



Arbitrator Nolan issues award, sets terms of the 2023-2026 National Agreement

Arbitrator Dennis R. Nolan has issued a final and binding arbitration award that sets the terms of a three-year collective-bargaining agreement between the National Association of Letter Carriers and the U.S. Postal Service, NALC President Brian L. Renfroe announced on March 24. Pursuant to an agreement reached by parties on Feb. 26, Arbitrator Nolan conducted mediation with the parties in Washington, DC, March 17-18 while serving as the sole and neutral arbitrator to resolve their collective-bargaining impasse. He issued the award on March 21. It is available at nalc.org.

President Renfroe issued the following statement announcing the arbitration award:

We are pleased that the award includes consistent pay increases with the largest annual general wage increases since the 2006 National Agreement, and six cost-of-living adjustments, as well as full back pay for all hours worked. The terms awarded also address our key objectives regarding higher starting pay, and further increasing top-step pay, where letter carriers spend most of their careers at the salary on which retirement calculations are based.

During the interest arbitration process, we fought for wage increases and rebuffed arguments based on the Postal Service's financial difficulty. Previous interest arbitration boards have cited such arguments to justify increasing our share of health insurance premiums and reductions in back pay. This award contains no changes to these or other provisions that could negatively impact pay for letter carriers. It only moves us forward.

In recent years, we've reduced the CCA workforce by 15,000 positions and added 12,000 career PTF positions as we've moved to transition the Postal Service's flexible workforce from 100 percent non-career to now over 30 percent PTFs using MOUs we've negotiated. The National Agreement resulting from this award will allow us to continue that process in pursuit of our goal of an all-career workforce.

This award follows years of work by the NALC, including its officers, staff, attorneys, consultants and expert witnesses who diligently put together the case for interest arbitration. Their hard work allowed the case to be presented effectively and efficiently.

I thank all the members of the NALC for their activism and involvement throughout the collective-bargaining process.

Here are some highlights of the contract, which covers the period from May 21, 2023, to May 22, 2026:

Wage provisions

Three general wage increases and six cost-of-living adjustments (COLAs) were awarded.

Arbitrator Nolan awarded general wage increases of 1.3 percent in November 2023 (paid retroactively), 1.4 percent in November 2024 (paid retroactively), and 1.5 percent in November 2025. These increases exceed the general wage increase pattern established in collective-bargaining agreements between the Postal Service and the other postal unions in the previous round of collective bargaining. The award also provides for the payment of six COLAs to career letter carriers using the formula that has been included in Article 9.3 for many years. That proportional COLA provides all career carriers equal protection against inflation. Four of these COLAs, totaling \$2,725 per year at Step P, will be paid retroactively pursuant to Article 9.3. The amounts of the final two COLAs will, as usual, depend on the Labor Department's Consumer Price Index (CPI-W, 1967=100).

CCA pay increases

CCAs will receive three additional 1.0 percent increases for cumulative general wage increases of 2.3 percent in November 2023 (paid retroactively), 2.4 percent in November 2024 (paid retroactively), and 2.5 percent in November 2025. Within 180 days of the date of the arbitration award, CCAs will receive an additional 50 cents per hour pay increase. This increase is in addition to their cumulative general increases.

Pay table modifications

Steps AA and A will be eliminated from Table 2, raising starting career pay by 4.5 percent. CCAs converted to career PTF position will see wages rise by more than \$4.31 per hour. Additionally, the annual rate at Step P in Tables 1 and 2 will be increased by \$1,000. This increase is in addition to the general wage increases and COLAs mentioned above. Both of these modifications will be effective within 180 days of the date of the arbitration award.

Retroactive (back pay) provisions

Full back pay for all letter carriers, covering all paid hours since the expiration of the 2019-2023 contract, was awarded by the arbitrator. Back-pay calculations will include the Nov. 18, 2023, and Nov. 23, 2024, general wage increases (plus the 1 percent additional increase for CCAs on those dates) and the first four COLAs.

Uniforms

All letter carriers will receive the following uniform allowance:

- May 21, 2025: \$536 plus an additional \$125 for a newly eligible carrier
- May 21, 2026: \$549 plus an additional \$128 for a newly eligible carrier

Unused portions of an eligible employee's annual allowance for uniform and work clothing will be carried over and available for use beginning 12 months after the end of each anniversary year. An eligible employee's uniform or work clothing allowance balance may not exceed the sum of two years of the employee's annual allowance entitlement. This awarded uniform and work clothing program adjustment will be implemented no later than 12 months from the date of the interest arbitration award.

Additionally, a joint task force shall be established to study the uniform program with a view toward reaching an agreement for a new and/or revised program that would take into account the following guidelines: 1) be cost-effective for both management and city letter carriers; 2) provide the parties with more direct control of the Uniform Program; 3) limit management and city letter carriers' exposure to future increases in uniform costs; and 4) create practices for the manufacture and purchase of uniform items that will reduce the rate of increase.

Layoff protection

The no-layoff clause that protects letter carriers after six years of service as a career employee is retained in the 2023 National Agreement.

Sub-contracting of letter carrier work

The existing prohibitions against contracting out city carrier work are continued for the duration of the 2023 National Agreement.

Health insurance contributions

The employees' share of health insurance premiums remains the same as in the 2019-2023 National Agreement for both career and non-career letter carriers.

NALC and USPS representatives will put together the entire text of the 2023-2026 National Agreement in the coming weeks.

NALC statement on Postmaster General DeJoy's exit from USPS

On March 24, NALC President Brian L. Renfroe issued the following statement regarding Postmaster General Louis DeJoy's exit from the Postal Service:

Today was Postmaster General Louis DeJoy's last day at the Postal Service. During his tenure, NALC worked in good faith with DeJoy on behalf of our 295,000 active and retired members.

The USPS Board of Governors' search for a new leader of the agency comes at a critical time for letter carriers and everyone who depends on our service.

The next postmaster general must continue modernizing and investing in USPS' infrastructure while maintaining quality universal service funded by postage, not taxpayer dollars.

They must value and empower the 640,000 Postal Service employees, 73,000 of whom are veterans, who serve the American people.

They must work in good faith with NALC, our sister unions and other stakeholders to get necessary retirement fund investment and accounting policy changes done in Congress.

Finally, the next postmaster general must fundamentally believe in the agency as a public service and be committed to guaranteeing the universal service Americans rely on.

NALC urges the board to seek out a candidate who meets these criteria. The future of the Postal Service is on the line, and choosing someone with innovative ideas and appreciation for our Constitutionally mandated service is essential.

NALC stands ready to work with whoever the board selects as the next postmaster general. We will fight like hell to ensure our members' perspectives and experiences are considered when the next postmaster general makes decisions that affect letter carriers' working lives.

National Association of Letter Carriers

100 Indiana Ave. NW
Washington, DC 20001-2144
202-393-4695 | www.nalc.org

Brian L. Renfroe, President

EDITORIAL STAFF:

Philip Dine, Director of Communications and Media Relations
Mike Shea, Managing Editor
Rick Hodges, Writer/Editor
Jenessa Wagner, Writer/Editor
Sarah Eccleston, Editorial Assistant

NALC Bulletin is published semi-regularly by the National Association of Letter Carriers. Postage paid at Washington, DC, and at additional mailing offices.

POSTMASTER: Send address changes to Membership Department, NALC, 100 Indiana Ave. NW, Washington, DC 20001-2144.

CHANGE OF ADDRESS? Contact the Membership Department.

© 2025 by the National Association of Letter Carriers.

Circulation: 10,000. Union-printed using soy-based inks.

Follow us on Facebook, Twitter, Instagram and YouTube by going to NALC.org.

