

May 9, 2005

MEMORANDUM

TO: IRS Chapter Presidents

RE: 2003 National Performance Awards Settlement Payments

SUMMARY: The IRS will make 2003 National Performance Awards settlement payments on the June 9, 2005, payday.

As you are aware, NTEU filed a national grievance challenging several aspects of the 2003 National Performance Awards program. The settlement of that grievance requires the IRS to pay current bargaining unit employees who received a 2003 award, their individual share of a \$5 million settlement payment.

NTEU and the IRS have agreed that the settlement payment will be made on the June 9, 2005, payday. NTEU will have the opportunity to review the list of settlement payment recipients prior to June 9, 2005, in order to ensure the accuracy of the data and avoid the need for additional litigation on this matter.

A list of frequently asked questions and answers regarding these supplemental awards is attached to this memo and is posted on the IRS website.

If you have any questions regarding these supplemental payments or the national grievance, please contact Matthew Areman, National Negotiator, at (202) 572-5500, ext. 7010, or via e-mail at matthew.areman@nteu.org.

Colleen M. Kelley
National President

Attachment

2003 Settlement Award - National Performance Awards Agreement

Frequently Asked Questions and Answers

Eligibility for Settlement Award

Q1. Why are 2003 settlement awards being paid?

A1. In response to an institutional grievance filed by the National Treasury Employees Union (NTEU), an arbitrator has ruled that the 2003 bargaining unit performance awards were under funded. As a result, the Service and NTEU have reached a settlement agreement regarding the payment of a total of \$5,000,000 in additional funding to be shared by eligible bargaining unit employees.

Q2. Which bargaining unit employees are eligible to receive settlement awards?

A2. Employees who meet both of the following are eligible to receive a settlement award:

- Employees who received an IRS bargaining unit performance award (whether monetary, time-off, or both) for FY 2003 performance
- Employees described above, who were also on IRS rolls and assigned to a permanent bargaining unit position on April 2, 2005

Note: Employees who received Quality Step Increases (QSIs) or 3% of salary awards in lieu of QSIs for FY 2003 performance are not eligible for awards under the settlement agreement.

Q3. Explain the “assigned to a permanent bargaining unit position on April 2, 2005” eligibility requirement.

A3. The requirement is based on the employee’s permanent position of record (as recorded in the Treasury Integrated Management Information System - TIMIS), not a temporary assignment to a non-bargaining unit position such as by detail or temporary promotion.

Q4. I am a Revenue Agent who was on a temporary promotion to a group manager position on April 2, 2005. Do I meet the eligibility requirement described in A3?

A4. Yes. Any bargaining unit employee on a temporary promotion to a non-bargaining unit position as of April 2 meets the requirement if the employee’s permanent position of record (to which he or she is presumed to return after the temporary promotion) is in the bargaining unit.

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Q5. I was permanently promoted to a non-bargaining unit position in March 2005 and remained in the non-bargaining unit position on April 2, 2005. Do I meet the eligibility requirement described in A3?

A5. No, because you were not assigned to a permanent bargaining unit position as of April 2.

Q6. Do employees who were separated from IRS as of April 2, 2005, meet the eligibility requirement described in A3?

A6. No, employees who separated for any reason, including resignation, retirement, or transfer to another Federal agency, are not eligible for a settlement award.

Q7. My friend retired from an IRS bargaining unit position on April 16, 2005. Does she remain eligible for a settlement award?

A7. Yes, provided the basic eligibility requirements described in A2 were met. Employees retain settlement award eligibility if they leave a covered position or the IRS after the April 2, 2005, eligibility date.

Q8. Are seasonal employees who were in a non-pay status on April 2, 2005, eligible for settlement awards?

A8. Yes, provided the basic eligibility requirements described in A2 were met, seasonal employees who were on rolls as of April 2, 2005, are eligible for settlement awards.

Q9. Are employees on leave without pay status on April 2, 2005, eligible for settlement awards?

A9. Yes, provided the basic eligibility requirements described in A2 were met, employees who were on leave without pay status as of April 2, 2005, are eligible for a settlement award.

Calculation and Payment of Settlement Awards

Q10. How will the amount of individual settlement awards be calculated?

A10. The settlement agreement between IRS and NTEU specifies that these awards will be calculated based on the established National Performance Awards Agreement (NPAA) share system. This will be accomplished by the following steps:

Step 1 -- FY 2003 shares earned by employees who meet the eligibility requirements will be totaled.

Step 2 -- The number of FY 2003 shares will be divided into \$5,000,000 to determine the settlement award share value.

Step 3 -- Each eligible employee's settlement award will be his or her FY 2003 shares multiplied by the settlement award share value.

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The settlement award share value will be announced in the **May 31st "IRS Headlines and more"** newsletter.

Q11. I received my FY 2003 performance award as time-off. Will the settlement award also be granted as time-off?

A11. No. The settlement agreement specifies that all settlement awards will be granted as monetary payments.

Q12. When will the settlement awards be paid?

A12. Settlement awards will be paid through the IRS payroll system **on the June 9, 2005, pay day**. You may learn of your eligibility for an award and the amount through:

- direct deposit made to your financial institution for the June 9, 2005, pay day
- your on-line or mailed Statement of Earnings and Leave (SEL) for the above date (The award will appear on your SEL as a cash award.)

Other Questions

Q13. Who may I contact if I have additional questions regarding settlement awards?

A13. If you have questions after reviewing the information on this site, you may contact the Employee Resource Center (ERC) for assistance. Select "Contact ERC" at the bottom of that site. An ERC representative will answer your general questions. Or, you may e-mail your questions to *IRS Personnel.