

For the Third Time in 2007, IRS Bargaining Strategy Ruled Illegal by Neutral Arbitrator

Washington, D.C.—For the third time this year, an arbitrator has ruled the Internal Revenue Service (IRS) acted illegally in approaching negotiations with the National Treasury Employees Union (NTEU) for a new term labor contract. In this instance, the agency tried to engage in improper piece-meal bargaining—taking a subject covered by the national agreement and negotiating it outside the confines of bargaining for a term contract.

“This decision, in the third of three national grievances NTEU filed against IRS actions, is further evi-

dence that the IRS is traveling the wrong road,” said NTEU President Colleen M. Kelley. “It is well past time for this agency to set aside its illegal conduct and work with NTEU to establish fair and reasonable ground rules for bargaining an agreement that addresses the needs both of employees and the agency.”

The latest decision rules that IRS management engaged in illegal “bad faith” bargaining by demanding that NTEU agree to immediately bargain changes to the alternative work schedules (AWS) program rather than wait until the parties renegotiate the master contract. Bargaining over the rest of the contract has been delayed for over two years due to what arbitrators have found to be repeated violations of the law by IRS management. “Management refuses to move the rest of bargaining along, but now demands the union do it this favor to quickly change one part of the contract that management wants changed. That is not only illegal, but irrational,” said Kelley.

The decision orders the IRS to stop demanding NTEU bargain over that single issue apart from everything else, it refrain from making any changes to local AWS agreements and that it restore the status quo where changes have been made.

In a July decision dealing with efforts to reach mutually-acceptable ground rules—the process by which contract negotiations are conducted—the same arbitrator said the “totality of (IRS) conduct establishes

bad faith bargaining.”

NTEU has taken the unusual step of asking the FLRA to block the Federal Service Impasses Panel (FSIP) from imposing a bargaining procedure on the parties. The FSIP has been strongly pro-management under this administration.

Meanwhile, a second arbitrator, in a September decision, said that agency management acted illegally when, in June 2006, it unilaterally terminated several provisions in the national labor agreement between the parties, along with all national and local partnership agreements. That arbitrator ordered these matters returned to their previous status.

“This dispute has been going on for a considerable period of time,” President Kelley said. “The IRS needs to reverse its course and find a way to deal reasonably and legally with NTEU on negotiating a new contract.”

In the most recent decision, the arbitrator also ruled that the IRS could address the issue of incentive awards outside of national negotiations because the provisions covering this matter are not part of the national agreement. Kelley said NTEU will file exceptions with the Federal Labor Relations Authority (FLRA) to the arbitrator’s decision on this point.

NTEU is the largest independent federal union, representing 150,000 employees in 31 agencies and departments.

Inside this issue:

Straight from the President's Desk	2
Is Private Tax Collection A Good Deal?	3
NTEU Member Benefits	4
Holiday Cheer	5
2008 Pay Raise Update	5
Getting To Know Your NTEU	6
A Message from the National President	7

Straight from the President's Desk



By Jackie Huff,
NTEU73 President

CSA Negotiations

Recently, I represented NTEU as part of a team, to begin negotiations with the IRS over proposed changes to the 1999 Customer Service Agreement (CSA). The IRS would like to micromanage when employees can use read & meet time and how much of it can be

used. This might sound great, but it is definitely in the favor of management. What about the morale and overall customer service of the employees? As an CSR myself, I understand the many significant changes throughout the course of the week to each and every one of your jobs. If your read time isn't until Friday, how would you know about changes that have been made earlier in the week? To sum the problem up as a whole, you will be getting errors on Monday for a change in work procedures you do not know about until Friday. IRS will try to make you believe that this is the only way to

ensure the employees are using read time productively, but in the best interest of the employee's, I do not agree. It has always been the employee's responsibility to stay current with all alerts and changes to procedures. The IRS has a responsibility to provide all the tools the employee's need to provide excellent customer service to the taxpayer. NTEU will fight with every resource, every step of the way, to ensure the employees covered by the Customer Service Agreement are entitled to use their read & meet time as needed to perform their jobs effectively.

Not a member? Join today!

Fill out form 1187. For more information contact the Union Office.
Contact information is listed on page 3.

The Force

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"To Organize Employees to Work Together To Ensure That Every Federal Employee Is Treated With Dignity and Respect."

Is Private Tax Collection A Good Deal?

By Heather Phillips,
NTEU73 Steward

By using private debt collectors the Internal Revenue Service will collect more in back taxes and will cost less. That these collectors will go after the really hard cases. This is what the administration wishes the American taxpayer to believe. What is the truth? In 2002 then Commissioner Charles Rossotti told Congress that by hiring more Revenue Officers the IRS could collect more than \$9 billion each year at a cost of 3 cents on a dollar. In contrast, the proponents of private collection prediction of \$1.4 billion collected over 10 years at a cost of 22 to 24 cents per dollar. How is the program fairing? At the close of fiscal year 2007 the private collectors have collected \$32.13 million where \$5.5 million commissions were paid on \$25.19 million with a net return to the Service of \$20 million. What was the cost of the program to the IRS? A mere cost of \$71 million to the IRS, which translates to a loss of \$51 million for the Service. Of course this can be justified because these were the really hard to collect cases. However, according to an August 21, 2006 article in the New York Times only cases that owed \$25,000.00 or less were turned over to the private collectors. It would be logical to assume that these taxpayers have limited resources to fight the IRS over the taxes due. That if these taxes are collectable then, if former Commissioner Rossotti is to be believed, the IRS could have collected this money at less cost.

The IRS turned over \$12,500 taxpayers' confidential information to private collection agencies. Of course these are extremely reputable companies, right well let's see.

In an article written by David Clay Johnston, Mr. Johnston wrote "One of the three companies selected by the I.R.S. is a law firm in Austin, Tex., where a former partner, Juan Peña, admitted in 2002 that he paid bribes to win a collection contract from the city of San Antonio. He went to jail for the crime.

Last month the same law firm, Linebarger Goggan Blair & Sampson, was again in the news. One of its competitors, Municipal Services Bureau, also of Austin, sued Brownsville, Tex., charging that the city improperly gave the Linebarger firm a collections contract that it suggested was influenced by campaign contributions to two city commissioners."

Nina B. Olson, the I.R.S. taxpayer advocate, previously warned Congress that taxpayers treatment may not comply with RRA 98 "Because private collectors will operate under rules of profit maximization rather than the I.R.S.'s customer-service based policy," she warned, the private collectors may have less incentive to safeguard taxpayer rights.

None of the information available shows that private collection benefits either the taxpayer or the IRS. The only parties that seem to be benefited by this program are the private collection agencies. Once again outsourcing is a dismal failure. IRS work should remain in the hands of the IRS employees.

Writers Wanted

Do you have writing skills? Do you have information that is newsworthy?

Submit your article to *The Force*.

If it is accepted, we will print your article with or without your name attached to it; your choice.

Email your submission to NTEU73mailbox@aol.com or bring it to the Union office.

Identify it as "article for The Force".

The Force reserves the right to edit all articles it prints.

NTEU73 Union Office Hours

Fourth Street Office

Monday—Friday 6:00 A.M.—1:00 A.M.
(859) 669-5370

Gateway Center Office Room 511

Monday—Friday 6:00 A.M.—4:00 P.M. & 7:30 P.M.—11:00 P.M.
(859) 669-5700

Industrial Road Retention Center

Monday—Friday 12:30 P.M.—2:30 P.M.
(859) 669-5024

Not a Union Member?

Missing out on all the benefits Union membership brings?

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NTEU Member Benefits

Long Term Care

The NTEU Long-Term Care (LTC) plan offers skilled, intermediate and custodial care in a nursing facility. The plan also covers non-confinement services such as adult day care, home health care, and respite care. Members, spouses, parents and parents-in-law under age 80 (when coverage is approved and effective) are eligible to apply.

Highlights of the Plan Include:

- ◆ Return-of premium feature, allowing a portion of the premium to be returned equal to premiums paid if the plan participant dies without using benefits or discontinues coverage. The percentage of the premium returned is based on length of enrollment in the LTC Plan-25 percent from five years to nine years, 50 percent from 10 years to 14 years, 75 percent from 15 years, and 100 percent after 20 years.
- ◆ Benefits available for costs incurred up to \$100 a day for confined care and up to \$50 a day for non-confined care.
- ◆ Automatic Inflation Protection Option and a Benefit Increase Provision, under which confined care coverage can increase to \$300 a day, and non-confined care to \$150 a day, over 20 years.
- ◆ Maximum benefit of 1,825 units of service-up to 5 years of confined care service, 10 years of non-confined care service, or a combination.
- ◆ Premiums based on age at enrollment, with no increase as age increases.
- ◆ Toll free hotline available to answer questions (800) 877-1052.

Note: Long-term care premiums are tax deductible like health insurance premiums. Specifically, premiums and expenses paid in excess of 7.5 percent of taxable income are tax deductible. Also, long-term care benefits received up to \$63,875 annually are tax exempt.

To enroll or for additional information, contact your local union office.

Time to get your ducks in a row. Your income is Important - Protect it.

Don't miss out on our income protection plan.
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Holiday Cheer

By Brandon Havlin,
NTEU73 Steward

You would think the week before Christmas would have been nice and calm and festive here at the IRS, but that was not the case in the CAWR/FUTA department. The IRS version of employee appreciation was celebrated throughout the department; however, some employees were not feeling the appreciation as much as others. It seems as though the CAWR/FUTA department along with other areas of Compliance are furloughing employees. Although this is not an un-

natural process, employees throughout the department were promised the opportunity to receive details. These employees were retaliated against for filing a grievance and told, by management, they would no longer negotiate details because the grievance had been filed. These actions alone are a clear violation of Article 5 Employee Rights and Article 41 Employee Grievance Procedures. Every employee is entitled to file a grievance and feel free from reprisal. Management may think this is a wonderful scare tactic but in fact it is a violation of employee rights under the national contract. I urge each and every employee to read the contract and become familiar with their

rights under Article 5. As we become more aware of our rights, it will be a lot easier to protect those rights. I also urge everyone not to abuse those rights. If you do in fact have a decent and fair manager, then make sure to keep that relationship you have with that manager by doing your best to come to work and do the jobs we are paid to do. On the other hand, if everyone would file grievances with NTEU each and every time their rights have been violated we would send a clear message to management. The more grievances there are, the harder it is for management to ignore the fact that we will not have our rights in the workplace taken from us without a fight!

New Address?

If so, fill out this form and drop it off at the Union office, or you can change your address at www.nteu.org.

Name:

(First & Last Name)

Address:

(Street)

_____ , _____

(City)

(State)

(Zip Code)

Please let NTEU know

2008 Pay Raise Update

The omnibus measure, signed into law December 26, 2007 provides a 3.5 percent pay raise for federal civilian employees—half-a-percent higher than the three percent the White House proposed in its budget blueprint last February.

NTEU has led the fight for the higher raise, with President Kelley noting in particular that the meager 2007 federal civilian pay raise, which averaged 1.8 percent, was the lowest in 18 years. “No matter how you frame or address the issue of having federal agencies advance a competitive posture in recruiting and retention efforts,” the NTEU leader said, “fair pay—and reasonable pay increases—are always a major factor.” Kelley called for prompt issuance of the necessary executive order on pay.

Getting To Know Your NTEU



By Courtney Jung,
NTEU73 Steward

As many of you are already aware, there are stewards coming and going in your local NTEU office(s). So many new faces and most of you are not clear as to who we are! Throughout the 2008 year *The Force* will be introducing our new stewards to our respected members. Each month will carry this article, Getting To Know Your NTEU; therein you will finally have faces to go with the names posted in every marquee around the campus.

Feel free to contact any of us, or say hi as you see us around – we are here for you!

For January please meet Jerome Scalf, Geoffrey Rash, and Amy Chandler.



Jerome Scalf has been with the IRS since May 2005 as well as a Union Member; he joined as a steward in September 2007. Jerome works in MSU, back by the docks in the 4th Street Building, where he can be reached at extension (ext.) 5310 or you can E-mail him at Jerome.T.Scalf@irs.gov. Jerome was inspired to join the stewardship here at NTEU based on his familiarity with other stewards. During Labor Recognition Week (LRW) this past fall 2007, Jerome worked hard every day that week zealously greeting and serving all of our members. Jerome would like everyone to know that we are here to help you.

Geoffrey Rash has been an IRS employee and Union member since January 2000; joining as a steward in August 2007. He works on the phones non-stop back in TE/GE and can be reached at ext. 5483 or E-mail him at Geoffrey.T.Rash@irs.gov. When asked why he became a steward, Geoffrey states: *"I really wanted to be involved in something that actually made a difference in favor of the employees."* Geoffrey is still a fresh steward, hard at work on new cases and really enjoyed and learned a lot at our Fall Training. Mr. Rash encourages all employees to join! Because you never know what may happen and defending yourself against management on most issues is difficult to do alone. He also passes along something to inspire his fellow stewards: *"Hold your head high and don't be discouraged, We Are Making A Difference!"*



Let me introduce Amy Chandler (Arnold), she joined the IRS and NTEU in March 2006; then quickly came on board as a Steward in August of 2007 as well as joining our Legislative Committee. She works over in Gateway in TE/GE and can be reached at ext. 5483 or by E-mail at Amy.N.Chandler@irs.gov. Amy recognizes the major role Labor Organizations have had in this country, seeing how they have affected everything from getting fair wages for a honest days work to having a clean and healthy environment to work in. She sees the union as a force that protects individuals from oppression and discrimination, something Amy wants to be a part of. One more thing from Amy, *"NTEU is the voice of the employees; strong membership means we have a strong voice that will be heard."*

A Message from the NTEU National President

NTEU
Powerful Force For Am

Colleen M. Kelley



Many of you have heard of IRS-announced changes to the transit subsidy program, initially scheduled to begin on October 1, 2007, and later pushed back to January 1, 2008. NTEU has identified a number of problems and issues with the announced changes and we are challenging the IRS on the legitimacy and legality of the changes proposed. Until these issues are resolved, NTEU has made clear to the IRS that it should not move forward with implementation.

You also may have seen communications from the IRS stating that employees were required to complete a new transit subsidy training program by January 15, 2008, in order to continue receiving their transit benefit. After explaining to the IRS that this would be a clear violation of the National Agreement, the IRS withdrew the requirement and indefinitely postponed any such training.

One of the most significant changes proposed by the IRS involves doing away with the ability of employees who miss the declared distribution day from being able to request their transit benefit afterwards. Clearly, this would unfairly deny the transit benefit, which federal agencies must offer to their employees under the law, to any employee who had a family emergency, became sick, had an accident, or encountered any number of other situations which may cause someone to miss work. Employees who knew they would not be at work on a distribution day, but who filled out a form authorizing a coworker to pick up their benefit for them, also would suffer the same fate should the coworker be faced with a sudden emergency that kept him or her from work.

The IRS also claimed that it was informed that providing a missed benefit to an employee after the fact may cause a "taxable event" for the employee because the amount of the benefit an employee is allowed per month would be exceeded. However, the law seems to clearly provide for subsequent distributions without incurring a tax liability, provided that the total annual benefit does not exceed the sum of the allowable monthly benefit for the months worked in that year. The IRS is currently reviewing its position on this matter.

I will keep you updated as NTEU and the IRS discuss the issues above, and other identified problems with the proposed changes to the transit subsidy program. NTEU fought hard for the transit subsidy to become law and I am committed to making sure that every eligible employee receives this benefit. If you have any other concerns, please stop by your chapter office.

A handwritten signature in black ink that reads "Colleen M. Kelley". The signature is written in a cursive, flowing style.

Colleen M. Kelley
NTEU National President

"...to ensure that every federal employee is treated with dignity and respect."



Win!

Win!

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