

2020 – New Guarantee Year provisions important to rural carriers

There are certain rural carrier provisions that happen around the new Guarantee year and the end of the year. I have summarized them below with links to more information. Pay close attention to anything highlighted, or you may end up being surprised.

Guarantee Year

The new Guarantee year starts on October 10th, 2020

The Fair Labor Standards Act

"Section 7 (b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed.

ANNUAL GUARANTEE:

(2) In pursuance of an agreement made as a result of collective bargaining by representatives of employees certified as bona fide by the NLRB, which provides that during a specified period of fifty-two consecutive weeks the employee shall be employed not more than 2240 hours and shall be guaranteed not less than 1840 hours ... and not more than 2080 hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guarantee which are also in excess of the maximum workweek applicable to such employee under subsection (a) or 2080 in such period at rates not less than one and one-half times the regular rate at which he is employed ... "

This is the legal basis for the rural compensation system. The basic requirements of the Act, as applied to rural carriers, are as follows:

1. The employee shall be employed on an annual basis at a guaranteed annual wage.
2. The guarantee must be a minimum of 1840 and a maximum of 2080 hours.
3. The employee shall receive overtime compensation for all hours actually worked in excess of:
 - (a) 12 hours in one day;
 - (b) 56 hours in one week;
 - (c) 2080 hours in one year.
4. The employee may not actually work more than 2240 hours during the 52-week guarantee period.

Carriers are paid overtime for all hours actually worked in excess of 2,080, up to 2,240, within the 52-consecutive-week

guarantee period.

If a carrier works more than 2,240 hours within the guarantee period, the agreement under FLSA section 7(b)(2) is considered void, and the carrier must be compensated for all hours worked during the guarantee period in accordance with FLSA section 7(a).

[More on the Guarantee period](#)

High/Low Option Election

A Rural Carrier's pay grows with the size of their route. In certain situations a Rural Carrier may have the additional opportunity of choosing what is called a "high option".

This basically means they are requesting to work more hours per week, in order to receive more pay.

A rural carrier may choose the high option prior to the beginning of the new Guarantee year if certain provisions are met.

High/Low Option

Article 9 Section 2.C.7. Classification Options and Reviews

a. Any rural carrier whose route may be classified in more than one evaluated classification may elect the higher route classification if the following requirements are met:

(1) It must be demonstrated that the rural carrier's actual work hours will not exceed 2,080 during the guarantee period. Christmas overtime hours, if any, will increase this benchmark, provided that the hours in excess of 2,080 occur in the last pay period of the guarantee period. Such determination should be based on, but not limited to, the rural carrier's performance during the previous year;

(2) The rural carrier agrees in writing to use sufficient annual leave to assure that the total actual hours worked, with appropriate consideration of Christmas overtime, will not exceed the 2,080 annual guarantee;

(3) A regular carrier must have a minimum of ten years from his or her retirement computation date to be eligible to elect the high option.

**Additional Requirement added in the July 3rd, 2012 Contract Arbitration Award
Employees must have 10 years from retirement computation date(line 17 of Form 50) to elect the high option**

[More on the High/Low Option](#)

X days – Guarantee Year and Christmas Period

Article 9.2.C.J

j. During the period that starts with the beginning of the guarantee period through the end of the designated Christmas period, a regular rural carrier who works the relief day and is entitled to an X day, must be given the X day as scheduled by the Employer within the same pay period in which the relief day was worked.

Regular rural carriers shall be prohibited from scheduling a previously earned X day from the beginning of the guarantee period through the end of the designated Christmas period.

If the X day is not received with- in the same pay period, the Employer will compensate the regular rural carrier 100% of the carrier's daily rate of pay in lieu of the X day.

[More on the X days and Relief Days](#)

Annual Leave Carryover

The 2020 Leave year ends on January 1, 2020. Any annual days over 65 must be used before January 2nd, 2021 or you will lose those days.

Maximum Carryover Amounts

The NRLCA and USPS have signed a Memorandum of Understanding (MOU) agreeing that for leave year 2021, regular work force career employees covered by the USPS-NRLCA Agreement may carry over 520 hours of accumulated annual leave from leave year 2020 to leave year 2021.

[NRLCA leave carryover MOU](#)