

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
AMERICAN POSTAL WORKERS UNION, AFL-CIO
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

The parties agree that bargaining unit employees will be provided an opportunity to petition for a hearing regarding monies demanded by the Employer pursuant to the Debt Collection Act as promulgated in postal regulations found in the Employee and Labor Relations Manual and in other handbooks, manuals, and published regulations of the Postal Service. The following procedures embody our agreement and outline this process and its relationship to the grievance-arbitration procedures in Article 15 of the National Agreement:

1) A bargaining unit employee shall have the right to file a grievance under the provisions in Article 15 of the National Agreement concerning any letter of demand, to challenge the existence of a debt owed to the Postal Service, the amount of such debt, and the proposed repayment schedule. A bargaining unit employee also shall have the right to file a grievance under the provisions in Article 15 of the National Agreement concerning any other issue arising under Article 28 of the National Agreement. However, if no grievance challenging the existence of a debt owed to the Postal Service, the amount of such debt, or the proposed repayment schedule, is initiated within 14 days of receipt of the letter of demand, and the Employer intends to proceed with the collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," with a right to petition for a hearing, pursuant to the Debt Collection Act.

2) At any stage of the grievance-arbitration procedure where the existence of a debt, the amount of a debt, or the proposed repayment schedule has been resolved through a written settlement between the Employer and the Union, and the employee remains liable for all or some of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act." If a petition for hearing is filed, the Postal Service is free, before the Hearing Officer, to pursue collection of the full amount of the debt. However, any contractual issue settled by the parties in the grievance-arbitration procedure will be final and binding.

3) At any stage of the grievance-arbitration procedure where a grievance has not been initiated or advanced to the next step within the time limits set forth in Article 15 of the National Agreement, and the Employer intends to proceed with collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

4) When an arbitrator finds the grievance is not arbitrable, and the Employer intends to proceed with the collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

5) Once an arbitration hearing has opened on the merits of any money demand, the employee will not be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," unless the arbitrator finds the grievance is not arbitrable or the grievance is settled pursuant to paragraph numbered 2.

6) If a grievance is initiated and advanced through the grievance-arbitration procedure or a petition has been filed pursuant to the Debt Collection Act, regardless of the amount and type of debt, collection of the debt will be delayed until disposition of the grievance and/or petition has (have) been had, either through settlement or exhaustion of contractual and/or administrative remedies.

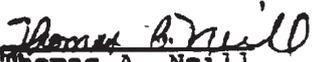
7) No more than 15 percent of an employee's disposable pay or 20 percent of the employee's biweekly gross pay, whichever is lower, may be deducted each pay period to satisfy a postal debt, unless the parties agree, in writing, to a different amount.

8) The provisions of paragraphs 6 and 7 of this Memorandum, regarding the delay of collection of the monies demanded and the amount to be collected through payroll deductions, will be incorporated in Article 28, Section 4 of the 1994 National Agreement.

9) An administrative hearing under the Debt Collection Act may be conducted by any individual not under the supervision or control of the Postmaster General, but may include a hearing official designated by the Judicial Officer.


 Anthony J. Vegliante
 Manager
 Grievance & Arbitration
 Labor Relations

4/21/93
 DATE


 Thomas A. Neill
 Industrial Relations Director
 American Postal Workers Union,
 AFL-CIO

7-15-94
 DATE


 Lawrence G. Hutchins
 Vice President
 National Association of
 Letter Carriers, AFL-CIO

7/20/94
 DATE