



UNITED STATES POSTAL SERVICE
475 L'Enfant Plaza, SW
Washington, DC 20260

June 7, 1983

Mr. Moe Biller
President
American Postal Workers
Union, AFL-CIO
817 14th Street, N.W.
Washington, D.C. 20005-3399

Mr. Vincent R. Sombrotto
President
National Association of Letter
Carriers, AFL-CIO
100 Indiana Avenue, N.W.
Washington, D.C. 20001-2197

Gentlemen:

Current law and governing regulations provide postal employees on extended leave without pay (LWOP) serving as full-time officials in an employee organization with the option of retaining their health benefits, life insurance, and retirement coverage. To retain this coverage, however, the law requires that the employee pay for these benefits (both employee and employer share) on a current basis.

A significant number of union officials are not remitting their required benefits payments in a timely manner. Over the last several years, we have had an increasing number of these delinquent accounts. As of March 1983, the total amount of indebtedness exceeded \$275,000. In view of this serious problem, the Postal Service has established the following requirements.

The Postal Data Centers (PDCs) will initiate billing notices for the required premiums on a postal quarter basis. The employee will be billed in advance of the quarter to which the premiums apply. If the full amount due is not received at the appropriate PDC by the end of the quarter, the account will be considered delinquent. Once an account becomes

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delinquent, the employee will be granted a total of two pay periods to bring the account to a current status. The entire amount must be paid by the end of the second pay period. Failure on the part of the employee to remit the full amount due will be considered an election by the employee not to continue the coverage and the applicable benefits will be terminated effective immediately.

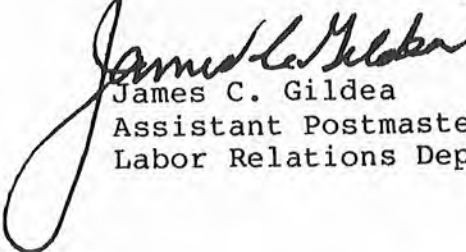
Any payments made after the final due date will be accepted solely for the purpose of covering the indebtedness. Under no circumstances will the coverage be reinstated unless directed by the Office of Personnel Management (OPM). Payments which remain outstanding will constitute a debt owed the United States Postal Service and will be subject to collection in accordance with governing regulations.

Employees currently delinquent in the payment of their elected benefits must bring their accounts to a current status. Failure to do so will result in the immediate termination of their benefits coverage. In some cases, the indebtedness extends over a period of several years. If these payments are not made, the coverage will be terminated retroactively.

Employees whose benefits are terminated as a result of these procedures may request OPM to reconsider the Postal Service's decision to discontinue their benefits coverage. The request for reconsideration must be filed within 30 calendar days from the date of the final notice of termination and must be forwarded to OPM, Compensation Group, Reconsideration Staff, P.O. Box 300, Washington, D.C. 20044. It must be made in writing and must include the employee's name, address, date of birth, social security number, place of employment, and the reasons for the request.

Please advise your members that the above procedures will be implemented 30 calendar days from the date of this notice.

Sincerely,



James C. Gildea

Assistant Postmaster General
Labor Relations Department