

## **Restructuring Agreement Addendum**

**I. Purpose.** The following outlines agreements between internal Revenue Service (the Service) and the National Treasury Employees Union (the Union) concerning how Transition Employees, (that is, those referred to in Article 4, Section 2 of the Restructuring Agreement), and others are to be treated during the Service's Restructuring effort. These agreements are an addendum to the Parties' primary Restructuring Agreement. Unless otherwise stated, Article and section references are to the Restructuring Agreement. To the extent that this Memorandum conflicts with that Restructuring Agreement, the NORD/NC V Agreements, or any other collective bargaining agreement(s), memoranda of understanding or letters of commitment negotiated between the National and/or local parties, the provisions of this Memorandum of Understanding will govern.

**II. Designation of Transition Employees.** Employees will be placed in Transition status in accordance with Article 4, Transition of the Parties' Restructuring Agreement. In this regard, an employee will be placed in such Transition status if, during a particular Division's Establishment Phase, that employee is not reassigned to a continuing position in that Division, in accordance with Article 4, Section 1, Steps 1 through 3. Other employees may be placed in such Transition status pursuant to supplemental agreements between the Parties. In this regard, an employee will be placed in a Transition status as soon as the Service determines that he or she will not be realigned to a new Division pursuant to Steps 1 through 3 of Section 1.

**III. Referral and Placement.** Employees entitled to Transition status will receive written notice of this at the conclusion of Steps 1, 2, and/or 3 of Article 4, Section 1. The Service may provide such notice prior to the conclusion of these Steps if, pursuant to Step 1 .c. of Article 4, Section 1, it determines that no vacancies will be available for consideration of Step 2 and/or 3 volunteer applicants. Moreover, with Union agreement, the Service may issue Transition notices in advance of these Steps. In this regard, the Service has determined that each Division will be responsible for Issuing Transition notices; that the Office of Strategic Human Resources (OSHR) will maintain a master listing of all Transition Employees, oversee the overall process of tracking and referral of employees, and provide final Agency interpretation of this Memorandum; and that Agency-Wide Shared Services (AWSS) will be responsible for insuring that all qualified Transition Employees are properly referred and reassigned to those appropriate positions vacated after completion of a Division's initial "stand up" staffing, as set forth below.

**IV. Timing and Order of Referral.** Transition Employees will be entitled to placement to vacant permanent/continuing positions in accordance with Article 4, Section 1 Immediately upon receipt of their written notice, in this regard, the Service has determined that all qualified Transition Employees within the applicable commuting area will automatically be reassigned to those permanent continuing positions vacated after a Division's initial establishment. All Transition reassignments shall be effected as an exception to CTAP.

**A. New Job Categories.** Where the Service establishes new Job categories with positive education requirements, It has determined that It will fill those Jobs: first, by reassignment from among those employees in designated "predecessor" positions who already meet those requirements, or who agree to meet those requirements within twelve months of reassignment; second, by reassignment from among those Transition Employees who are eligible and already meet requirements at the time of reassignment;

and third, through competition, from other employees (Including those Transition Employees) who are eligible and already meet requirements, or who agree to meet those requirements within twelve months of selection. Employees in the third category who are applying for a promotion, will not be promoted until all requirements of the position are met. All such competitive actions will be in accordance with the merit promotion provisions of NORD/NC V. Before the Service establishes a new job category, NTEU will be given formal notice under Article 47.

**B. Placement Post of Duty (POD).** The Service has determined that Transition Employees will be reassigned to permanent positions in their current POD. However, in the event that the Service identifies a permanent placement opportunity elsewhere within the commuting area, the Service may reassign a Transition Employee to that position where the Service's Office of Strategic Human Resources determines that (1) there is no reasonable expectation that the Transition Employee will be permanently placed in his or her current POD within the ensuing twelve months; and (2) the work associated with the proposed placement cannot be assigned to the Transition Employee "in place" (that is, at his or her current POD). Before the Service effects such reassignment, it will solicit volunteers from among qualified Transition Employees in the applicable commuting area, and offer the reassignment to those volunteers according to IRS EOD, with the employee with the earliest EOD offered the reassignment first, and so on. If no (Or an insufficient number of) qualified volunteers are available for the placement, the Service may involuntarily reassign a Transition Employee from among those in the commuting area, in inverse order of seniority; however, a Transition Employee Involuntarily reassigned under this provision shall be entitled to placement back in his or her original POD, if a vacancy occurs in that POD, so long as he or she meets the qualification requirements for that vacancy.

**C. Other Placement Priorities.** If no BU Transition Employee is qualified for placement in a particular vacancy, the Service will consider candidates, in the following order: (1) CTAP eligibles, without regard to their unit status; (2) priority placement candidates, without regard to their unit status; (3) BU Article 13 priority consideration candidates; (4) BU Article 15 hardship transfers; (5) BU Article 15 reestablished position candidates; and (6) qualified non-bargaining unit Transition Employees.

**D. Hardship Applicants.** Bargaining Unit spouses and life partners (as defined in NORD/NC V and applicable regulations) of employees reassigned due to the Service's restructuring will be considered as hardship reassignment applicants under Article 15 of NORD/NC V. In order to better address the needs of such hardship applicants, the Parties agree that during the period May 31, 2000, through August 15, 2000, such applicants will be the only additions permitted to the hardship reassignment list currently maintained by the Parties, unless otherwise mutually agreed by the National Parties. The Parties further agree that during the period set forth above, the Service will contact all such hardship applicants and require them to (1) re-certify their hardship request and basis. (2) select a single location for which they wish to be considered, and (3) make a formal commitment to move to that location if selected.

**E. Voluntary Change to Lower Grade.** In addition, Transition Employees who wish to be considered for voluntary placement in a position at a lower grade may apply for such position(s) as they are announced by the Service; such application should state that the applicant has Transition status, and that he or she will agree to a voluntary change to a lower grade in order to effect placement in the position in question. If otherwise qualified, said Transition Employee will be placed in said position, with appropriate grade and pay retention. The employee will receive, and must sign, a letter which states that he or she will accept a voluntary change to lower grade and that describes his or her eligibility for grade and/or pay retention prior to the acceptance of the position.

**V. Temporary Work Assignments While In Transition Status.** Pursuant to Article 4, Section 5, the Service has determined that Transition Employees will remain at their current grade and pay until permanently placed. Until that permanent placement is effected, the Service has determined that each Transition Employee will be assigned meaningful work; such assignments shall be accomplished by detail to a Division, and In each case, the Transition Employee will be provided a departure performance rating, as appropriate; a position description reflecting the detail; applicable Critical Job Elements; and an official supervisor of record . Wherever possible, such details will be In the employee's current post of duty; however, if In any particular case, no such detail can reasonably be effected in that current post of duty, or work to be assigned them cannot be accomplished in their current POD, the Service may detail a Transition Employee to a position elsewhere in the commuting area, In accordance with Article 16 of NORD/NC V; however, the detailed Transition Employee shall retain his or her permanent placement rights back to his or her original POD, In accordance with paragraph IVB above. Where the Service details a Transition Employee to another POD under this provision, it will notify the relevant Union Chapter(s) in accordance with Article 47 of NORD/NC V. Any negotiations requested as a result of this notice may only address impact and implementation issues not addressed In this Memorandum.

**VI. Early Retirement and Voluntary Separation Incentive Pay (VSIP).** The Service has determined that Transition Employees in a commuting area will be offered VSIP to voluntarily resign or retire from the Federal service under the conditions set forth below. In addition, certain categories of non-Transition Employees in that same commuting area will be offered VSIP if their voluntary resignation or retirement would result in the immediate placement of a Transition Employee. VSIP will be offered to both early and regular optional retirement eligibles in accordance with the procedures set forth below.

**A. Direct Buyouts.** Transition Employees in specified occupational series and grades within a predetermined commuting area will be offered VSIP only where the Office of Strategic Human Resources (OSHR) determines that the Service will not be able to effect the permanent placement of some or all of said Transition Employees within that commuting area during the ensuing twelve (12) month period beginning on the date of the VSIP eligibility "window" established by OSHR. In such cases, the Service also has determined to exercise its Voluntary Early Retirement Authority (VERA) in order to permit those Transition Employees in specified series and grades who are otherwise eligible for early retirement to elect that option, with VSIP. Those Transition Employees who are otherwise eligible for regular optional retirement will also be offered VSIP. In this regard, the number of Transition Employees in specified series and grades permitted to elect retirement (early or regular) with VSIP shall be limited to the number of said employees who are projected to remain unplaced at the end of the 12-month period described above. In the event that more than that specified number of Transition Employees In the targeted commuting area apply for retirement (early or regular) with VSIP, VSIP will be offered to employees according to their relative Service Computation Date (SOD) for leave purposes, starting with the employee with the most Federal service, until the requisite number of voluntary separations Is reached.

**B. Indirect Buyouts.** If any Transition Employees remain after direct buyouts have been offered, non-Transition Employees in specified series and grades within that commuting area will be offered VSIP If their voluntary separation would result in the immediate placement of a qualified Transition Employee. However, these "indirect buyouts" will be offered only where the Service determines that it will not be able to effect the permanent placement of some or all of the remaining Transition Employees in specified series and grades within that commuting area through regular attrition during the ensuing 12-month period beginning on the date of the announced Transition VSIP eligibility "window" described above; and that the vacancy created by the voluntary

separation of a particular non-Transition Employee will result in the immediate placement into a permanent continuing position of a qualified Transition Employee from among those Transition Employees that remain in that commuting area. While interested employees will be solicited commuting area wide, first consideration will be given to those employees who are in the same POD as the Transition employee to be placed. In such cases, the Service has also determined to exercise its Voluntary Early Retirement Authority (VERA) to permit those specified non-Transition Employees in specified commuting areas who are otherwise eligible for early retirement to elect that option, with VSIP. The number of non-Transition Employees permitted to elect retirement (early or regular) with VSIP shall be limited to the number of additional vacancies in specified series and grades needed to place qualified Transition Employees in that commuting area over the 12-month period described above. In the event that more than that specified number of appropriate non-Transition Employees in the targeted commuting area apply for retirement (early or regular) with VSIP, VSIP will be offered to those who apply according to their relative Service Computation Date (SOD) for leave purposes, starting with the employee with the most Federal service, until the requisite number of voluntary separations is reached.

**VII. Dispute Resolution.** The Parties' agree that disputes with regard to the interpretation and application of the Restructuring Agreement and this addendum thereto shall be raised to the Union's National Executive Vice President and the Service's Chief Human Resources Officer for informal resolution. That is, once the grievance or other dispute is filed locally, a copy should be sent to both national officials so that they may assist local settlement efforts. If the dispute cannot be resolved under the time frames outlined in Article 6 of the Restructuring Agreement (and once the national parties have had a chance to lend their assistance), the remainder of the procedures in that Article will be used to process the dispute absent agreement by both parties to use the traditional grievance procedure.

**VIII. Duration and Termination.** This Memorandum of Understanding will become effective thirty-one (31) calendar days after execution or upon agency head approval, whichever comes first. It will remain in effect until all Transition Employees have been placed, or until the expiration of the NORD/NC V Agreements, whichever comes first. While in effect, this Memorandum governs all specified matters concerning the transition and placement of Transition Employees.

**For the Union**

\_\_\_\_\_/s/\_\_\_\_\_  
Colleen M. Kelley, National President

\_\_\_\_\_/s/\_\_\_\_\_  
Frank D. Ferris, National Executive Vice President

**For the Service**

\_\_\_\_\_/s/\_\_\_\_\_  
David A. Mader Assistant

\_\_\_\_\_/s/\_\_\_\_\_  
Ronald P. Sanders, Chief Human Resources Officer