

Termination Of Guarantees

It is very essential that the annual guarantee for each route begins at a time which coincides with the change in compensation following an annual mail count. This requirement made it necessary to commence the annual guarantee on the first day of the first pay period in November.

The requirement that the annual guarantee for each route begins at a specific predetermined date creates a problem for those carriers appointed or reassigned at other times of the year. However, the FLSA permits termination of the annual guarantee provided all three parties agree-the employer, the union and the employee. The employer and the union have agreed that the annual guarantee may be terminated under certain conditions. It then remains only for the employee to agree to terminate the guarantee in order to complete the agreement.

PS Form 4015-D: Newly Appointed Carriers-

One such group of employees so affected are newly-appointed rural carriers. Article 9.2.A. 1 .o. describes how a newly-appointed carrier may qualify for Section 7 (b) (2) and be compensated in the normal manner on the Evaluated Schedule. It stipulates that the carrier must agree in writing, at the time of appointment, to terminate the guarantee on the last day of the guarantee period. This would then allow such carrier to begin a new guarantee period at the proper time at the beginning of the next 52-consecutive week period.

A newly-appointed carrier who chooses not to agree to terminate the guarantee shall be compensated under Section 7 (a) of the FLSA. Such carrier will be compensated at an hourly rate in the attained step and overtime for work performed only after forty (40) hours in a service week, until the beginning of the next guarantee period when the carrier would qualify for Section 7 (b) (2) and be compensated in the normal manner for rural carriers. It is expected that most newly-appointed rural carriers will choose to sign the agreement to terminate the guarantee in order to gain the full benefits of the Rural Carrier Pay System.

1.

Signing the commitment is required if the employee wishes to be paid EVALUATED hours for the route, for the remainder of the current guarantee year. This places the employee in FLSA code "B", the normal manner of compensation for rural carriers.

2.

Not signing the commitment means the employee will be in FLSA code "A" and will be paid at an hourly rate for ACTUAL hours worked, with overtime for hours over 40 per week.

3.

When the new guarantee period begins, the FLSA code "A" will automatically be changed to code "B" and the employee will begin to be paid EVALUATED hours. The annual guarantee period commences on the first day of the first pay period in November.

In addition to the above personnel actions, it is important to inform the Compensation/ Benefits office that you have a non-career employee making career status. This employee is now eligible for Life & Health insurance and other benefits. They should be scheduled for a career- benefits Orientation for New Employees.