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NTEU, IRS Mid-Term Labor Agreement Features Strengthened Performance Awards Program

Washington, D.C.—Implementation of a new mid-term labor agreement early next month will bring Internal Revenue Service (IRS) employees important new benefits secured for them in negotiations by the National Treasury Employees Union (NTEU), including a more robust performance awards program that recognizes outstanding service by employees to the IRS and America's taxpayers.

NTEU President Colleen M. Kelley said she is "very pleased" with the gains the union made on behalf of IRS employees and with NTEU's success in rejecting several initiatives presented by the IRS that would have reversed previously-won worker benefits and protections. With 10 of the most important contract articles reopened by the parties, "this new mid-term agreement incorporates key provisions NTEU strongly supported," Kelley said. Implementation is scheduled for Jan. 3, 2006.

A key component of the new agreement is a strengthening of what has become the best and most far-reaching incentive award system in the federal government, setting aside \$50 million annually to reward those IRS employees who meet the negotiated criteria for excellent performance. Employee performance at the IRS also will be enhanced because of a tougher performance management article that continues to make managers responsible for providing assistance to help employees improve their performance. The IRS sought to eliminate that requirement.

"This agreement demonstrates that a robust awards program that rewards high performers can be negotiated. NTEU sought to establish this program and aggressively worked with the IRS to create an awards program with solid rewards, rather than gimmicks. Thanks to NTEU, the program has adequate funding and is fully and correctly implemented," said Kelley. "We will continue to work to improve the program and ensure that it is viewed as fair, credible and transparent by IRS employees."

(MORE)

NTEU-IRS Contract Features Performance Incentives --Add One

NTEU succeeded in retaining the level of funding for the employee awards program—1.6 percent of bargaining unit salaries compared to the government-wide average of 0.9 percent—despite an IRS push to reduce the percentage of bargaining unit salary funding the pool by millions. Additionally, the new agreement obligates IRS to provide data on awards distribution to allow NTEU to evaluate whether all groups of employees are being treated fairly.

The agreement also expands employee rights in promotions and competitive actions, linking performance appraisals to the promotion process and providing that, with narrow exceptions, the area of consideration for vacant bargaining unit positions will be IRS-wide. NTEU also won a single, shortened ‘best qualified’ list in event of a vacancy, or multiple positions, in one or more posts of duty.

The contract includes, as well, an improved reduction-in-force process that substantially increases the amount of notice required to be given to employees (except in emergencies) and triggers a range of mitigation strategies including VERA/VSIP, priority placement, retraining and reassignment preference.

The agreement establishes an expedited EEO complaint process using the best features of a grievance procedure and the statutory EEO process. “This new process, which engages an outside mediator at the beginning of the process, will get complaints resolved sooner through mediation and will result in fewer grievance hearings,” said President Kelley.

The contract contains a first-time flexiplace agreement in the Taxpayer Advocate Service (TAS) and expands the rights of employees to work split shifts.

Most issues were agreed to by the parties earlier this year, but implementation was held up when the IRS refused, for the first time since the initial NTEU-IRS national agreement in 1980, to accept the recommendations of a neutral third-party fact-finder on disputed issues. NTEU accepted the fact-finder’s recommendation.

With the matter before both the Federal Service Impasses Panel (FSIP) and Federal Labor Relations Board (FLRA), NTEU prodded the IRS to get back to the bargaining table to deal with all outstanding issues. That step, finally agreed to by the agency, paved the way for implementation.

NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments, including about 94,000 in the IRS.