

# Questions and Answers On Cash Payments

1) Q: When will I get my cash payment?

**A: The cash payments provided in the Fleischli Award will be made in two installments: a partial payment of \$725 will be paid in your regular paycheck on December 23, 1999 and the remainder, if any, will be paid as soon as February 4, 2000 but no later than February 18, 2000. (Note: The \$725 payment is a gross amount, before deductions for state and federal taxes, including Social Security and Medicare payroll taxes.)**

2) Q: Why are the cash payments being made in two installments?

**A: Numerous technical difficulties associated with end-of-year tax accounting, such as preparation of W-2s, plans to deal with potential problems associated with the Y2K computer bug and other payroll changes required by new labor contracts prevented full payments before February 2000. NALC sought and the USPS agreed to make at least partial payments before the end of the year. Under this agreement, the USPS will issue the minimum cash payment (\$725 is the amount due to carriers in Grade 5, Step A) to all eligible carriers on December 23, 1999 with the understanding that incorrect payments can be recovered through the normal debt collection process.**

3) Q: Who will receive the \$725 on December 23?

**A: All full-time, part-time and transitional carriers who were on the rolls in Pay Period 19, except career employees who are eligible to retire by November 20, 2002, will receive the \$725 payment.**

4) Q: I will be eligible to retire before November 20, 2002. Why don't I get the \$725 in December just like everybody else?

**A: As previously announced, retiree-eligible carriers are entitled to a retroactive pay adjustment to ensure that you receive full credit for basic pay earnings for purposes of calculating retirement benefits. The \$725 cash payment is not part of basic pay; without a full retroactive back pay adjustment, your future annuity benefits would be reduced. The USPS needs additional time to audit your work history to properly adjust your basic pay.**

- 5) Q: When will retirement-eligible carriers receive their back pay?
- A: **All carriers who are now eligible to retire or who will become retirement-eligible on or before November 20, 2002 will receive retroactive pay adjustments no later than April 28, 2000 (Pay Period 9-2000). These payments will be based on actual hours worked instead of the estimate used to determine the one-time cash payments to be paid to all other carriers.**
- 6) Q: Will eligible part-time employees with fewer than 1,500 hours receive the \$725 payment scheduled for December?
- A: **Yes. There will be no pro-rata payments in December even though the Fleischli Award called for such partial payments. All eligible part-timers will receive the \$725 payment. However, for those part-time employees who had fewer than 1,500 hours in the year prior to the award, the USPS has the right to recover any December overpayment next year. (Carriers with less than 500 hours are entitled to 25% of the cash payments; those with between 500 and 999 hours are entitled to 50%; those with between 1,000 and 1,499 hours are entitled to 75% and those with 1,500 or more hours are entitled to the full payment.)**
- 7) Q: If I am retired, will I receive the \$725?
- A: **No. Carriers who retired before Pay Period 19 (ending September 10, 1999) are not eligible for the cash payments. Carriers who retired after Pay Period 19 will be eligible for a retroactive pay adjustment, to be paid no later than Pay Period 9-2000. The annuities of such carriers will be adjusted upward to reflect the pay adjustment.**
- 8) Q: Will the cash payments be issued as separate checks?
- A: **No. The cash payments will be included in employees' normal paychecks on December 23, 1999 and in February, 2000 (either Feb. 4 or Feb. 18).**
- 9) Q: Will taxes be deducted from the cash payments?
- A: **Yes. Cash payments are subject to federal and state income tax withholding as well as to FICA taxes (Social Security and Medicare for FERS employees and Medicare only for CSRS employees). The \$725 payment in December is a gross amount, not the net amount after taxes.**

10) Q: Will federal retirement and Thrift Savings Plan contributions be withheld from the cash payments?

A: **No. Since the cash payments are not considered part of basic pay, neither employer nor employee contributions to FERS, CSRS or the Thrift Savings Plan will be deducted from the cash payments or be made on the basis of the cash payments.**

11) Q: What categories of carriers are ineligible for the cash payments?

A: **In accordance with the Award, carriers who are on OWCP or approved LWOP during the “extended eligibility period” (in this case, November 21, 1998 to September 10, 1999) are not entitled to the payments. Also ineligible are carriers who were in their probationary period on Sept. 19, 1999 or who during Pay Period 19 were (1) not on the rolls; or (2) absent without leave. Finally, employees who transferred into the city carrier craft from other crafts represented by the APWU or the NPMHU are not entitled to double payment.**

12) Q: Does the USPS have the right to recover payments made to ineligible carriers?

A: **Yes. Carriers who are categorized as ineligible but who receive the \$725 payment in December will have to return the money. USPS will have the right to recover such incorrect payments from ineligible employees.**

13) Q: Does the USPS have the right to recover overpayments made in December as a result of giving all employees \$725 in the first round of payments?

A: **Yes. For example, part-time carriers with fewer than 1,500 hours of work in the year to date through Pay Period 19-99 are not entitled to full cash payments. (See question 6.)**

14) Q: How long did it take the USPS to make back pay adjustments for the APWU and Mail Handler bargaining unit employees?

A: **Final ratification of the contracts did not occur until January and the payments were made on April .16, 1999.**