

Burrus to VER-Eligible Employees: ‘DON’T GO’

With news that eligible employees will soon be receiving notice from the Postal Service about an offer of Voluntary Early Retirement (VER), APWU President William Burrus is advising union members to delay making a decision as long as possible.

“The decision about when to retire is a personal one that is influenced by family obligations and lifestyle,” Burrus said. “But the attractiveness of ending a career early should be weighed with consideration of factors that may not be readily apparent.”

In addition to life-long annuity reductions, he said, employees should realize that the Postal Service offer is being made because of the prospect of heavy financial losses in the current fiscal year and beyond. “The opportunity to retire early may be tempting, but it is not being offered for the employee’s benefit: It is intended to improve the financial condition of the Postal Service.”

“An employee who retires after 25 years of service can expect to receive an annuity of less than half of the average basic salary of the last three years,” Burrus said. He noted that this would exclude most of the time period covered by the 2008 upgrade and the September 2008 Cost-of-Living Adjustment, which is expected to be over \$1,000 – one of the largest in postal history.

“Employees who can work for another 15 years before reaching their annuity maximums can expect pay hikes over that time equal to the nearly \$18,000 in raises over the past 15 years,” Burrus said of the increase from \$34,000 to September’s \$52,000.

“The USPS would save about \$1 million in salary, benefits, and retirement annuity for each such employee,” he said.

“Those who take the early-out offer will allow the Postal Service to avoid these future obligations, while receiving a significantly lower annuity for the balance of their lives – and lives of their survivors.” The annuity reduction would be “substantial,” he said, and cannot be justified unless the Postal Service offers an incentive.

“We have discussed incentives with the Postal Service,” Burrus said, “but, so far, management has refused to consider any kind of bonus in conjunction with the early-out offer.” The discussions with management are continuing, he said.

“We do not oppose Voluntary Early Retirement per se,” Burrus said, “but we believe incentives should be offered and all eligible employees should be included.”

“And we expect that if a sufficient number of employees do not accept the early-out, the Postal Service will still face a significant deficit, and will still be forced to find ways to reduce the workforce. We will be having continuing discussions with postal management,” he said, “and these discussions will be influenced by the number of employees who voluntarily retire without incentives.”

“In this uncertain economy, there is no reason to make a hasty decision,” Burrus said. “Energy and medical costs are escalating, which will make it extremely difficult to survive on a fixed income. One simply has to consider the financial disincentives to retire early, especially without an upfront monetary incentive.”

“As employees who meet the eligibility criteria think about their choices, I ask that they forgo making a quick decision. At this time, the union’s recommendation to eligible employees is that unless you have compelling personal reasons to retire early, *DON’T GO*.”

Who Will Be Eligible for the ‘Early-Out’ Offer?

The Office of Personnel Management (OPM) approves requests by federal agencies and the USPS to offer Voluntary Early Retirement.

According to OPM, to be eligible, employees must be at least 50 years old and have at least 20 years of creditable service, OR may be any age provided they have at least 25 years of creditable service.

OPM’s approval of the Postal Service’s VER request applies to Clerk, Mail Handler, and initial-level supervisory employees agency-wide. The offers can

be made to eligible employees “from June 30, 2008, through June 30, 2009.”

The USPS estimates that nearly 57,000 clerks, and about 16,000 mail handler and supervisory employees are eligible. It projects that 6,496 clerks, 1,552 mail handlers, and 693 supervisors will accept the VER offer.

The Postal Service has told the APWU that it plans to request approval to offer early-outs to other categories of employees, including some members of the Maintenance Craft and city and rural carriers.