

September 20, 2001

MEMORANDUM

TO: IRS Chapter Presidents

RE: Restructuring Agreement for Small Business/Self-Employed Division

NTEU and the Small Business/Self-Employed Division (SB/SE) have reached agreement regarding the stand-up of SB/SE. The agreement has not yet been through agency head review, but we wanted to share it with you as soon as possible. Key areas to note:

- ▶ The agreement does not cover all areas of SB/SE design. For example, the compliance services functions are still being designed, and changes to those functions will be addressed in separate bargaining. Similarly, changes in Centers and call sites are being addressed in separate bargaining.
- ▶ Although the IRS initially indicated that it did not agree that inventory levels and cycle time were Restructuring issues, NTEU was able to get agreement on language which should benefit employees. In the area of inventory levels/cycle time, the parties agreed that inventory levels should be set based on one-on-one discussions between the manager and employee. Management also agreed that it is not appropriate for all employees' inventories to be set at the top of the range without consideration of specific circumstances, and the last sentence of Article 5A addresses that issue. The parties also agreed to convene a joint workgroup by February to reassess inventory levels and cycle times. The group will consider all recent changes that have had an impact on inventory levels or cycle time, such as RRA '98, and exam and collection reengineering changes.
- ▶ The IRS also initially argued that read time was not a Restructuring issue, but NTEU was able to obtain language in the agreement that makes clear that employees need time to access information needed to do their jobs. The parties agreed that setting an hourly limit is not appropriate. Instead, employees will be given a reasonable amount of read time to access all of the material that they need, both technical and administrative. In addition, employees will not be held accountable for information unless they have appropriate equipment and training to access that information.
- ▶ The SB/SE design calls for pre-filing activities to shift to the Taxpayer Education & Communication (TEC) organization. The precise plans for which work will shift, the timing of the shift, and the increased staffing in TEC to do that work have not yet been

identified. Once those plans are finalized, the plans will be shared with NTEU, and NTEU will have an opportunity to bargain over the specific changes. The parties did agree, however, to fundamental principles regarding the shift of work to TEC, for example: employees and managers will develop individualized training plans, and employees must receive training prior to the shift of any work; employees losing pre-filing work will be given time to transition to a full inventory; employees will not be required to change PODs; and, when possible, employees losing pre-filing work will be given choices for placement.

- ▶ Procedures have been established for grading work in TEC. The procedures will be shared in 7114 meetings, and will be reviewed after one year.
- ▶ Regarding career paths, the IRS agreed to provide employees with information on application procedures, ensure that CPEs focus on technical material and include topics needed to maintain professional credentials, and ensure that developmental and promotional opportunities are available to employees at all level of the organization.
- ▶ The parties agreed to continue to follow the Market Segment Specialization Program (MSSP), agreement, and all NTEU chapters in an area will be allowed representation on the Area Joint Steering Committee called for in that agreement. Once the plan for the shift of work to TEC is developed, the MSSP agreement will be re-opened.
- ▶ The IRS will share information on the placement of TCO grade 11s with NTEU by January 1, 2001. NTEU will have an opportunity to bargain after receiving this information.
- ▶ Issues relating to the movement of employees after long-term assignments and changes in the mix of work for employment and excise tax examiners will be resolved on a local level.
- ▶ A separate agreement for rotations to EQMS and CQMS was reached by the parties, and will be sent in a follow-up Chapter President memo as soon as it is signed.
- ▶ The agreement will be communicated to employees in 7114 meetings before December 7, 2001. Employees will have up to 1 hour to read the agreement prior to the 7114 meetings. IRS and NTEU will develop talking points for the agreement that can be used by territory managers and NTEU representatives during the 7114 meetings. Before the 7114 meetings take place, meetings will be held at the territory level with front-line managers and stewards to review and discuss the agreement. Questions can be forwarded to the national parties for clarification prior to the 7114 meetings.
- ▶ This agreement ends status quo for the SB/SE division in those areas that are covered. Changes in SB/SE Centers and call sites are being addressed in separate restructuring negotiations and, until those negotiations are complete, status quo continues in those areas. Other changes in working conditions will be made in accordance with Article 47 of the national agreement, e.g., changes to the compliance services functions.

Thank you to all who provided feedback and information during the bargaining process, and special thanks to the Chapter Presidents on the bargaining team who did an excellent job of representing employee and NTEU interests: Henry Atkinson, Chapter 39, Nashville; David Dean, Chapter 238, San Jose; Ron Foltz, Chapter 3, Omaha; Clyde Waltermate, Chapter 36, Kansas City; Antonia White, Chapter 17, Salt Lake City. If you have any questions about this agreement, contact Margy O'Herron in the Negotiations Department.

Colleen M. Kelley
National President

Attachment