

**Memorandum of Understanding**  
**Re: One-Time Retirement Incentive**  
**Questions & Answers**

1. Who is eligible for the Retirement Incentive?

Response: Employees in the APWU bargaining unit who are either already eligible for retirement or who meet the criteria established by OPM for Voluntary Early Retirement (VER).

2. What is OPM's Criteria for VER Eligibility?

Response: OPM's eligibility requirements for an "early Out" are based on minimum age and service requirements of at least 50 years of age with at least 20 years of credible Federal service or any age with at least 25 years of credible Federal service. In addition, an employee must have at least 5 years of credible civilian service to be eligible for an early-out, which is service in a federal government position that is not elected and not military service.

3. If on the date of the signing of the MOU an employee did not yet meet the eligibility requirements but will meet such requirements by April 30, 2025, are they eligible for the VER and incentive?

Response: Yes

4. How will employees be notified of their eligibility?

Response: The USPS will mail two separate packages to the address of record for every VER eligible employee no later than January 31, 2025. Full-time eligible employees will receive a letter with information on the VER requirements, their annuity estimate and a notice of retirement package mailing. The second mailing will include all required documents needed to take advantage of the VER and incentive. Part-time and Non-traditional full-time employees will need to request their annuity estimate by contacting HRSSC at 1-877-477-3273 option 5, by email at [jj7nb0@usps.gov](mailto:jj7nb0@usps.gov), or by fax at 202-268-0110. The letter will not include an explanation of penalties. Penalties are described in the VER webinars and in more detail during the retirement counseling sessions.

5. Can military veterans who have not previously bought back their military time now do so in order to reach the eligibility criteria?

Response: Yes. However, the buyback of military time must be completed before the cut off dates of the retirement incentive offer contained in the MOU.

6. Does this MOU apply to employees covered under both Civil Service retirement (CSRS) and Federal Employee Retirement System (FERS)?

Response: Yes

7. Does an employee's accumulated sick leave count toward eligibility for the "early-out"?

Response: Unused Sick leave cannot be used to meet service eligibility for the VER. However, unused sick leave can be used to increase service credit that is calculated by OPM in determining the monthly annuity in retirement.

8. Does accumulated earned annual leave count toward retirement eligibility or benefits?

Response: No. Unused earned annual leave will be paid out upon retirement.

9. Are there any reductions in retirement benefits if an employee retires under the terms of this MOU?

Response: It depends. There are no penalties for a Civil Service (CSRS) covered employee who retire under the incentive and timeline terms of the MOU. There may be penalties for certain FERS employees. There is no annuity reduction for FERS employees who meet the OPM eligibility requirements and accept the Voluntary Early Out (See question #2). However, the Social Security Supplement for such employees will not commence until a FERS covered employee reaches the minimum retirement age (MRA.) In addition, there is a small group of FERS employees who are eligible for "optional" retirement due to reaching the minimum retirement age but do not have the number of years for full retirement. If an employee retires in this category there will be reductions in their annuity payments. Management letters to eligible employees will contain basic eligibility requirements and information for group and individual counseling. Once an employee attends a group counseling session, they may request an individual counseling session if they have additional questions about potential penalties unique to the individual.

10. How will an employee find out the full financial impact of taking an early out?

Response: The full financial impact of the VER will vary based on the service history and age of the participating employee. Participating in the retirement counseling sessions offered as part of the MOU will provide information on potential impacts. The decision to accept an early out opportunity is an important one with financial implications and underscores the importance of engaging in the counseling process. Employees can also contact Shared Services at 877 477 3273 (option #5, then follow prompts) for further information.

11. Are all APWU represented career employees covered under the MOU?

Response: Yes. Due to existing staffing issues some of the crafts or facilities are capped at a certain percentage of eligible employees. (See MOU)

12. In crafts or facilities where employees accepting the "One-Time Retirement Incentive" under the MOU exceed the authorized percentages allowed how will the issue be handled?

Response: The retirement incentive will be granted nationally to the senior 12% for MVS and Maintenance and 10% for Nurses based upon total Postal Service time. Total Postal Service time will also be the criteria within a specific facility where there is a cap, such as in HRSSC.

13. Will there be any break in my health insurance coverage for those who choose to retire under the terms of the MOU?

Response: No. If an employee is already covered under PSHP/FEHB, health coverage in retirement will be handled the same as any other retirement process. Once any eligible employee retires, the premiums are deducted from retirement annuities. The USPS continues to pay their portion of the premiums and annuitants will pay their premium at a monthly rate.

14. If an employee retired prior to the January 13, 2025 date of the MOU, is such an employee eligible for the incentive?

Response: No

15. If an employee's paperwork for retirement was submitted prior to the January 13, 2025 date of the MOU, but has an effective date after January 13, 2025 is such employee eligible for the incentive?

Response: Yes. However, the retirement date must be prior to April 30, 2025. If the already planned retirement date is later than April 30th the employee will have the opportunity up until March 7th to change the effective date to April 30th to become eligible for the one-time incentive of the MOU.

16. Will the USPS continue to contribute to the TSP accounts once an employee retires under the terms of the Voluntary Early Out (VER)?

Response: No. Once any FERS covered employee retires, whether through optional retirement or early out, the TSP contributions cease.

17. What will be the impact of the retirement incentive on potential Article 12 excessing events?

Response: Any excessing as a result of future organizational changes will consider the potential impacts that the retirement incentive may have on withholding/excessing requirements pursuant to Article 12. Impacts of the retirement incentive will be a subject for discussion during the regional meetings held pursuant to Article 12.

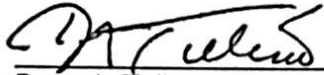
18. During both group and individual counseling sessions will the USPS representatives give advice on whether taking the offer of early retirement is beneficial or not for an individual?

Response: No, the decision of whether to take an "early out" retirement is strictly that of the individual employee. The role of the USPS and their counselor(s) is to provide accurate facts including financial implications, not to determine whether retiring is beneficial to the employee. Likewise, APWU representatives will refrain from giving members advice on whether they should or should not retire under the terms the VER.

19. What should an employee do if they believe there is a dispute as to whether they are eligible to receive the benefits of the "One time retirement Incentive" MOU?

Response: The MOU sets up a rapid response "Alternative Dispute Resolution Process" (ADRP) to address issues that arise. The employee begins the process by contacting their

local/state union representative who will then bring the issue to the attention of the Industrial Relations Director of the APWU who in turn will meet with the Sr. Director, Field Labor Relations Operations or their designees. The aim is to quickly resolve any issues.



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Date: 1/31/2025



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Date:

1/31/2025