

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

Arbitrator Dennis R. Nolan has issued a final and binding 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 served as the sole and neutral arbitrator, and conducted mediation with the parties in Washington, DC, March 17-18. He issued the award on March 21. It is available at nalc.org.

President Renfroe issued the following statement:

We are pleased that the award includes consistent pay increases through 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 several of our objectives such as increasing starting pay and further increasing top-step pay, where letter carriers spend most of their careers and is the salary on which retirement calculations are based.

During the interest arbitration process, we fought for wage increases and fought against any potential proposals that may arise during times of uncertainty and difficulty for the Postal Service—such as changes to our COLA formula, increasing our share of health insurance premiums, or reductions in back pay. This award contains no changes to these or other provisions that could negatively impact us economically. It only moves us forward.

In recent years, the flexible workforce in our craft has transitioned from being all non-career employees to currently about one third of career employees through processes we've negotiated. The National Agreement resulting from this award will allow us to continue those processes and the 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.

Below 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 on Nov. 18, 2023 (paid retroactively), 1.4 percent on Nov. 16, 2024 (paid retroactively), and 1.5 percent on Nov. 15, 2025. These increases exceed the general wage increase pattern previously established in collective-bargaining agreements between the Postal Service and other postal unions in the prior round of collective bargaining. The award also provides for the payment of six COLAs, using the formula that has been included in Article 9 for many years. That COLA provides all career carriers an equal level protection against inflation, proportional to their step. 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).

City carrier assistant pay increases

City carrier assistants (CCAs) will receive three additional 1.0 percent increases for cumulative general wage increases of 2.3 percent on Nov. 18, 2023 (paid retroactively), 2.4 percent on

Nov. 16, 2024 (paid retroactively), and 2.5 percent on Nov. 15, 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 the cumulative increases mentioned earlier in this paragraph.

Pay table modifications

Steps AA and A will be eliminated from Table 2. 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. 16, 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 cannot 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 would be continued for the duration of the 2023 National Agreement.

Employee complement

The CCA caps found in Article 7.1.C.1 and Article 7.1.C.2 will remain the same; however, the number allowed in each district will be based on the career city letter carrier complement in the district, not just the full-time complement. In the current language, only the full-time letter carrier complement was used, as well as part-time flexibles (PTFs) converted to career under the MOU Re: City Carrier Assistants – Conversion to Career Status.

MOU Re: Full-time Regular Opportunities – City Letter Carrier Craft–

This MOU outlines the process for filling full-time opportunities through the conversion of PTFs to full-time, the conversion of CCAs to full-time regular career status, and the acceptance of voluntary transfer requests. New language addresses several issues that arose during the 2019 National Agreement.

MOU Re: City Carrier Assistants – Conversion to Career Status—This MOU requires CCAs to be converted to PTF upon reaching 24 months of relative standing continues for the life of the Agreement.

MOU Re: Additional Resources – Holiday Carrier Assistant—This MOU was modified to extend the employment period of HCAs from four weeks to six weeks and to provide a two-week window prior to employment solely for the purpose of training.

MOU Re: Multi-Installation Carrier Technician Assignments—This new MOU establishes a test to explore the effectiveness of multi-installation carrier technician assignments. The intent of this test is to improve staffing situations in these smaller offices, while creating additional full-time assignments.

MOU Re: Complement and Staffing—This MOU requires the parties to meet at the headquarters level and discuss the complement and staffing issues within the city letter carrier craft. These discussions have led to hundreds of installations being added to the all-career hiring model. This MOU continues these discussions during the life of the 2023 National Agreement.

Overtime provisions

Article 8, Sections 2, 4 and 5 have been modified to increase overtime protections and provide more opportunities for letter carriers, as well as the introduction of a new pay rate.

Section 2. Work Schedules

A new Section 2.D has been added that provides all full-time carriers with

the right to terminate their tour of duty when reaching their respective work-hour limits without being subject to disciplinary action.

Section 4. Overtime Work

A new Section 4.G has been created that guarantees pay at the rate of two and a half times the base hourly straight time rate for any work beyond 12 hours in a day and 60 hours in a service week.

Section 5. Overtime Assignments

In Section 5, a new opportunity has been created for Overtime Desired List (ODL) carriers to volunteer to exceed 12 hours of work in a day or 60 hours of work in a service week on a limited, daily case-by-case basis. Carriers cannot be forced to work beyond the applicable work-hour limits (pursuant to Section 8.2.D).

Article 8.5.A was modified to create new ODLs, one for employees desiring to work up to 12 hours per day on their regularly scheduled days only and one for employees desiring to work only overtime for eight hours per day on their non-scheduled days. Employees may sign both lists and are eligible to work up to 12 hours per day on their regularly scheduled days and their non-scheduled days. Employees are no longer able to indicate a preference to work in excess of 10 hours on a scheduled day.

Other contractual provisions

Article 2

Article 2.1—The language will be changed to include pregnancy as a protected class and to replace the term “handicapped employees” with “individuals with disabilities.”

Article 8

Article 8.3—All PTF and CCA employees will be guaranteed a minimum of one non-scheduled day each service

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week, except during the penalty overtime exclusion period. Management will notify PTF and CCA employees of their assigned non-scheduled day by the Wednesday preceding the service week.

Article 10

MOU Re: Monetization of annual leave—This new MOU incorporated into the award provides career employees the opportunity to sell back up to 40 hours of annual leave prior to the beginning of the leave year if they are at the carryover maximum and they have used fewer than 75 sick leave hours in the year immediately preceding the year for which the leave is being exchanged.

MOU Re: CCA Advanced Annual Leave—Upon completion of an initial 360-day appointment as a CCA, and immediately upon reappointment to any subsequent appointments, CCAs will be advanced 40 hours of annual leave. Upon implementation, CCAs will receive annual leave prorated to the end of their 360-day term.

MOU Re: PTF Advanced Annual Leave—Forty hours of annual leave will be advanced to PTF employees, prorated to the end of the leave year for their first leave year as a PTF, and annually thereafter, unless and until the employee converts to full-time status.

MOU Re: Bereavement Leave—This MOU provides city letter carriers up to three workdays of leave to make arrangements necessitated by death of a family member or to attend the funeral of a family member. With the arbitration award, grandchildren will be added to the existing list of defined family members.

MOU Re: Time Limitations Concerning Bone Marrow, Stem Cell,

Blood Platelet and Organ Donations—This new MOU defines the amount of administrative leave granted and time limitations applicable to bone marrow, stem cell, blood platelet and organ donations for career employees.

Article 11

Article 11.1. Holidays Observed—This article of the contract is amended to add Juneteenth as an observed holiday.

Article 11.7. Holiday Part-Time Employees—Modified to update the pay calculation for PTFs to reflect the addition of the Juneteenth holiday. The new calculation provides that PTFs will be compensated for the 11 holidays by basing the employee's regular straight time hourly rate on the employee's annual rate divided by 1,992 hours.

Article 12

Article 12 is amended to remove any sections and/or language that do not apply to the city letter carrier craft.

Article 12.2.B—Under the current Article 12.2.B language, supervisors who return to the city letter carrier craft begin a new period of seniority unless they return within two years. This is now modified to one year.

Article 12.5.C.8—Current language that contains the provisions regarding the involuntarily reassignment of PTF city letter carriers is deleted.

Article 14

Article 14.3.C—The award incorporates this new section to establish Joint Labor-Management Safety Committees at the district level, for each of the 50 USPS districts. These District Safety Committees will consist of at least two members from each party and will meet quarterly. District Safety Committees are

responsible for assisting in implementing district-wide safety initiatives, facilitating communication between Area and Local Safety Committees, and assisting Local Committees. The establishment of District Joint Labor-Management Safety Committees follows the long-standing pilot test in certain USPS districts under MOU Re: District Safety Committees Pilot Program. This MOU will be removed from the National Agreement, since these committees will now be established nationwide in Article 14.

MOU Re: Air-Conditioned Vehicles—This new MOU requires the Postal Service to make every effort to acquire vehicles equipped with air conditioning for use by city letter carrier craft employees. If USPS plans to acquire vehicles without air conditioning due to the climate in a particular geographic location or other factors, the issue must be discussed with NALC. Additionally, USPS must continue to follow repair and maintenance procedures to ensure that any necessary maintenance or repairs to air-conditioning systems are completed in a timely manner. Inspection of vehicle air-conditioning systems will be included in preventive maintenance inspections as well.

Article 15

MOU Re: Dispute Resolution Process Testing—This current MOU is now modified to add the requirements that the task force begin meeting no later than 90 days after the date of the interest arbitration award, and that it meet regularly no less than once a quarter.

MOU Re: Article 15 – Dispute Resolution Process – Step B Team Procedures—A new MOU now replaces the MOU Re: Article 15 – Dispute Resolution Process and the MOU Re: Article

15 – Dispute Resolution Procedure Task Force, which outlines the guidelines and defined responsibilities for the Step B teams and the joint parties who oversee them. This new MOU is designed to streamline and improve the Step B process to facilitate more rapid resolution of grievances.

MOU Re: Electronic Grievance System—This establishes a task force at the national level to jointly explore and work toward the development and implementation of an electronic grievance system for use by the parties in the grievance procedure. The parties will explore the potential functionality of the electronic grievance system, including but not limited to electronic grievance forms for all steps, push notifications when grievances are appealed to the next step, time stamps to record dates and times of actions taken, responses to information requests, and management and storage of documents.

Article 17

Article 17.5. Labor-Management Committee Meetings—This was amended to add a requirement that the local parties meet at least twice per year to discuss labor-management issues.

Article 17.7. Dues Checkoff—This was changed to reflect that NALC will be taking over the dues processing for our members. Historically, the Postal Service has been responsible for allocating the dues to the local branches via postal finance numbers, which at times has created allocation errors. This contractual change will allow NALC to control the dues allocation process and to verify that the distribution of funds to branches and state associations is properly completed.

Article 23

MOU Re: Article 23 – Rights of Union Officials to Enter Postal Instal-

lations—This new MOU affirms that upon reasonable notice to the Postal Service, authorized representatives of the union shall be permitted to enter postal installations for the purpose of performing and engaging in official union duties and business related to the collective-bargaining agreement. The MOU clarifies that this right applies to elected or appointed national, area and local officers and representatives, regardless of whether they are active or retired USPS employees. The MOU requires the Postal Service to provide officers and/or NALC representatives who are in a full-time Leave Without Pay (LWOP) status or retired with a USPS identification badge to enter postal facilities within their respective local(s).

Other notable MOUs

MOU Re: City Delivery and Workplace Improvement Task Force—This has been modified to reorganize the task force for the purpose of jointly seeking methods to improve the cultural and operational environment in city delivery offices.

MOU Re: New Employee Experience, Retention and Mentoring Program—The award includes the nationwide implementation of the program tested in hundreds of delivery units across the country that creates guidelines related to the onboarding, retention and mentoring of new employees.

MOU Re: Joint Workplace and Improvement Process (JWIP)—This current MOU is restructured to reaffirm the parties' commitment to improving the workplace environment and culture. The new JWIP contains a structure for identifying potential JWIP locations, for area/regional teams to oversee the process and implementation of any necessary improvement

plans, and for district teams to investigate and offer recommendations for potential changes designed to improve workplace conditions.

Route evaluation and adjustment

MOU Re: Alternate Route Evaluation and Adjustment Process—This MOU is continued. The parties have worked to develop six previous joint route adjustment processes dating back to 2008 under the terms of this MOU and would continue that work throughout the life of this agreement.

MOU Re: Fixed Office Time in a Joint Route Evaluation and Adjustment Environment—This new MOU recognizes the need to modify methods for determining fixed office time to fit office activities in the current work environment by recording most office activities other than casing mail and pulling down mail as either recurring or non-recurring. Activities previously recorded under Lines 8-13 and 15 would now be recorded under Line 21. When determining minimum line-item values in the modified method, the MOU would prohibit such values from being less than indicated values for the following line items:

- Line 14—Accountables—two minutes
- Line 19—Vehicle inspection—three minutes
- Line 20—Personal needs—five minutes
- Line 21—Office work not covered—10 minutes

Local implementation

The local implementation period will be May 27, 2025, to June 26, 2025.

On the following page is the paychart for the effective date of the new contract.

NALC will work with the Postal Service in the weeks ahead to finalize and publish an official version of the 2023-2026 collective-bargaining agreement. **PR**

Letter Carrier Pay Schedule

City Carrier Wage Schedule: Tentatively effective April 19, 2025 (Nolan arbitration award)

The following salary and rate schedule is for all NALC-represented employees.

Career city letter carrier increases

Effective Date	Type of Increase	Amount
Aug. 26, 2023	July COLA	\$978
Nov. 18, 2023	General wage increase	1.3%
March 9, 2024	January COLA	\$353
Sept. 7, 2024	July COLA	\$978
Nov. 16, 2024	General wage increase	1.4%
March 8, 2025	January COLA	\$416
Sept. 6, 2025	July COLA	TBD
Nov. 15, 2025	General wage increase	1.5%
March 7, 2026	January COLA	TBD

City carrier assistant increases

Date	Type of Increase	Amount
Nov. 18, 2023	General wage increase	2.3%
Nov. 16, 2024	General wage increase	2.4%
Nov. 15, 2025	General wage increase	2.5%

NOTE: Upon conversion to full time, part-time flexible employees in Table 2 will be slotted into the full-time step commensurate with their number of weeks as a PTF, and retain their time credit toward the next step.

NOTE: The full COLAs will be added to the salaries of all steps in Table 1 and Step P of Table 2, with proportionate application of the COLA to Steps A-O of Table 2.

NOTE: In accordance with Article 9.3.B, COLAs become effective the second full pay period after the release of the January and July Consumer Price Index for Urban Wage Earners and Clerical Workers.

Table 1: City Carrier Schedule

RSC Q (NALC)

This schedule applies to all carriers with a career appointment date prior to Jan. 12, 2013.

	Basic Annual Salaries																Most Prev. Step
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
City Carrier (Grade 2)	66,479	71,038	71,143	74,405	74,878	75,354	75,823	76,292	76,768	77,230	77,708	78,183	78,651	79,134	79,601	80,057	476
Carrier Technician*	67,875	72,530	72,637	75,968	76,450	76,936	77,415	77,894	78,380	78,852	79,340	79,825	80,303	80,796	81,273	81,738	486
Part-Time Flexible Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	33.37	35.66	35.71	37.35	37.59	37.83	38.06	38.30	38.54	38.77	39.01	39.25	39.48	39.73	39.96	40.19	
Carrier Technician*	34.07	36.41	36.46	38.14	38.38	38.62	38.86	39.10	39.35	39.58	39.83	40.07	40.31	40.56	40.80	41.03	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	31.96	34.15	34.20	35.77	36.00	36.23	36.45	36.68	36.91	37.13	37.36	37.59	37.81	38.05	38.27	38.49	
Carrier Technician*	32.63	34.87	34.92	36.52	36.75	36.99	37.22	37.45	37.68	37.91	38.14	38.38	38.61	38.84	39.07	39.30	
Step Increase Waiting Periods (In Weeks)																	
Steps (From-To)	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	YRS.	
	96	96	44	44	44	44	44	44	44	34	34	26	26	24	46	13.3	

* Carrier Technicians receive an additional 2.1%

Table 2: City Carrier Schedule

RSC Q7 (NALC)

This schedule applies to all carriers with a career appointment date on or after Jan. 12, 2013.

	Basic Annual Salaries																Most Prev. Step
	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
City Carrier (Grade 2)	48,947	51,133	53,321	55,510	57,701	59,887	62,076	64,267	66,455	68,643	70,831	73,019	75,211	77,396	79,584	80,057	2,188
Carrier Technician*	49,975	52,207	54,441	56,676	58,913	61,145	63,380	65,617	67,851	70,085	72,318	74,552	76,790	79,021	81,255	81,738	2,234
Part-Time Flexible Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	23.53	24.57	25.67	26.77	27.87	28.97	30.06	31.16	32.26	33.36	34.46	35.56	36.66	37.76	38.85	39.95	40.19
Carrier Technician*	24.03	25.09	26.21	27.33	28.45	29.57	30.70	31.82	32.94	34.06	35.18	36.30	37.43	38.55	39.67	40.79	41.03
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	23.53	24.58	25.64	26.69	27.74	28.79	29.84	30.90	31.95	33.00	34.05	35.11	36.16	37.21	38.26	38.49	
Carrier Technician*	24.03	25.10	26.17	27.25	28.32	29.40	30.47	31.55	32.62	33.69	34.77	35.84	36.92	37.99	39.06	39.30	
Percent Step O																	
	61.14%	63.87%	66.60%	69.34%	72.07%	74.80%	77.54%	80.28%	83.01%	85.74%	88.48%	91.21%	93.95%	96.68%	99.41%	100.00%	
Step Increase Waiting Periods (In Weeks)																	
Steps (From-To)	AA-A	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	YRS.
	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	13.3

* Carrier Technicians receive an additional 2.1%

Table 3: City Carrier Assistant Schedule

Hourly Rates

RSC Q4 (NALC)

This schedule applies to CCA Hires with no previous TE service.

	BB	AA
City Carrier (Grade 2)	20.23	20.73
Carrier Technician (add 2.1%)	20.65	21.17
Steps (From BB to AA) in weeks	52	

This schedule applies to CCA Hires with previous TE service after Sept. 29, 2007, who were on the rolls as of Jan. 10, 2013.

	BB	AA
City Carrier (Grade 2)	21.86	22.36
Carrier Technician (add 2.1%)	22.32	22.83
Steps (From BB to AA) in weeks	52	