
POSTPlan: Staffing of Offices, Filling of
Assignments, PSE Usage and Conversions
dated 9/22/2014)**

4. In Level 22 and above offices, PSEs in retail/customer services (Function 4) who work the window will not exceed 10% of the career retail clerks in that installation whose duties include working the window. The rounding-up rule of .5 and above applies. In Level 21 and below offices, PSEs in retail/customer services (Function 4) who work the window will not exceed 20% of the career retail clerks in that installation whose duties include working the window. The rounding-up rule of .5 and above applies. When the hours worked by a PSE on the window demonstrates the need for a full-time preferred duty assignment, such assignment will be posted for bid within the section. PSE employees who work the window may work in relief of employees holding duty assignments on the window.
5. Any non-APWU bargaining unit employee on light or limited duty in an APWU craft or on a rehabilitation assignment in an APWU craft who does not hold a bid assignment will not be counted as a career employee for the purpose of determining the number of PSEs who may be employed in that APWU craft.
6. In addition to the caps in paragraph 5 above, PSEs will not be counted towards the allowable percentages of PSEs within a District when employed for new work that is brought into the bargaining unit covered by this Agreement, including work being contracted out that is brought in-house, as follows:
 - a. In the Clerk Craft, in any former Contract Postal Unit (CPU) that is brought back in-house, unless it is a full-service unit or it primarily provides postal services.
 - b. The Employer and the Union may agree upon the use of additional PSEs in other circumstances when new or contracted work is brought in-house, or when new retail initiatives that are not full-service post offices are established.

9. The Postal Service will provide a report, every four week reporting period with information needed to monitor compliance with the provisions above, i.e., the total number of career bargaining unit employees and PSEs by craft, function, installation and District.
10. PSE employees shall be hired from an appropriate register pursuant to such procedures as the Employer may establish. They will be hired for a term not to exceed 360 calendar days per appointment. Such employees have no daily or weekly work hour guarantees, except as provided for in Article 8.8.D. PSEs will have a break in service of at least 5 days, if reappointed.

ARTICLE 8 HOURS OF WORK

Section 2. Work Schedules

A. The employee's service week shall be a calendar week beginning at 12:01 a. m. Saturday and ending at 12 midnight the following Friday.

B. The employee's service day is the calendar day on which the majority of work is scheduled. Where the work schedule is distributed evenly over two calendar days, the service day is the calendar day on which such work schedule begins.

Section 3. Exceptions

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PSEs will be scheduled in accordance with Section 2, A and B, of this Article.

Section 4. Overtime Work

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G. Overtime Work PSEs

PSEs shall be paid overtime for work performed in excess of forty (40) work hours in any one service week. Overtime pay for PSEs is to be paid at the rate of one and one-half (1-1/2) times the basic hourly straight-time rate.

When an opportunity exists for overtime for qualified and available full-time employees, doing similar work in the work location where the employees regularly work, prior to utilizing a PSE in excess of eight (8) work hours in a service day, such qualified and available full-time employees on the appropriate Overtime Desired List will be selected to perform such work in order of their seniority on a rotating basis.

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Section 7. Night Shift Differential

For time worked between the hours of 6:00 p.m. and 6:00 a.m., employees shall be paid additional compensation at the applicable flat dollar amount at each pay grade and step in accordance with the attached table. (Table 3.2)

Section 8. Guarantees

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- D. Any PSE employee who is scheduled to work and who reports shall be guaranteed two (2) hours of work or pay.

Section 9. Wash-up Time

Installation heads shall grant reasonable wash-up time to those employees who perform dirty work or work with toxic materials. The amount of wash-up time granted each employee shall be subject to the grievance procedure.

(The preceding paragraph, Article 8.9, shall apply to PSEs)

ARTICLE 9 SALARIES AND WAGES

Section 7. Postal Support Employees

The hourly rates for PSEs shall be adjusted by the general increases provided for in Article 9.1. PSEs will receive the following wage adjustments:

- **PSEs will receive annual 1% wage increases in addition to the general wage increases provided above for career employees (i.e., 2.2%, 2.3%, and 2.3%)**

- PSEs will also receive wage increases in addition to the general and annual increases above as follows:
 - \$0.09 per hour retroactive to November 14, 2015
 - \$0.20 per hour effective May 13, 2017
 - \$0.21 per hour effective May 26, 2018

All percentage increases are applied to the wage rates in effect May 20, 2015.

ARTICLE 10 LEAVE

Section 2. Leave Regulations

- A. The leave regulations in Subchapter 510 of the Employee and Labor Relations Manual, insofar as such regulations establish wages, hours and working conditions of employees covered by this Agreement, other than PSEs, shall remain in effect for the life of this Agreement.
- B. Career employees will be given preference over noncareer employees when scheduling annual leave. This preference will take into consideration that scheduling is done on a tour-by-tour basis and that employee skills are a determining factor in this decision.

ARTICLE 11 HOLIDAYS

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Section 6. Holiday Schedule

D. Postal Support Employees

PSEs will be scheduled for work on a holiday or designated holiday after all full-time volunteers are scheduled to work on their holiday or designated holiday. They will be scheduled, to the extent possible, prior to any full-time volunteers or non-volunteers being scheduled to work a nonscheduled day or any full-time non-volunteers being required to work their holiday or designated holiday. If the parties have locally negotiated

a pecking order that would schedule full-time volunteers on a nonscheduled day, the Local Memorandum of Understanding will apply.

Section 8. Holiday Postal Support Employee

A. PSEs will receive holiday leave pay subject to eligibility guidelines in Article 11.2 for the following six holidays:

- **New Year's Day**
- **Memorial Day**
- **Independence Day**
- **Labor Day**
- **Thanksgiving Day**
- **Christmas Day**

B. The number of hours of holiday leave pay that a PSE receives for each of the above holidays will be determined by the size of the office in which he/she works:

- **200 Man Year offices - 8 hours**
- **POStPlan offices - 4 hours**
- **All other offices - 6 hours**

PSEs who work on a holiday may, at their option, elect to have their annual leave balance credited with 4, 6, or 8 hours (as applicable) of annual leave in lieu of receiving holiday pay.

Article 14

Article 15

Article 17, Sections 2, 3, 4, 6 and 7

Article 18

ARTICLE 19 HANDBOOKS AND MANUALS

Article 19 shall apply in that those parts of all handbooks, manuals and published regulations of the Postal Service, which directly relate to wages, hours, or working conditions

shall apply to PSEs only to the extent consistent with other rights and characteristics of PSEs negotiated in this Agreement and otherwise as they apply to the supplemental work force. The Employer shall have the right to make changes to handbooks, manuals and published regulations as they relate to PSEs pursuant to the same standards and procedures found in Article 19 of this Agreement.

Article 20

Article 22

Article 23

Article 24

ARTICLE 26 UNIFORMS AND WORK CLOTHES

Section 4. Annual Allowance for PSEs

On an annual basis, Postal Support Employees who are assigned as PSE Sales/Service & Distribution Associates, SSDA D/A 81-4, who have met the criteria listed below, will be eligible to purchase three (3) Type 2 shirts worn by employees assigned to retail operations, with an allowance of up to \$42 per shirt:

- 1. Completed ninety (90) work days, or have been employed for one hundred twenty (120) calendar days, whichever comes first;**
- 2. Successfully completed required training; and**
- 3. Meet the requirements of the Employee and Labor Relations Manual (ELM), Section 932.11.g, which includes *“Retail personnel ...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.”***

If a PSE SSDA, who has met the above criteria, is subsequently assigned to a different PSE job title, and/or no longer meets the requirements of ELM 932.11.g, stated in #3 above, he/she will no longer be eligible for the uniform program.

Article 27
Article 28
Article 31
Article 32
Article 34
Article 36
Article 42
Article 43

Only the following Memorandums of Understanding from the **2015** National Agreement shall apply to PSEs:

Use of Privately Owned Vehicles
Leave Sharing
Leave Without Pay
Time Limitations Concerning Bone Marrow, Stem Cell,
Blood Platelet, and Organ Donations
Removal of Social Security Number References
Residual Vacancies - Clerk Craft
Assignment of PTF Hub Clerks
Purge of Warning Letters

3. Other Provisions

A. Light Duty

Article 13 does not apply to PSEs. However, Article 13 does not prohibit the assignment of PSEs to light duty.

B. Article 15

1. The parties recognize that PSEs will have access to the grievance procedure for those provisions which the parties have agreed apply to PSEs.
2. Nothing herein will be construed as a waiver of the employer's obligation under the National Labor Relations Act. PSEs will not be discharged for exercising their rights under the grievance-arbitration procedure.

3. PSEs may be separated at any time during their term of appointment for lack of work. Separations for lack of work shall be by inverse relative standing on the appropriate PSE roll. Such separations are not grievable except where the separations are pretextual. PSEs separated for lack of work will be given reappointment ahead of other PSEs with less relative standing on the PSE roll (or hiring a new PSE) within the installation if the need for hiring arises within one (1) year of their separation. PSEs are separated for 5 days between appointments.

When operational circumstances indicate that reappointment for a PSE(s) is not needed and the installation employs a PSE(s) with lower relative standing, the PSE(s) with higher standing will be reappointed and the PSE(s) with the lower standing in the installation will be separated instead. Such separation of a PSE(s) with the lowest standing is not grievable except where the separation is pretextual. These PSE(s) separated for lack of work during or upon completion of their term of appointment will be given reappointment ahead of other PSE(s) with less relative standing on the PSE roll (or hiring a new PSE) in the installation if the need for hiring arises within one (1) year of separation.

PSEs may be disciplined or removed within the term of their appointment for just cause and any such discipline or removal will be subject to the grievance-arbitration procedure, provided that within the immediately preceding six months, the employee has completed ninety (90) work days, or has been employed for 120 calendar days, whichever comes first.

In the case of removal for cause within the term of

an appointment, a PSE employee shall be entitled to advance written notice of the charges against him/her in accordance with the provisions of Article 16 of the National Agreement.

C. Article 25, Higher Level Pay

In the event a PSE is temporarily assigned to a higher level position, such employee will be paid at the higher level only for the time actually spent on such job. This language should not be construed to encourage the Postal Service to temporarily assign such employees to higher level positions. When the opportunity exists for higher level assignment, the principle of preference for career employees over PSEs should be utilized. PSEs will not be assigned to higher level assignments within function four (e.g., LSSA, Bulk Mail Tech, Special Postal Clerk, Lead Clerk), except when no career employee is available.

D. Health Insurance

The Postal Service will make a bi-weekly contribution to the total premium for any PSE who wishes to participate in the USPS Noncareer Health Care Plan (USPS Plan) equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act (PPACA), and applicable regulations, for self-only. The PSE is fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. Any PSE wishing to make their health care contribution on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. All PSEs will be eligible for the USPS Plan within a reasonable period from the date of hire and entry into a pay status consistent with the requirements established under the PPACA. On a monthly basis, the Postal Service will provide the Union with a list of PSEs enrolled in the USPS Plan. On an annual basis, the Postal Service will provide the Union with information about premium and claim experience, actuarial value and plan performance including any measure of employee

satisfaction, number and types of complaints, speed of claim processing, etc.

On an annual basis, the Postal Service will provide the Union its proposed USPS Plan design for the upcoming year, including plan options beyond self-only and family, to allow the Union timely input into any decision about changes. It is understood, however, that the final decision on plan design is solely vested in the Postal Service.

After an initial appointment for a 360-day term and upon reappointment to another 360-day term, any eligible non-career PSE who wants to participate in the Federal Employees Health Benefits (FEHB) Program on a pretax basis will be required to make an election to do so in accordance with **applicable procedures**. The total cost of **any FEHB plan** is the responsibility of the PSE, except as provided below.

The Postal service will make a contribution in the amount of 75% of the total premium for any eligible PSE who selects an APWU Consumer Driven Health Plan **option**.

E. PSE Career Opportunity

When the Postal Service determines in accordance with contractual provisions that it has needs to fill vacancies with new career employees, available and qualified PSEs will be converted to fill such vacancies on a seniority basis, **consistent with relevant contractual provisions including Article 37.5.D.**

F. Opting

A PSE may only occupy full-time (traditional or non-traditional) duty assignments in accordance with these rules. This does not prohibit PSEs from working assignments that do not constitute a duty assignment.

In the Clerk Craft, where practicable, PSEs will be allowed to opt on a seniority basis for full-time (traditional and non-traditional) vacant, residual assignments in the installation for which they are qualified and which are not assigned to career employees. Such opting does not create any work hour or assignment guarantees.

Hours worked by PSEs in opted non-traditional full-time assignments of more than eight hours in a work day or forty hours in a work week will be an exception, for the portion of their assignment which exceeds eight hours in a day and forty hours in a week, to the contractual obligation pursuant to Article 8.4.G to utilize the Overtime Desired List.

In the Clerk Craft, existing provisions of Article 37.3.F.5 and 37.3.F.7 apply prior to a PSE opting for the assignment. In addition, Article 37.3.F.3 and 37.3.F.4 will be modified so as to permit all bidders to train and attempt to qualify before the duty assignment becomes residual and available for assignment of unencumbered employees, PTF preferencing (unless being withheld), and finally for PSE opting. However, qualified PSEs may be utilized to backfill vacancies while full-time or part-time employees are in training pending qualification. In addition, any such assignment will be posted for bid as a vacant duty assignment or reverted pursuant to Article 37.3 on the occasion of the PSE's break in service.

In the Motor Vehicle Craft, **new work PSEs may opt on a seniority basis for new work full-time vacant residual assignments.**

G. Retirement Savings Plan

The parties will explore the steps necessary for the establishment of 401(k)-type retirement savings plans and/or payroll allotments for Individual Retirement Accounts for PSEs. The Postal Service will not be required to make any matching contributions as part of such plans.

ATTACHMENT A – POSTAL SUPPORT EMPLOYEE (PSE) ANNUAL LEAVE PROVISIONS

I. GENERAL

- A. Purpose. Annual leave is provided to PSEs for rest, recreation, emergency purposes, and illness or injury.

1. **Accrual of Annual Leave.** PSEs earn annual leave based on the number of hours in which they are in a pay status in each pay period.

Rate of Accrual	Hours in Pay Status	Hours of Annual Leave Earned Per Pay Period
1 hour for each unit of 20 hours in pay status in each pay period	20	1
	40	2
	60	3
	80	4 (max)

2. **Biweekly Crediting.** Annual leave accrues and is credited in whole hours at the end of each biweekly pay period.
3. **Payment For Accumulated Annual Leave.** A separating PSE may receive a lump-sum payment for accumulated annual leave subject to the following condition:
 - a. A PSE whose separation is effective before the last Friday of a pay period does not receive credit or terminal leave payment for the leave that would have accrued during that pay period.

II. AUTHORIZING ANNUAL LEAVE

- A. **General.** Except for emergencies, annual leave for PSEs must be requested on Form 3971 and approved in advance by the appropriate supervisor.
- B. **Emergencies and Illness or Injury.** An exception to the advance approval requirement is made for emergencies and illness or injury; however, in these situations, the PSE must notify appropriate postal authorities as soon as possible as to the emergency or illness/injury and the expected duration of the absence. As soon as possible after return to duty, PSEs must submit Form 3971 and explain the reason for the emergency or illness/injury to their supervisor. Supervisors approve or disapprove

the leave request. When the request is disapproved, the absence may be recorded as AWOL at the discretion of the supervisor as outlined in Section IV.B below.

III. UNSCHEDULED ABSENCE

- A. Definition.** Unscheduled absences are any absences from work that are not requested and approved in advance.
- B. PSE Responsibilities.** PSEs are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences. In addition, PSEs must provide acceptable evidence for absences when required.

IV. FORM 3971, REQUEST FOR, OR NOTIFICATION OF, ABSENCE

- A. Purpose.** Application for annual leave is made in writing, in duplicate, on Form 3971, Request for, or Notification of, Absence.
- B. Approval/Disapproval.** The supervisor is responsible for approving or disapproving application for annual leave by signing Form 3971, a copy of which is given to the PSE. If a supervisor does not approve an application for leave, the disapproved block on Form 3971 is checked and the reasons given in writing in the space provided. When a request is disapproved, the reasons for disapproval must be noted. AWOL determinations must be similarly noted.

ATTACHMENT B WORKFORCE STRUCTURE AND PSE CONVERSION IMPLEMENTATION AGREEMENT

The following provisions implement the workforce structure and PSE conversion requirements of the 2015 National Agreement:

Section 1. Maintenance PSEs

- 1. Within 60 days of the effective date of the Agreement,**

the Postal Service will convert “in-place” all current Maintenance Craft Postal Support Employees (PSEs) to career status, either to full-time regulars (FTRs) or part-time regulars (PTRs), consistent with the duty assignment the PSE currently works.

2. Upon completion of all conversions, the category of Postal Support Employees within the Maintenance Craft will cease to exist and references to the term “Maintenance Craft PSE” will be deleted from the National Agreement.

3. Maintenance Craft PSEs who have already served one full term as a PSE will not be required to serve a probationary period pursuant to Article 12, Section 1, after conversion to career.

4. The completed conversion of all Maintenance Craft PSEs to career status in the Maintenance Craft pursuant to this Agreement fully resolves all disputes as they relate to PSEs. Any such outstanding disputes, in any forum, shall be withdrawn.

5. The 2010 Maintenance Craft Jobs MOU shall terminate as of the effective date of the Agreement. Furthermore, the 2010 Maintenance Craft Jobs MOU may not be cited or used in any subsequent dispute resolution proceedings for any reason whatsoever. Any grievance or dispute resulting solely from the 2010 Maintenance Craft Jobs MOU shall be withdrawn. Disputes/grievances filed pre-dating the 2010 Maintenance Craft Jobs MOU, including but not limited to Q94C-4Q-C 98062563; Q00T-4Q-C 06082533; et. al, that were held as being related to the Maintenance Craft Jobs MOU will be released and processed in accordance with the National Agreement.

Section 2. Motor Vehicle PSEs

1. The Postal Service will convert all Motor Vehicle Craft Postal Support Employees (PSEs) to career status. In the future, PSEs will be permitted in the craft only when created in accordance with Paragraph 2 in the 2010 Motor Vehicle Craft Jobs MOU.

2. The conversions to career status will occur as soon as is reasonably practicable, but no later than sixty days from the effective date of the Agreement.
3. Motor Vehicle Craft PSEs will be converted to career status as either full-time regulars (FTRs) or part-time flexibles (PTFs).
4. Motor Vehicle Craft PSEs who have served one full term as PSEs will not be required to serve a probationary period as required by Article 12, Section 1, after conversion to career.
5. Paragraphs 1, 3, and 4 of the 2010 Motor Vehicle Craft Jobs MOU shall terminate as of the date of this Agreement. The terminated provisions of the Motor Vehicle Craft Jobs MOU may not be cited or used in any subsequent dispute resolution proceedings for any reason whatsoever. Any grievance or dispute resulting solely from Numbered Paragraphs 1, 3, and 4 of the Motor Vehicle Craft Jobs MOU shall be withdrawn. Disputes/grievances filed pre-dating the 2010 Motor Vehicle Craft Jobs MOU that were held as being related to the Motor Vehicle Craft Jobs MOU will be released and processed in accordance with the 2015 National Agreement.

Section 3. Clerk Craft PSE

1. All Clerk Craft PSEs in 200 Man Year offices with a relative standing date prior to two and a half (2.5) years from the effective date of the Agreement shall be converted to career status.
2. The conversion to career status will occur as soon as administratively practicable, but no later than sixty days from the effective date of the Agreement.
3. Clerk Craft PSEs converted to career status under this Section will not be required to serve a probationary period.
4. After one year from the effective date of the Agreement, the parties will evaluate the possibility of another one-time conversion of Clerk Craft PSEs.