



HUMAN CAPITAL OFFICE

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

May 8, 2017

MEMORANDUM FOR: James L. Fish

Director, Cincinnati Submission Processing  
Wage and Investment Service Centers

FROM:

Brian P. Sherry **192pb**  
Acting Associate Director  
Labor Relations Strategy and Negotiations

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Date: 2017.05.09 13:37:33 -04'00'

SUBJECT: Agency Head Review – Consolidation of Cincinnati Submission  
Processing Functions Memorandum of Understanding

The subject MOU, executed on May 2, 2017 has been reviewed in accordance with  
5 USC 7114(c) and is approved.

If you have any questions, please call Steve Wenk at 202-317-4279.

cc: Luke Cheseck  
Steve Wenk

**Memorandum of Understanding**  
**Between**  
**The Internal Revenue Service**  
**And**  
**The National Treasury Employees Union**

The Internal Revenue Service (IRS or “Employer”) and the National Treasury Employees Union (NTEU or “Union”) hereby enter into this initial Memorandum of Understanding (“MOU”) concerning the IRS’ decision to consolidate the Cincinnati Submission Processing (“SP”) functions located in Covington and Florence, Kentucky on or around September 28, 2019, and cease SP operations at those locations. The IRS and NTEU are fully committed to minimizing the adverse impact of the cessation of SP Operations and recognize it is in the best interest of the Parties and affected bargaining unit employees that opportunities for voluntary assignments for continuing positions and voluntary separation be utilized to the maximum extent feasible at the earliest practicable time. In that regard, the Parties have agreed to negotiate a series of MOUs, if necessary, and to immediately implement specific provisions of Article 19 of the National Agreement as stated in this agreement and subsequent agreements. In accordance with the above, the Parties agree to the following:

**Section 1. Statement of Commitment**

The Employer has determined that all bargaining unit employees will not be involuntarily separated from employment or involuntarily downgraded for SP Consolidation related reasons prior to September 28, 2019.

## **Section 2. Early Implementation of Article 19 Provisions**

The Parties agree to implement the following mitigation strategies of Article 19, Section 5, of the National Agreement within 30 days after the effective date of this MOU except as otherwise noted herein. Towards that end, the Parties will apply the procedures and provisions of Article 19, Section 5 except as modified herein. Early implementation of the mitigation strategies covered by Article 19, Section 5 of the 2016 National Agreement is occurring on a one-time only basis, and only with respect to the Cincinnati SP RIF, and shall be construed as non-precedential in any future negotiation between the Parties. Furthermore, unless specifically stated otherwise within this MOU, early implementation of any of the mitigation strategies contained within Article 19, Section 5 shall be construed as compliance with those corresponding mitigation strategies in Article 19, Section 5. NTEU does not waive the right to challenge the application of any specific Article 19, Section 5 mitigation strategy through the grievance procedure. Any provisions of Article 19, Section 5 that are not implemented early as provided herein will go into effect as otherwise contemplated by Article 19 unless mutually agreed upon by the parties.

**A. Reassignment Preference Notice (RPN).** Article 19, Section 5.A (including Exhibit 19-2) will be implemented within 90 days of the effective date of this MOU.

**B. VERA and VSIP**

1. The IRS shall make every effort, subject to the availability of funding, to obtain VERA/VSIP authority to offer three (3) open windows for direct VERA/VSIP which would remain open for a minimum of 21 days. Subject to the availability of funding and required approval through channels (e.g.,

Treasury, OPM), the IRS will attempt to gain authority to hold open windows as follows:

VERA/VSIP #1            October-November, 2017

VERA/VSIP #2            October-November, 2018

VERA/VSIP #3            June-July, 2019

2. VERA/VSIP will be offered consistent with the provisions of Article 19, Section 5.B and Exhibit 19-4, except :

- a) The timing of the VERA/VSIP windows will be as stated in Section 2.B.1 of this MOU; and

- b) No additional VERA or VSIP windows will be negotiated under the provisions of Article 19, Section 4.C.6 or Exhibit 19-4 unless mutually agreed otherwise.

3. OPM grants pre-approved waivers of the five (5) year participation rate for continuing FEHB coverage for affected employees who retire and receive a VERA/VSIP. Consistent with OPM's Benefits Administration (BAL) Letter 04-208, the Employer will attach a memorandum to the retirement applications of those employees who retire in conjunction with a VSIP or VERA, who do not meet the participation requirements to continue FEHB benefits into retirement, and who meet the requirements for a pre-approved waiver by OPM; and state therein that the employee meets the requirements for the pre-approved waiver by OPM.
4. The VERA/VSIP briefing referred to in Article 19, Exhibit 19-4, will occur prior to the first window period. The IRS will also offer bargaining unit

employees a second briefing on VERA/VSIP during the RIF briefing held pursuant to Article 19, Section 8, which will be held approximately one (1) year prior to the RIF effective date.

5. Bargaining unit employees will be granted a minimum of one (1) hour of administrative time to meet with NTEU to obtain further information on VERA/VSIP for each window subject to workload requirements.
6. During each window, bargaining unit employees may submit tickets to the Employee Resource Center (ERC) to speak with a VERA and/or VSIP subject matter experts, as applicable. Subject to workload requirements, bargaining unit employees will be provided administrative time to speak with the subject matter experts. This is in addition to the administrative time listed in subsection 7 below.
7. In accordance with Exhibit 19-4 of the National Agreement, bargaining unit employees will be provided with up to two (2) hours of administrative time to speak with a Retirement Counselor subject to workload requirements.
8. Consistent with Article 19, Exhibit 19-4, once a bargaining unit employee applies for a VSIP (buyout), the IRS will provide such eligible bargaining unit employees with a VSIP (buyout) estimate.

**C. Voluntary Incentives Through Job Swaps.** Voluntary incentives through job swaps will be implemented consistent with Article 19, Section 5.C once the IRS obtains VERA/VSIP authority. In addition, the Parties agree to establish local procedures for facilitating VERA/VSIP job swaps. These procedures will be agreed upon by the

Oversight Board (see Section 4.B), which will involve use of the “electronic bulletin board” and other communication avenues.

**D. Outplacement Services.**

1. Outplacement services will be implemented consistent with Article 19, Section 5.D. and Exhibit 19-3.
2. The Parties agree that the funding, quantity, and quality of Outplacement Services will be an ongoing topic of collaborative negotiations/discussion between the Parties and at the Oversight Board. In addition to the provisions concerning Outplacement Services contained in Article 19 and Exhibit 19-3, the IRS agrees to conduct quarterly outplacement activities which include:
  - a) Applying for jobs through USAJOBS and Resume Writing Tips for IRS positions. During these sessions, an HR Specialist will be available to assist employees with specific questions.
  - b) A “crosswalk” document that enumerates the qualifications and experience needed for impacted employees at the Grade 3-9 level to qualify for jobs in other Operating Divisions at the IRS. This document will be specifically designed for impacted SP positions and include positions in AM, Compliance, TEGE and any other appropriate division. This document will be available 30 days after the effective date of this agreement.
  - c) Presentations by Community Colleges, Universities and local employers.
  - d) Any other topic agreed upon by the Oversight Board.

e) The IRS Outplacement Coordinator will meet with NTEU within 30 days of the effective date of this MOU to address the budget, timing and overall plan to offer outplacement services. The Oversight Board will be responsible for working with the outplacement coordinator designated by IRS.

**E. Relocation to Follow Your Work.** Employees will be permitted to voluntarily relocate and be realigned to a vacant position in a continuing site to perform work they currently perform consistent with Article 19, Section 5.E.

**F. Part-Time and Job Sharing Opportunities.** Employees may participate in part-time and job sharing opportunities consistent with Article 19, Section 5.F.

**G. Grade and Pay Retention.** Employees utilizing RPNs to apply for positions at lower grades will be granted grade and pay retention consistent with Article 19, Section 5.H and Exhibit 19-2.

**H. EAP Services**

EAP Services will be offered consistent with Article 19, Section 5.J. The IRS will continue to provide EAP services currently offered to impacted bargaining unit employees. These services may also be offered telephonically and through email, or as otherwise agreed to in ongoing negotiations between NTEU and the IRS concerning EAP services.

**Section 3. Other Agreements**

In addition to early implementation of the above referenced provisions of Article 19, Section 5, the Parties agree to the following:

#### **A. Retirement Calculations**

1. IRS will provide eligible employees with personalized information on the monetary value of their severance pay in their RIF notice.
2. All impacted bargaining unit employees, especially those within 5 years of retirement eligibility, are encouraged to access the Government and Retirement Benefits (GRB) Platform to obtain their annuity estimate.
3. When a bargaining unit employee receives his/her RIF notice, he/she will also receive a severance pay estimate if eligible. Bargaining unit employees will receive a reasonable amount of time to confer with a benefits specialist concerning his/her retirement options in accordance with Exhibit 19-4.

**B. Records Validation.** Within 30 days of the effective date of this agreement, information will be provided to bargaining unit employees on how to obtain information contained within their Official Personnel Folder (OPF) through the HR Connect online system. The local Oversight Board will determine how bargaining unit employees will receive administrative time to check that system. Bargaining unit employees are encouraged to ensure their records are valid, and can initiate an ERC ticket if there are perceived inaccuracies.

#### **C. Assistance for Employees with Disabilities**

The IRS agrees to implement Article 19, Section 6.G immediately and will provide interpreter services to Deaf/HOH bargaining unit employees when necessary or upon request. IRS will provide NTEU with information concerning relevant and necessary information regarding the number of disabled bargaining unit employees affected by the SP ramp down by position and grade, and the current



accommodations being offered within 30 days of the effective date of this agreement. In addition, the Employer will provide reasonable accommodations for outplacement services and mitigation strategies outlined herein as required by law and the National Agreement.

#### **Section 4. Collaboration**

**A. Workload Redistribution Team.** The IRS' Workload Redistribution Team is evaluating whether it is feasible to realign work to the Covington commuting area to provide opportunities for those impacted by the RIF.

1. Within 30 days of the effective date of this MOU, the Team will begin regularly scheduled monthly briefings of the Oversight Board. During those meetings, the Parties will collaboratively examine the Team's progress in determining the feasibility of moving work to the Covington commuting area, and retaining work in Covington that is not directly related to SP processing. The Team will also share information with NTEU to the extent permitted by law, and NTEU can request additional information to the extent permitted by law at any time.
2. The Team will consider the Oversight Board's recommendations, and share the Board's input with any final recommendation to W&I leadership.
3. Furthermore, any dissent from NTEU as to the Team's recommendations will be shared with W&I leadership or other appropriate IRS officials and can be raised by NTEU to the W&I Business Improvement Council (BIC), which can discuss the issue at an *ad hoc* meeting or its next scheduled meeting or in any other appropriate forum.

## **B. Oversight Board.**

1. The IRS and NTEU agree to establish a joint committee comprised of two (2) members appointed by IRS and two (2) members appointed by NTEU to discuss issues as contemplated in this MOU, including but not limited to: current Outplacement Services, the allocation of time to bargaining unit employees to utilize such Services and/or use an on-site computer to take advantage of online mitigation strategies (e.g., electronic job swap bulletin board), and resolve disputes over the interpretation and application of this agreement raised by bargaining unit employees.
2. Disputes that involve matters that are the topic of negotiations/discussions under the jurisdiction of the Oversight Board such as Outplacement Services, Job Swap procedures, etc., will be elevated to the National Parties for resolution.
3. In addition, the Oversight Board will attempt to resolve any dispute over the interpretation and application of this agreement raised by a bargaining unit employee. Employees are encouraged to resolve any dispute informally, though appropriate management officials prior to raising the issue to the Board. The Oversight Board will attempt to resolve any dispute within fifteen (15) work days of receipt. If the Board is unable to resolve the dispute, the employee may follow the procedures contained in Article 19, Section 11. Employees will have fifteen (15) work days to file a grievance after the Oversight Board renders its decision. The Parties may mutually agree to provide the Oversight Board with the authority to address other

issues in a collaborative manner such as implementing procedures for the approval of buyouts via job swaps, the need for additional outplacement services and/or career counselors, and any other issues contained in Article 19, Section 4.C.

4. The Oversight Board may explore how the Employer might promote the use of details or training to provide affected bargaining unit employees with the skills necessary to compete for vacancies that arise in the IRS.

- C. **Monthly Meetings.** The IRS will continue with the already-established monthly meetings between SP leadership, local NTEU leadership, and Campus leadership.
- D. **Open Door Policy.** In addition, the Employer has determined that the Director of SP in Cincinnati will be available, through an “Open Door” Policy, to address any concerns from NTEU officials.
- E. **Function Sub-Groups.** Over the next few months, the IRS will establish sub-groups for some of the functions of SP in Cincinnati. Towards that end, NTEU will be permitted to appoint two (2) bargaining unit employee to each sub-group after the IRS determines the qualifications necessary for a bargaining unit employee to participate on the sub-group. This will in no way hinder the IRS’ ability to appoint other bargaining unit employees to sub-groups as subject matter experts.
- F. **Consolidation Implementation Team (CIT).** The CIT will meet with local NTEU officials at least quarterly to discuss workload concerns.

## **Section 6. Training for NTEU Officers**

- A. The IRS will provide up to thirty (30) NTEU designated officers and stewards with training on VERA/VSIP prior to briefing bargaining unit employees on VERA/VSIP referred to in Section 2.B.4 of this MOU.
- B. The IRS will provide up to thirty (30) NTEU designated officers and stewards training on other RIF mitigation strategies prior to the Article 19 RIF briefing for bargaining unit employees.
- C. To the extent NTEU officers have questions regarding other mitigation strategies, the IRS can schedule conference calls to provide training to those NTEU officers at a time that is convenient for both Parties and that does not interfere with workload requirements.

## **Section 7. Communication**

Within 30 days of the effective date of this MOU, the IRS will conduct formal meetings with all impacted bargaining unit employees and local NTEU representatives in accordance with Article 8 of the Parties' 2016 National Agreement. During these formal meetings, the IRS will explain this MOU and answer questions. Each bargaining unit employee will be provided a copy of this agreement at the meeting. Following the meeting, bargaining unit employees will be provided with one (1) hour of administrative time to meet with NTEU representatives to discuss the terms of this agreement subject to workload constraints. The Parties agree that this paragraph is being agreed to on a one-time only basis and shall not be construed as precedent in subsequent negotiations.

## Section 8. Further Negotiation

- A. The Employer has determined that it will explore opportunities to detail and provide hiring opportunities to the extent permitted by law to affected bargaining unit employees. The Employer will provide notice and an opportunity to bargain such opportunities to the extent permitted by law, rule, and regulation.
- B. The Parties agree to conduct further negotiations concerning implementation of the SP RIF as contemplated herein. Towards that end, the IRS will brief NTEU on the results of the 1<sup>st</sup> VERA/VSIP, if authority is granted, no later than March 30, 2018. The Parties will then negotiate outstanding issues beginning no later than April 15, 2018. If no VERA/VSIP authority is granted, the Parties will begin negotiating outstanding issues in October of 2017.

## Section 9. Effective Date and Duration

This MOU will become effective upon Agency head review and approval or on the 31<sup>st</sup> day after execution, whichever is first. This MOU shall terminate on October 1, 2019.

For the IRS:

**James L. Fish**

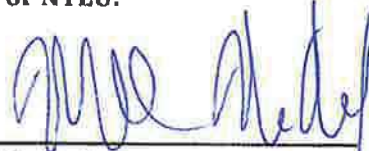
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ou=Internal Revenue Service, ou=People,  
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Date: 2017.04.28 16:00:04 -0400

**James L. Fish**  
Director, Cincinnati SP Field Director

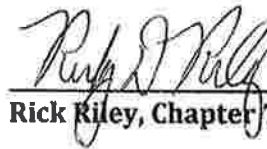
04/28/2017

Date

For NTEU:



**Michael McAuley**  
Chief Spokesperson, NTEU



**Rick Riley, Chapter 73 President**

5/1/2017

Date