

NALC Bulletin: The Long Awaited Payment.

**WAGE HIKE/COLA IN DECEMBER 10 CHECKS;
\$725 PARTIAL CASH PAYMENT ON DECEMBER 23**

Remaining Cash Due In February

A 3.4 percent wage increase and two cost-of-living adjustments totaling \$395 annually will be reflected in letter carriers' paychecks on December 10, the first of NALC's arbitration victory for the 1998-2001 National Agreement.

Then in most paychecks on December 23, the long-awaited payment covering the first year of the agreement will commence. The one-time cash payment will be divided into two segments—the first of \$725 (before taxes) for each carrier will be paid on December 23 and the remainder (of varying amounts depending on grade and step) will be in checks on either February 4 or February 18, 2000.

The payment timetable for the first year amounts comes after discussions between NALC and the Postal Service following Arbitrator George Fleischli's historic award. The parties agreed to split the cash payments into two installments to overcome technical problems related to the Postal Service's payroll system.

In addition to the 1.4 percent wage increase scheduled to take effect on November 20, 1999, the December 10 checks will include the 2.0 percent wage increase that would otherwise have taken effect a year earlier (Nov. 20, 1998) as well as two cost-of-living adjustments of \$62 and \$333 annually from the first year of the new contract.

The December 23 and February cash payments are designed to compensate carriers for income that would have been generated between November 21, 1998 and November 20, 1999 by the first-year wage increases provided by the Award if they had not been delayed by the arbitration process as well as two COLAs that would have been payable in March and September of 1999.

All carriers who were on the rolls in Pay Period 19 (which ended on September 10, 1999 -- just prior to the date of the Award) and who will not become eligible to retire before November 20, 2002 will receive the \$725 payment in their regular paychecks December 23.

Carriers who are currently eligible for retirement or who will become retirement eligible before November 20, 2002 will not receive the \$725 payment in December. Such carriers are entitled to retroactive pay adjustments to be issued no later than Pay Period 09-00 (pay date April 28, 2000). This will protect such carriers from any loss in future annuity benefits that would result if they received their back pay as a cash payment instead of a retroactive pay adjustment.

Among the consequences of issuing the cash payments in two installments in the manner agreed is that certain carriers who are technically ineligible to receive the cash payments will receive the \$725 payment while others who are entitled to partial payments as part-time employees will be overpaid. USPS retains the right to recover such mis-payments and overpayments through the normal debt collection process.

*****Additional details in the hardcopy of the forthcoming NALC Bulletin*****

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