

A SPECIAL MESSAGE FROM NTEU

for IRS Employees

July 7, 2006

The Straight Story about the IRS Contract Expiration

The National NTEU-IRS Collective Bargaining Agreement expired last Friday night. Most often, when a contract expires it is considered a



mere technicality by federal agencies and unions because the law provides that nearly all the benefits and working conditions

established by the contract continue to be enforceable. That includes your rights to an alternative work schedule, a guaranteed performance award, flexiplace, advanced annual leave and over 200 pages of benefits.

What Changes?

While the majority of your rights and benefits are secure, IRS is breaking with federal sector tradition to take away employee benefits in areas where it can. In federal sector contract negotiations, there are “mandatory” subjects that the parties must bargain over and “permissive” subjects that the parties can agree to bargain over. In your contract, about 95 percent of the subjects are mandatory and therefore cannot be changed during this interim period. About five percent are “permissive” subjects, which means either party can make changes, but most parties never do. The IRS this week announced it is going to immediately terminate some employee benefits, and has targeted two for now. The first is to stop paying a six per-

cent salary differential to IRS instructors who travel away from their homes for more than two weeks, a benefit NTEU negotiated in 2002. IRS is voiding this recognition that these employees are going above and beyond in performing their duties.

The second benefit the IRS is taking away is the right of newly-hired seasonal employees to get health insurance. Given how devastating that can be to employees and their families I think that is a shameful decision on the agency’s part. Thousands of IRS employees started out as seasonals. What kind of signal is denying health insurance sending to employees about the value of recruiting a seasonal workforce that has the potential to become fulltime workers?

How Did the Contract Expire?

Like all contracts, ours had a termination date because contracts are not enforceable documents without one. For decades, the contract included a clause that said if a new contract was not ready, the old one would continue for another year. In 2002, management insisted that the one-year continuance clause be dropped because they were “sure” we would have a new contract by July 1, 2006. NTEU protested but finally agreed to that idea because we believed that the IRS would approach the negotiations in good faith, as it has done in the past. Then we experienced 2005 midterm bargaining.

In 2005, the IRS and NTEU reopened 10 articles at the mid-point of the contract. Midterm bargaining

is not uncommon and NTEU was prepared to quickly address the issues. The IRS stalled so much that midterm bargaining dragged on for a year with management continuing to refuse to roll over the existing contract.

We quickly suspected that management officials had some specific scheme up their sleeves. NTEU began to put in place a strategy to protect employees. When management

The NTEU contract with IRS has expired. What has not expired are your rights.

officially notified us that it intended to reopen the contract, NTEU again suggested that we formally extend the contract for some time so as to avoid putting employees in the middle of the dispute where management could use them as pawns. Management again refused to extend the contract and formally announced that it deliberately wanted to terminate it. Despite our arguments for the benefits of keeping the agreement in place pending a new agreement, the IRS would not budge.

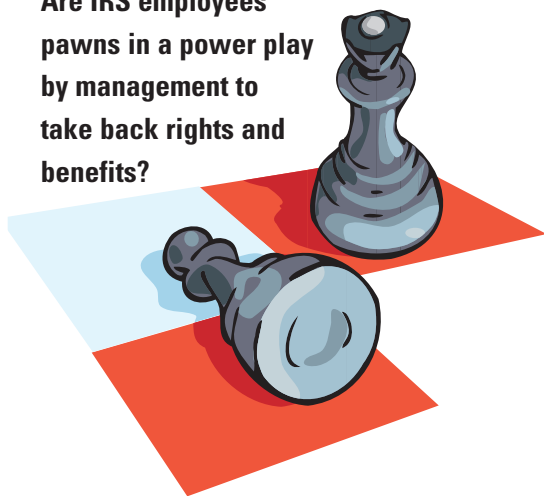
The only substantive offer management made to roll the contract over for another year was if NTEU waived some of your bargaining rights, which we rejected. So, the contract becomes what the law calls a “nullity,” but all the benefits and

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working conditions remain in effect except for those few “permissive” issues where the law permits either party to terminate the clause immediately. Management chose to do that as well.

It appears that these games the IRS is playing are leading up to an attempt to renegotiate every word of the existing contract, including some benefits that have been in place for 25 years or more. We do not intend to let that happen. This is a power play on the part of the IRS and if you feel like a pawn in that power play, I believe your feelings are justified.

Are IRS employees pawns in a power play by management to take back rights and benefits?



NTEU's Response

Our decision to take on the IRS is a strategic one because we know we have the support of employees and that to cave in to management demands was not in your best interest. Given the very broad support for NTEU among IRS employees, NTEU stands ready to go to the mat for you. If management wants employees to have to fight to keep their benefits or improve them, then we will.

What's Next?

Our first step will be to notify management about which of its recent actions we believe violate law and to exercise a few options of our own.

Our next move will be to use the many options we have other than the bargaining table to continue to pursue improvements. For example, last week we filed a national grievance seeking a salary increase for bilingual Customer Service Representatives and others required to perform their jobs in two languages without any extra compensation. Soon, we will arbitrate to get back pay for hundreds of IRS employees who were short-changed when performance awards were distributed late last year. There are also hearings pending:

- to turn back management's effort to limit flexiplace to a location in the commuting area,
- to get all employees equal access to the IRS Intranet,
- to stop some illegal hiring practices designed to favor outside applicants over promoting on-board employees,
- to challenge IRS RIFs as a violation of the Civil Rights laws,
- and to get maxiflex benefits for employees as an improvement to current alternative work schedule options.

Preparing for negotiations is the third focus of our current efforts. A team of NTEU leaders will be meeting in early August to begin work on contract negotiations. I will be communicating regularly with your chapter presidents and appointing a bargaining team of approximately 20 chapter presidents who will make your case for you.

Your support will ensure a successful conclusion to this management ploy to take back hard-won rights and benefits from IRS employees.

A handwritten signature in black ink that reads "Colleen M. Kelley".

Colleen M. Kelley
National President

Around the IRS

IRS Employees Overwhelmingly Support NTEU's Survey Position

The results are in as to whether management was able to convince employees to once again participate in the annual survey. For the second year in a row, IRS employees gave significant support to NTEU's position on the IRS survey. Thank you for your role in trying to make a statement about the survey process.

After 12 years of supporting the survey, in 2005 NTEU urged employees not to participate because the survey became a meaningless exercise with no real results for employees. Employees responded by the thousands by

refusing to take it last year and dropped the participation rate from around 85 percent to a little under 50 percent. This year even more just said “no” to the survey, dropping the participation rate to around 43 percent. However, NTEU will continue to fight for meaningful ways to include employee input and expose insincere efforts such as the 2006 Survey.

If you want more information about NTEU, visit your local NTEU chapter's office or go to www.nteu.org. Please talk to your local leaders if you have other questions or concerns and thank you for your continued support of NTEU.