

# Impact of USPS Consolidations on Employees

Written by [Alan Robinson](#) on February 28, 2012 in Courier Express and Postal Observer



Last week, the Postal Service provided employees significantly more information regarding the scale of the changes coming to its operations and for many employees whether the facility they now work at will remain open. While this information has provided employees with some indication as to what lies ahead, the details as to what will happen to individual employees remain sketchy. The following set of questions and answers provide information contained in the Postal Service's "[Our Future Network](#)" website, presentations to Postal Unions, bulletins of Postal management associations and press reports from both national and local news sources.

## When Will the Postal Service Start to Make Changes?

Based on information provided by the Postal Service and limitations in the American Postal Workers Union Contract, the following schedule is the best available estimate of when changes in postal operations will occur.

- **The change in Service Standard will occur between May 15, and June 20, 2012.** The Postal Service has stated that this will occur in the Spring. (Source: [FAQ Page](#))
- **The first round of plant closings will occur between June 21, and June 30, 2012, with a second round of closures occurring between September 21 and September 30, 2012.** These dates are determined by 1) the Postal Service's statement that the national realignment will occur in the summer and fall of 2012. (Source: [Fact Sheet Page](#)) and 2) requirements in the American Postal Workers Union contract that employee reassignments in an Area can only occur once a quarter. In order for the Postal Service to maximize its cost savings, it will try to close as many facilities as practically possible in June. More than likely those facilities that remain open until the fall will include 1) those facilities still under study and 2) those that may require additional mail sortation equipment that cannot be moved by June 21.

## Who will be Affected by the Change?

The Postal Service states that the network realignment "will affect clerks, mail handlers, mechanics, motor vehicle operators, custodians, maintenance employees, supervisors, managers and other administrative personnel." (Source: [FAQ Page](#)) What the Postal Service does not state is how broad the impact will be.

Given that the Postal Service plans to reduce its workforce by 35,000, it would appear that the impact will affect clerks, mail handlers, mechanics, motor vehicle operators, custodians, maintenance employees, supervisors, managers and other administrative personnel at all facilities.

In addition, the network realignment will likely affect city and rural carriers. The Postal Service has begun the process of informing members of the American Postal Worker and Mail Handler Unions about the ability to transfer to city carrier or rural carrier crafts. In order to make room for as many employees that may want to change craft, the Postal Service may have to find a way to convince some senior city and rural carriers to retire.

## How Many Jobs will be Affected by Area?

The Postal Service presentation to the APWU provided information on the impact on APWU members and allows calculation of a rough estimate of the impact on mail handlers, supervisors, managers and administrative personnel. The impact on APWU members will be as follows:

An estimate of the impact on non APWU employees that uses the 35,000 total job reductions and a proportion of jobs by area estimated based on what is happening to APWU employees is as follows:

## How Will the Postal Service Reduce Its Workforce?

The Postal Service has stated that it will reduce its workforce through attrition. However, reducing the Postal Service workforce by 35,000 employees within a short window would appear to require more than normal attrition. The Postal Service has three options; 1) encourage early retirement and 2) encourage voluntary separation from Postal Service employment; and 3) lay off union employees with less than six years of employment with the Postal Service and non-union employees without contract protection.

### Early Retirement

The Postal Service has indicated that it has begun discussions with the Office of Personnel Management to get the authority it needs to offer early retirement with or without incentives. The Postal Service has been coy about whether it will offer retirement incentives partially because if Congress passes a bill that includes the incentives included in the S.1789, the Postal Service can offer larger incentives than it can under current law and the Postal Service needs the refund of FERS over-payments to cover early retirement incentives.



At this point, it appears likely that by June the Postal Service will have authority to offer both voluntary and incentivized retirement to employees who qualify under current rules for retirement incentives. Given the Postal

Service's past experience with voluntary and incentivized early retirement programs, the Postal Service probably will announce retirement incentives in sufficient time for those taking early retirement to leave Postal Service employment by June 30.

### Voluntary Separation

The Postal Service will not explicitly encourage voluntary separation. However, the plant consolidation process will make the Postal Service a less attractive employer for many employees who could find that staying with the Postal Service would require unacceptably long commutes or relocation to another city. Therefore, some employees will choose to voluntarily stop working for the Postal Service if they can find alternative employment closer to home or the cost of the commute makes it not economical to continue working for the Postal Service. Employees that will face the problem of a geographically unattractive work location will include employees currently working at facilities that are slated to be closed and low-seniority employees at facilities that remain open. The Postal Service most likely expects that voluntary separation will reduce the workforce by at least a few hundred employees.

### Layoffs or RIFS

As of December, 2011, the Postal Service had 111,172 employees who were employed for less than 6 years. While there is no information as to the jobs that employees with less than six years of service perform, if they perform a unionized job they do not have protections from being laid off. In particular, the 14,000 of these individuals are Postal Support Employees whom were hired after the signing of the APWU contract last year and would appear to be particularly vulnerable. The most vulnerable PSE's are those that work in facilities that are to be closed. Other Postal Service employees with less than six years of service would also appear vulnerable. The Postal Service has indicated that it will not layoff employees but if not enough employees retire or leave the Postal Service voluntarily, the Postal Service may have little choice but to institute layoffs on a regional basis.

If the Postal Service has to implement layoffs, APWU members have more protection than other Postal

Service employees. Based on a memorandum of understanding in the current contract, employees hired prior to November 20, 2010 are safe from layoffs. So this means only APWU members hired in the past 15 months could be laid off. Added (2/28/2012 12:28 p. m.

## **If Early Retirements Are Offered Who Would Be Eligible?**



If the Postal Service uses early retirement incentives as a means to avoid layoffs, it will need to offer incentives to nearly all employees. Clearly the Postal Service will likely include all clerks, mail handlers, mechanics, motor vehicle operators, custodians, maintenance employees, supervisors, managers and other administrative personnel at both plants that are closing and those that remain open. Given that the Postal Service has begun discussing how APWU and Mail Handler Union members can become city or rural carriers, it would appear that incentives may also be offered to city and rural carriers as well. Finally, incentives may also be offered at area and district offices both

because there may be a consolidation of regional management and to create openings for plant management to work in a district or area office.

## **What About Within Craft and Cross-Craft Reassignments?**

Given seniority rules, reassignments of clerks, mail handlers, mechanics, motor vehicle operators, custodians, maintenance employees, supervisors, managers and other administrative personnel will be fairly extensive. Given the number of jobs being eliminated, it would appear that reassignments will affect employees that work in plants that are being closed and plants that remain open.

The Postal Service has already begun discussing with APWU and Mail Handler Union members about becoming city or rural carriers. The amount of inter-craft reassignments available will depend upon how aggressively the Postal Service offers early retirement incentives to city and rural carriers.

## **When Will the Postal Service Begin Providing Information About Early Retirements and Reassignments?**

Assuming that the Postal Service wants to be prepared to begin making changes by May 15, the Postal Service should begin making announcements affecting Postal employees by **March 15, 2012**. By making announcements on or before March 15, the Postal Service will comply with union contract requirements. Both the APWU and Mail Handlers Union require that employees be notified 60 days in advance of reassignments to a facility that is a long distance from the current work location. (The actual distance that is defined as long distance differs for the APWU and Mail Handlers Union.)

If the Postal Service decides to offer early retirement incentives, it would likely announce these incentives sometime in March or early April. The incentives will likely have retirement dates no earlier than June even if they are announced in March and require an employee to make a decision within 30 days of the incentive announcement.

The mid-March/early April announcement of early retirement incentives should give the Postal Service sufficient time to determine how remaining employees will need to be reassigned and if necessary the number of employees whose jobs are not protected by contract that must be laid off.

The relatively rapid changes that the Postal Service is likely to implement suggests that all employees are going to have to pay close attention to announcements from the Postal Service over the next few months. In particular, those employees that are offered early retirement or reassignment options need to pay close attention to decision deadlines announced by the Postal Service in order to ensure that all their options are

open for them to make the best decision for their own future.