

**Settlement Agreement
Between
The Internal Revenue Service
And
The National Treasury Employees Union**

This Settlement Agreement (Agreement) is between the National Treasury Employees Union (NTEU or Union) and the Internal Revenue Service, Small Business/Self-Employed (SB/SE), Field Examination (Agency or management) (the Parties) to fully resolve the national grievance and unfair labor practice charge NTEU filed with the Agency on October 7, 2020, and amended on November 10, 2020, concerning the temporary realignment of Grade 13 SB/SE Field Examination Revenue Agents to dedicated micro captive insurance groups (the "MCI National Grievance"), and on behalf of all affected employees.

To fully resolve all issues arising from the MCI National Grievance referenced above, the Parties agree as follows:

1. Termination of MCI Rotational Assignment/Realignment to Dedicated MCI Groups.

- a. Management has determined to discontinue the temporary rotational assignment/realignment of SB/SE Field Examination Revenue Agents to dedicated MCI groups as of June 4, 2023. All bargaining unit employee Revenue Agents who are temporarily realigned to a dedicated MCI group will rotate out of their MCI groups on June 4, 2023, and will return to the general program group/post-of-duty in Field Examination from where they came ("home group"), unless selected for another opportunity which the Revenue Agent accepts prior to June 4, 2023.
- b. Further, management has determined that those Revenue Agents rotating out of their MCI groups and returning to their home groups will take their open inventory of MCI cases with them to their home groups, and subject to paragraph 2d below, will not be assigned more than one (1) new MCI case prior to June 4, 2023.
- c. For those covered by 2b above, management has determined that it will appropriately balance those Revenue Agents' new inventory with the Revenue Agents' MCI inventory. Management has also determined that it will make subject matter experts on MCI available to those Revenue Agents for however long the Revenue Agents are working their open MCI inventory that the Revenue Agents take with them to their home groups.

d. Management has further determined that:

- i. for a period of one (1) year from June 4, 2023, it will not assign any new MCI inventory to those Revenue Agents who fulfilled their three-year rotational assignment in a dedicated MCI group, i.e., those who were temporarily realigned to a dedicated MCI group in June 2020 and remained there until June 2023;
- ii. for a period of six (6) months from June 4, 2023, it will not assign any new MCI inventory to those Revenue Agents who served between twelve (12) and thirty-five (35) months in their rotational assignment in a dedicated MCI group; and
- iii. in applying paragraphs 1(d)(i) and 1(d)(ii), time spent performing collateral duties while assigned to a dedicated MCI group will be counted toward time served in the rotational assignment in a dedicated MCI group.

Notwithstanding paragraph 1(d)(i) and 1(d)(ii), a Revenue Agent may volunteer to work MCI inventory and management reserves the right to assign MCI inventory to such volunteer.

2. **Future MCI Group Assignments.** If the Agency later determines to resume the temporary rotational assignment/realignment of SB/SE Field Examination Revenue Agents to dedicated MCI groups after June 4, 2023, the Agency will provide NTEU notice and will bargain to the extent required by Article 47 of the Parties' 2022 National Agreement and law, rule, or regulation.
3. **Training.** Management has determined that all Revenue Agents who are assigned an MCI case will receive training necessary to perform their assigned MCI duties, in accordance with Article 30 of the Parties' 2022 National Agreement. These Revenue Agents will be provided access to the MCI Examination Job Aid and MCI Resolution Initiative Desk Guide, or to the extent either or both are obsoleted, any succeeding written guidance or manual(s) containing MCI-specific procedures. Management has further determined it will make subject matter experts on MCI available to Revenue Agents who are assigned MCI inventory.
4. **Details, Promotions, and Other Opportunities.** The Agency agrees that it will not use a bargaining unit employee's temporary MCI rotational assignment/realignment to a dedicated MCI group as a basis to restrict any such employee from applying for any detail, promotion, or instructor/teaching assignment, or as a basis to non-select any such employee for any such opportunity. Further, SB/SE Field Examination has determined it will not impose a blanket policy prohibiting the release of bargaining unit employees in dedicated MCI groups for voluntary reassignment to lateral positions.
5. **Priority Consideration Remedy and Claims Process.** The Agency agrees to grant priority consideration to the following affected employees for the next available appropriate vacancies, listed below respectively, in accordance with Article 13, Section 11, of the Parties' 2022 National Agreement and 5 C.F.R. Part 335:

- a. Joyce Lin for an appropriate vacancy linked to SWO #SBSE 2021-0379 Internal Revenue Agent - Special Enforcement Program (SEP), GS-0512-13
- b. Bridgette Francis for an appropriate vacancy linked to the rotational assignment to Planning and Special Programs (PSP), GS-512-13 Revenue Agent – POD Neutral Dallas, TX, for which she applied in January 2021; and
- c. Robyn Ricciuti-Culp for an appropriate vacancy linked to SWO #SBSE-2022-0334 Internal Revenue Agent – SEP, GS-0512-13.

Further, the Agency agrees to establish a claims process, during which SB/SE Field Examination Revenue Agents who believe they were denied proper consideration for details, promotions, rotational opportunities or instructor/teaching assignments, based on their temporary MCI rotational assignment/realignment to a dedicated MCI group (e.g., deemed ineligible after applying for a detail, rotational opportunity, or teaching/instructor assignment in SB/SE Field Examination; non-selected for such a detail, opportunity, or assignment; or not released for such a detail, opportunity, or assignment, after having been selected), can submit a claim for priority consideration for an appropriate vacancy for which they had applied, consistent with Article 13, Section 11.H of the 2022 National Agreement. Revenue Agents may submit a separate claim for priority consideration for each opportunity for which they believe they were not properly considered, based on their temporary MCI rotational assignment/realignment to a dedicated MCI group. The Agency will review each claim, including any supporting documentation, to determine which Revenue Agent-claimant(s), if any, were not properly considered for the opportunity(ies) for which they applied, and those claimants will receive priority consideration pursuant to Article 13, Section 11, of the Parties' 2022 National Agreement and 5 C.F.R. Part 335.

NTEU must submit any such claim(s) to the Agency on behalf of the Revenue Agent-claimant(s), by sending them via e-mail to Alfredo Valdespino, Director, Field Examination (SB/SE), at alfredo.valdespino@irs.gov, no later than either (a) within thirty (30) calendar days of NTEU receiving notice that this Settlement Agreement has become effective through Agency Head approval, or (b) within thirty (30) calendar days of the thirty-first (31st) day following execution of this Settlement Agreement, whichever is earlier.

Within sixty (60) calendar days of NTEU receiving notice that this Settlement Agreement has become effective through Agency Head approval, or within sixty (60) calendar days of the thirty-first (31st) day following execution of this Settlement Agreement, whichever is earlier, the Agency will:

- a. Notify NTEU of the date it complied with the priority consideration remedy for the named bargaining unit employees in paragraph 5(a) through 5(b) above; and
- b. Review each timely submitted claim and notify NTEU of the results, including the names of any bargaining unit employees the Agency identified as entitled to priority consideration and those it identified as not entitled to priority

consideration and the reasons therefor. Upon request, the Agency will meet with NTEU within fifteen (15) calendar days of the notice of the results of its review to discuss those results and answer questions. If disputes remain after the Parties' meeting, within thirty (30) calendar days of that meeting, either Party may notify the other Party that it intends to sever the priority consideration remedy (except for the named employees in paragraph 5(a) through 5(b)) and submit it to the arbitrator for determination of the appropriate remedy, if any. Notice to the arbitrator must be made within fifteen (15) calendar days of the notice to sever. If there are no disputes remaining after the provisions of this paragraph are met, the Parties will jointly notify Arbitrator Jaffe that the Settlement Agreement is fully implemented and request that he release jurisdiction of the matter pursuant to paragraph 6 below.

The timeframes in paragraph 5 may be extended by mutual agreement of the Parties.

6. **Retention of Jurisdiction, Withdrawal of Grievance and Invocation of Arbitration.** Upon execution of this Settlement Agreement, the Parties will provide a copy to Arbitrator Jaffe and jointly request that he retain jurisdiction to resolve any disputes related to the compliance with the priority consideration remedy in paragraph 5 above. Once compliance has been confirmed under paragraph 5 above, the Parties will notify Arbitrator Jaffe that the matter is settled and that the grievance and invocation is withdrawn with prejudice.
7. **Waiver of Remedies.** Except as expressly provided for in this Settlement Agreement, the Union waives any and all rights for NTEU and on behalf of and binding any affected employees to seek any other remedies for any matters arising out of or related to the matters raised in the national grievance and unfair labor practice charge NTEU filed with the Agency on October 7, 2020, amended on November 10, 2020, and settled hereby, and which arose on or before the date of this Agreement.
8. The Agency and the Union agree to split evenly any arbitrator fees or costs resulting from the cancellation of the hearing in this matter, if any. Each Party will bear its own costs and attorney fees, if any.
9. This Agreement is entered into for the mutual benefit of the Parties and for the sole purpose of resolving all issues and disputes related to the adjudication of the matters settled hereby. Furthermore, this Agreement does not constitute and shall not be construed as an admission or concession by the Agency of any violation of any law, rule, regulation, or collective bargaining agreement. Moreover, this Agreement does not establish any precedent for future settlements and/or remedies of other matters involving the Union, and the Union shall not use this Agreement as a basis to seek or justify similar or other terms in any pending or subsequent cases.
10. No other promises or modifications to this Agreement will be effective unless agreed to in writing and signed by the Parties.

