

Memorandum of Understanding Between
The Internal Revenue Service
and
The National Treasury Employees Union

The Internal Revenue Service (IRS or "Employer") and the National Treasury Employees Union (NTEU or "Union") hereby enter into this initial Memorandum of Understanding ("MOU") concerning the IRS' decision to consolidate the *Fresno* Submission Processing ("SP") functions located in *Fresno, California* on or around *September 30, 2021*, and cease SP operations at those locations. The IRS and NTEU are fully committed to minimizing the adverse impact of the cessation of SP Operations and recognize it is in the best interest of the Parties and affected bargaining unit employees that opportunities for voluntary assignments for continuing positions and voluntary separation be utilized to the maximum extent feasible at the earliest practicable time. In that regard, the Parties have agreed to negotiate this MOU and to immediately implement specific provisions of Article 19 of the National Agreement as stated in this agreement and subsequent agreements.

In accordance with the above, the Parties agree to the following:

Section 1. Statement of Commitment

The Employer has determined that all bargaining unit employees will not be involuntarily separated from employment or involuntarily downgraded for SP Consolidation related reasons prior to September 25, 2021. In accordance with Article 12, Section 4L, for employees rated less than Fully Successful, management is committed to assist in improving their performance to maximize competitive opportunities.

Section 2. Early Implementation of Article 19 Provisions

The Parties agree to implement the following mitigation strategies of Article 19, Section 5, of the National Agreement within 30 days after the effective date of this MOU except as otherwise noted herein. Towards that end, the Parties will apply the procedures and provisions of Article 19, Section 5 except as modified herein. Unless specifically stated otherwise within this MOU, early implementation of any of the mitigation strategies contained within Article 19, Section 5 shall be construed as compliance with those corresponding mitigation strategies in Article 19,

Section 5. NTEU does not waive the right to challenge the application of any specific Article 19, Section 5 mitigation strategy through the grievance procedure. Any provisions of Article 19, Section 5 that are not implemented early as provided herein will go into effect as otherwise contemplated by Article 19 unless mutually agreed upon by the parties.

A. **Reassignment Preference Notice (RPN).** Article 19, Section 5.A (including Exhibit 19-2) will be implemented within 90 days of the effective date of this MOU. All impacted employees will be provided an RPN for use in reassignment or change to lower grade opportunities. Any employee selected under said applications may return to his/her SP position per provisions included in Article 13, Section 9B up until the competitive area is frozen. Such employees will remain eligible for VERA/VSIP opportunities that are currently open or any subsequent windows available.

B. **VERA and VSIP**

1. The IRS shall make every effort, subject to the availability of funding, to obtain VERA/VSIP authority to offer three (3) open windows for direct VERA/VSIP which would remain open for a minimum of 21 days. Subject to the availability of funding and required approval through channels (e.g.,

Treasury, OPM), the IRS will attempt to gain authority to hold open windows as follows:

VERA/VSIP #1	March-April 2020
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VERA/VSIP #2	September-October 2020
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VERA/VSIP #3	March-April 2021
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2. VERA/VSIP will be offered consistent with the provisions of Article 19, Section 5B (2) and Exhibit 19-4, except:

- a) The timing of the VERA/VSIP windows will be as stated in Section 2B (1) of this MOU; and
- b) In accordance with Article 19, Sections 5(b)(2) of the parties' agreement, employees who have an approved buyout may have his/her off rolls date

temporarily delayed.

- c) No additional VERA or VSIP windows will be negotiated under the provisions of Article 19, Section 4C (6) or Exhibit 19-4 unless mutually agreed otherwise.
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- 3. OPM grants pre-approved waivers of the five (5) year participation rate for continuing FEHB coverage for affected employees who retire and receive a VERA/VSIP. Consistent with OPM's Benefits Administration (BAL) Letter 04-208, the Employer will attach a memorandum or the retirement applications of those employees who retire in conjunction with a VSIP or VERA, who do not meet the participation requirements to continue FEHB benefits into retirement, and who meet the requirements for a pre-approved waiver by OPM; and state therein that the employee meets the requirements for the pre-approved waiver by OPM.
 - 4. The VERA/VSIP briefing referred to in Article 19, Exhibit 19-4, will occur prior to the first window period. The IRS has determined it will also offer bargaining unit employees a second briefing on VERA/VSIP during the RIF briefing held pursuant to Article 19, Section 8, which will be held approximately one (1) year prior to the RIF effective date.
 - 5. Bargaining unit employees will be granted a minimum of one (1) hour of administrative time to meet with NTEU to obtain further information on VERA/VSIP for each window subject to workload requirements.
 - 6. During each window, bargaining unit employees may submit tickets to the Employee Resource Center (ERC) to speak with a VERA and/or VSIP subject matter expert as applicable. Subject to workload requirements, bargaining unit employees will be provided administrative time to speak with the subject matter expert(s). This is in addition to the administrative time listed in subsection 7 (below).
 - 7. In accordance with Exhibit 19-4 of the National Agreement, bargaining unit employees will be provided with up to two (2) hours of administrative time to speak with a Retirement Counselor subject to workload requirements.
 - 8. Consistent with Article 19, Exhibit 19-4, once a bargaining unit employee applies for a VSIP (buyout), the IRS will provide such eligible bargaining

unit employees with a VSIP (buyout) estimate.

9. Within thirty (30) days of closure of the VERA/VSIP windows, the IRS shall provide NTEU with the names of bargaining unit employees who have been approved for VERA/VSIP that have an extended off-rolls date to include the date of extension.

C. Voluntary Incentives Through Job Swaps

Voluntary incentives through job swaps will be implemented consistent with Article 19, Section 5C once the IRS obtains VERA/VSIP authority. In addition, the Parties agree to modify the provisions of Article 15, Section 7, to allow directly impacted employees (excluding Intermittent employees), regardless of their current work schedule, to be considered for other occupied positions, either inside or outside the commuting areas, after all impacted employees with the same work schedule (e.g. seasonal to seasonal, permanent to permanent) have been given the opportunity to swap positions in accordance with Article 19, Section 5C.

Management has determined that other modifications are provided for as follows:

1. Employees meeting the criteria outlined in the 2019 National Agreement, Article 15, Section 8 and Section 5C with the same work scheduled (e.g., seasonal to seasonal excepting Intermittent employees) will be given the opportunity to swap jobs prior to those employees meeting the criteria outlined below.
2. After employees meeting the provisions cited above have swapped positions, employees with a different work schedule (e.g. seasonal to permanent or permanent to seasonal), will be considered for job swaps. All Article 19, Section 5C provisions will apply intact and without modification. For this purpose, "consideration" is defined to include the Employer verifying, that where a directly impacted employee on a seasonal work schedule is requesting a job swap with an employee in a permanent work schedule, the job swap will not bump an employee with a higher ranking on the Release/Recall list in the appropriate non-SP work area established at the local level (in accordance with Article 14, Section 3B). Management will then

consider whether or not they could facilitate a job swap involving the employee with a higher ranking. With this, management will consider placing the directly impacted employee (seasonal) in the position currently occupied by the non-impacted employee (permanent) with the higher ranking, non-competitively converting the employee (seasonal) with higher ranking (per Article 13, Section 2C) into the permanent position, and placing the non-impacted employee (permanent) in the position previously occupied by the directly impacted employee on a seasonal schedule.

3. Directly impacted SP seasonal employees will be permitted to swap with a non-impacted employee on a permanent work schedule, whether inside or outside the commuting area:
 - a. The swapping employee is at least fully successful; and
 - b. Occupies a position at the same grade as the directly impacted employee, and
 - c. The directly impacted employee is at least fully successful, qualified for the position occupied by the swapping employee, can perform the duties of that position with little or no formal training (e.g. refresher training) and with only minimum on the job instruction;
 - d. If the directly impacted SP seasonal employee would have a higher Release/Recall ranking, as determined by Article 14, Section 3B than any other seasonal employee in the appropriate non-SP organizational area he/she is swapping into, the job swap will be permitted, and the directly impacted seasonal employee would "bump" a seasonal employee in the non-SP organizational area with higher ranking on the Release/Recall list, IRS will convert the higher ranking employee (or the next employee on the list who wishes to be converted) to perm and place the directly impacted employee in a seasonal position;
4. If the impacted SP employee is a permanent and the swapping employee is a seasonal, the impacted SP employee will assume the seasonal position and the swapping employee will have their

VERA/VSIP calculations determined based upon the swapping employee's work schedule.

5. The Employer will provide the Oversight Board established pursuant to Section 4B of this MOU with the final results of the job swaps that occur after each VERA/VSIP window.
6. Additionally, in accordance with the other provisions of Article 15, Section 8, once an employee has swapped positions with another employee, they may not swap again for three (3) years. In order to be eligible, both employees must be at least fully successful in their current positions, and the swap must not require any formal training or relocation costs to the Employer. Employees approved for a job swap under this modification are subject to the working conditions in the work area of the other employees involved in the swap (e.g., AWS, Telework, TOD), and must assume the new work schedule (e.g., seasonal to permanent, permanent to seasonal) of the other employee.
7. The parties recognize and acknowledge that such job swaps are solely for the benefit of the employees involved, and it is the responsibility of the employees to identify the other employees interested in such a job swap.
8. The parties agree that the job swap language is being agreed to on a one-time only basis and shall not be construed as precedent in subsequent negotiations or for any other purpose. Moreover, inasmuch as a situation is unique, the arrangements set forth here will in no way establish a past practice for future consolidation, downsizing, restructuring, or reform initiatives, nor will it restrict NTEU from pursuing any contractual or legal right.
9. Within thirty (30) days of closure of the VERA/VSIP windows, the IRS shall provide NTEU with the names of bargaining unit employees approved/disapproved for job swaps including both the impacted and swapping employees of bargaining unit employees.

D. Outplacement Services

1. Outplacement services will be implemented consistent with Article 19, Section 5D and Exhibit 19-3.
 2. The Parties agree that the funding, quantity and quality of the Outplacement Services will be an ongoing topic of collaborative negotiations/discussion between the Parties and at the Oversight Board. In addition to the provisions concerning Outplacement Services contained in Article 19 and Exhibit 19-3, the IRS has determined it will conduct quarterly outplacement activities which include:
 - a) Applying for jobs through USAJOBS and Resume Writing Tips for IRS positions. During these sessions, an HR Specialist will be available to assist employees with specific questions.
 - b) A "crosswalk" document that enumerates the qualifications and experience needed for impacted employees at the Grade 3-9 level to qualify for jobs in other Operating Divisions at the IRS. This document will be specifically designed for impacted SP positions and include positions in AM, Compliance, TEGE and any other appropriate division. This document will be available 30 days after the effective date of this agreement.
 - c) Presentations by Community Colleges, Universities and local employers.
 - d) Any other topic agreed upon by the Oversight Board.
 - e) The IRS Outplacement Coordinator will meet with NTEU within 30 days of the effective date of this MOU to address the budget, timing and overall plan to offer outplacement services. The Oversight Board will be responsible for working with the Outplacement Coordinator designed by the IRS.
- E. **Relocation to Follow Your Work.** Employees will be permitted to voluntarily relocate and be realigned to a vacant position in a continuing site to perform work they currently perform consistent with Article 19, Section 5E.
- F. **Part-time and Job-Sharing Opportunities.** Employees may participate in part-time and job-sharing opportunities consistent with Article 19, Section 5F.
- G. **Grade and Pay Retention.** Employees utilizing RPNs to apply for positions at lower grades will be granted grade and pay retention consistent with Article 19, Section 5H and Exhibit 19-2.

- H. **EAP Services.** EAP Services will be offered consistent with Article 19, Section 5J. The IRS will continue to provide EAP services currently offered to impacted bargaining unit employees. These services may also be offered telephonically and through email or as otherwise agreed to in ongoing negotiations between NTEU and the IRS concerning EAP services.
- I. **Shadow Details and Temporary Promotions.** Management has determined, it will continue to implement “shadow” details for impacted SP employees to non-impacted positions in Fresno. In addition, management may offer temporary promotions up to 120 days as applicable.
- J. **Intermittent Employee Conversion.** Management has determined subject to workload needs that to the maximum extent possible provided by law, rule and regulations, it may convert career/career-conditional Intermittent employees at their same grade to a career/career-conditional seasonal employee. In addition, management may offer temporary promotes to Intermittent employees for up to 120 days.

Section 3. Other Agreements. In addition to early implementation of the above referenced provisions of Article 19, Section 5, Management has determined the following:

A. Retirement Calculations

- 1. IRS will provide eligible employees with personalized information on the monetary value of their severance pay in their RIF notice.
- 2. Upon application for VERA/VSIP, employees will be assigned a BeST specialist that will provide retirement information. Employees will be granted a reasonable amount of administrative time to confer with the benefits specialist.
- 3. When a bargaining unit employee receives his/her RIF notice, he/she will also receive a severance pay estimate if eligible. Bargaining unit employees will receive a reasonable amount of time to confer with a benefits specialist concerning his/her retirement options in accordance with Exhibit 19-4.

B. Records Validation. Within 30 days of the effective date of this agreement,

information will be provided to bargaining unit employees on how to obtain information contained within their Official Personnel Folder (OPF) through the HR Connect online system. Subject to workload restrictions, employees will be given reasonable time to review/correct information provided through the records validation process and assistance in correcting perceived errors/inaccuracies. Employees are encouraged to ensure their records are accurate and can initiate an ERC ticket if there are perceived inaccuracies in their record.

C. **Assistance for Employees with Disabilities.** The IRS agrees to implement Article 19, Section 6G immediately and will provide interpreter services to Deaf/HOH bargaining unit employees when:

1. necessary or upon request. IRS will provide NTEU with the number of disabled bargaining unit employees affected by the SP consolidation within 30 days of the effective date of this agreement. In addition, the Employer will provide NEU with the Agency point of contact to assist employees as outlined in Article 19, Section 6G.

Section 4. Collaboration

A. **Workload Redistribution Team.** The IRS' Workload Redistribution Team is evaluating whether it is feasible to realign work to the Fresno commuting area to provide opportunities for those impacted by the RIF. Management has determined the following to be the role of the Team:

1. Within 30 days of the effective date of this MOU, the Team will begin regularly scheduled monthly briefings with the Oversight Board. During those meetings, the Parties will collaboratively examine the Team's progress in determine the feasibility of moving work to the Fresno commuting area and retaining work in Fresno that is not directly related to SP processing. The Team will also share information with NTEU to the extent permitted by law. NTEU can request additional information to the extent permitted by law any time.
2. The Team will consider the Oversight Board's recommendations and share the Board's input with any final recommendation with W&I leadership.
3. Furthermore, any dissent from NTEU as to the Team's recommendations

will be shared with W&I leadership or other appropriate IRS official and can be raised by NTEU to the W&I Business Improvement Council (BIC), which can discuss the issue at an ad hoc meeting or its next scheduled meeting or in any other appropriate forum.

B. Oversight Board.

1. The IRS and NTEU agree to establish a joint committee comprised of four (4) members appointed by IRS and four (4) members appointed by NTEU to discuss issues as contemplated in this MOU including but not limited to: current Outplacement Services, the allocation of time to the bargaining unit employees to utilize such Services and/or use an on-site computer to take advantage of online mitigation strategies (e.g., electronic job swap bulletin board) and resolve disputes over the interpretation and application of this agreement raised by bargaining unit employees. Employees will be notified with respect to how to contact the Oversight Board.
2. Disputes that involve matters that are the topic of negotiations/discussions under the jurisdiction of the Oversight Board such as Outplacement Services, Job Swap procedures, etc., will be elevated to the Parties for resolution.
3. In addition, the Oversight Board will attempt to resolve any dispute over the interpretation and application of this agreement raised by a bargaining unit employee such as job swap denials, etc. However, employees are encouraged to resolve any dispute informally, through appropriate management officials prior to raising the issue to the Board. The oversight Board will attempt to resolve any dispute within fifteen (15) work days of receipt. If the Board is unable to resolve the dispute, the employee may follow the procedures contained in Article 19, Section 11. Employees will have fifteen (15) work days to file a grievance after the Oversight Board renders its decision. The Parties may mutually agree to provide the Oversight Board with the authority to address other issues in a collaborative manner such as implementing procedures for the approval of buyouts via job swaps, the need for additional Outplacement Services and/or career counselors and any other issued contained in Article 19,

Section 4C.

Also, the Oversight Board may explore how the Employer might promote the use of details or training to provide affected bargaining unit employees with the skills necessary to complete for vacancies that arise in the IRS. For details within SP, management has determined it will not require the employees to be rated fully successful or above. If detail opportunities exist in other business units, the names of all SP volunteers will be provided to those business units.

4. The Oversight Board will be provided with the employee communication plan once approved. The Board will collaborate with the Fresno Site Coordinator in providing input on employee messaging to include making recommendations for additional communication on topics such as employee rights, the VERA/VSIP process, mitigations strategies and use of the electronic bulletin board.
 5. The Oversight Board may also make recommendations to the Director of Fresno SP to detail employees to Grade 5 and 6 positions to which temporary employees would otherwise be hired subsequent to the effective date of this agreement until the closure of SP in September 2021.
 6. The Oversight Board may make recommendations to the Workload Redistribution Team to move work to other Business Units within the Fresno Campus and may also study the feasibility of moving work currently within Fresno SP to other business units within the Fresno Campus commuting area.
- C. **Monthly Meetings.** The IRS has determined it will continue with the already-established monthly meetings between SP leadership, local NTEU leadership, and Campus leadership.
- D. **Open Door Policy.** Management has determined that the Director of Fresno SP will be available, through an "Open Door" Policy, to address any concerns from NTEU officials.
- E. **Function Sub-Groups.** Over the next few months, the IRS has determined it will establish sub-groups for some of the functions of SP in Fresno, and if done, NTEU will be permitted to appoint two (2) bargaining unit employees to each sub-group after the IRS determines the qualifications necessary for a

bargaining unit employee to participate on the sub-group. This will not hinder the IRS' ability to appoint other bargaining unit employees to sub-groups as subject matter experts.

- F. **Consolidation Implementation Team (CIT).** The CIT will meet with local NTEU officials at least quarterly to discuss workload concerns.

Section 6. Training for NTEU Officers.

IRS will;

- A. provide up to thirty (30) NTEU designated officers and stewards with training on VERA/VSIP prior to briefing bargaining unit employees on VERA/VSIP referred to in Section 2B (4) of this MOU.
- B. provide up to thirty (30) NTEU designated officers and stewards training on other RIF mitigation strategies prior to the Article 19 RIF briefing for bargaining unit employees.

To the extent NTEU officers have questions regarding mitigation strategies, the IRS may schedule conference calls to provide training to those NTEU officers at a time convenient to both Parties and subject to workload considerations.

Section 7. Communication.

Within 30 days of the effective date of this MOU, the IRS will conduct formal meetings with all impacted bargaining unit employees and local NTEU representatives in accordance with Article 8 of the 2019 National Agreement. Management has determined that during these formal meetings, the IRS and NTEU will explain this MOU and answer questions. Each bargaining unit employee will be provided a copy of the agreement at the meeting. Following the meeting, bargaining unit employees will be provided with one (1) hour of administrative time to meet with NTEU representatives to discuss the terms of this agreement subject to workload constraints. The Parties agree that this paragraph is being agreed to on a one-time only basis and shall not be construed as precedent in subsequent negotiations.

Section 8. Other Information Provided to NTEU. Management has determined that:

1. Within thirty (30) days of the effective date of this agreement, the IRS shall provide NTEU with the names, grades and positions for which impacted SP employees have

obtained positions outside of SP. This information will be a one-time offering dating from the time employees were made aware of the Fresno Consolidation in September 2016 to date (30 days from executive of this MOU).

2. Within thirty (30) days of the effective date of this agreement, the IRS shall provide to NTEU an updated spreadsheet of all impacted SP Bargaining Unit employees including his/her positions, grade and SCD date.
3. Within thirty (30) days of the effective date of this agreement, the IRS shall provide NTEU a sanitized list of all bargaining unit employees identified by their position, series and grade rated less than fully successful.

Section 9. Office Space/Equipment/Furniture

The IRS and NTEU will negotiate space/equipment/furniture changes separately and distinctly from this initiative resulting from the disbandment of the Fresno SP functions. NTEU does not waive its right to bargain office space, equipment and furniture including NTEU space, equipment and furniture by signing this agreement.

Section 10. Further Negotiations

1. The Employer has determined that it will explore opportunities to detail and provide hiring opportunities to the extent permitted by law to affected bargaining unit employees. The Employer will provide notice and an opportunity to bargain such opportunities to the extent permitted by law, rule or regulation.
2. The Parties agree to conduct further negotiations as applicable/needed and in compliance with law, rule or regulation concerning any outstanding issues related to the implementation of the SP RIF. Towards that end, the IRS will brief NTEU on the results of the first VERA/VSIP window if authority is granted no later than July 31, 2020. The Parties will then negotiate outstanding issues beginning no later than August 5, 2020. If no VERA/VSIP authority is granted, the Parties will begin negotiating outstanding issues in February 2020.

Section 11. Effective Date and Duration.

This MOU will become effective upon Agency head review and approval or on the 31st day after execution, whichever is first. This MOU shall terminate on October 1, 2021.

For NTEU:



Lorrie Gray 11/7/19
National Counsel Date
Oakland Field Office

For Management:

Craig R. Stevens Date
Director, Submission Processing
Fresno