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 WASHINGTON DC 20260-4100
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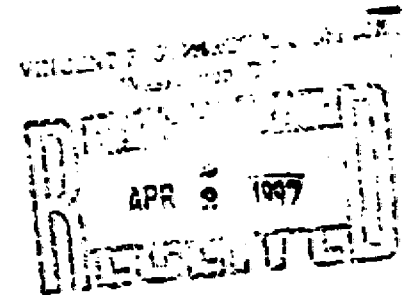
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SHERRY A. CAGNOLI
 ASSISTANT POSTMASTER GENERAL
 LABOR RELATIONS DEPARTMENT

*wec & jasper
 "signed" letter*

April 2, 1992

Mr. Vincent R. Sombrotto
 President
 National Association of Letter
 Carriers, AFL-CIO
 100 Indiana Avenue, N.W.
 Washington, DC 20001-2196



Dear Vince:

This letter addresses an issue concerning the COLA roll-in provision under the current Collective Bargaining Agreement. Specifically, the issue relates to the application of this provision to a segment of employees covered by the Federal Employees Retirement System (FERS).

The COLA roll-in provision under the current agreement provides employees, who meet the eligibility requirements for an optional retirement, with the opportunity to roll into basic pay the COLA accumulated and paid under the predecessor agreement. This opportunity is available to employees covered under the Civil Service Retirement System and FERS.

Employees covered by FERS are not only eligible for optional retirement, but may also choose an immediate reduced annuity if they meet the required minimum retirement age and have at least 10 years of creditable service, 5 years of which must be creditable civilian service. When implementing the COLA roll-in provision under the current agreement, employees who may have been eligible for an immediate reduced annuity under FERS were not given the opportunity to roll in their COLA.

To remedy this situation, the Postal Service is agreeable to offering the aforementioned FERS employees the option to roll in COLA as specified under the agreement.

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Mr. Vincent R. Sombrotto

If the union is in agreement with the above arrangement, please sign and return one copy of this letter to me. If you have any questions concerning this matter, please contact Vincent W. Drumb at (202) 268-3812.

Sincerely,

William J. Downes
for Sherry A. Cagnoli

Enclosure

Concurred:

Vincent R. Sombrotto
Vincent R. Sombrotto
President

Date:

4/9/92, 1992