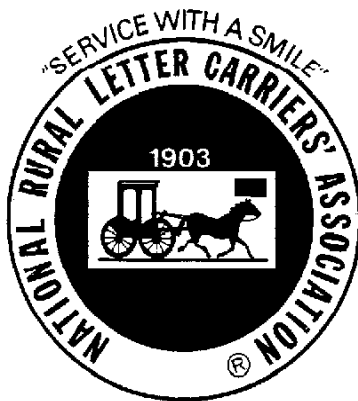


ANALYSIS
OF
FLSA PROVISIONS
OF
NRLCA-USPS
NATIONAL AGREEMENT



Revised Edition • 1988

By: Lester F. Miller, Past President

NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

FOREWORD

This Analysis represents the understanding of the Officers of the National Rural Letter Carriers' Association who negotiated the FLSA Agreement in 1976 with the U.S. Postal Service. An attempt was made to explain in, as simple terms as possible, a very complex Agreement made necessary to comply with the provisions of the Fair Labor Standards Act.

The following is a revision of the formal analysis of Article 42. It has been prepared and compiled by Lester F. Miller, past NRLCA National President. The Analysis has been updated throughout to comply with present rules and regulations with the National Agreement.

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HISTORY OF THE FLSA AGREEMENT

On May 1, 1974, the Fair Labor Standards Act (FLSA) was amended (P.L. 93-259) to include all Postal employees. It was not until sometime later that year that the Postal Service and the National Rural Letter Carriers' Association became aware of the serious impact it would have on the Rural Carrier Pay System. In its current form, it was not compatible to the FLSA.

In its normal application, Section 7(a), the FLSA requires that overtime compensation is payable at 150% of the regular hourly rate for any week that an employee actually works in excess of 40 hours. Most of our rural carriers, especially those on the evaluated system, worked nearly every week in excess of forty (40) hours. Although the evaluated system is computed at an overtime rate for all hours in excess of 40, it is not considered as overtime, because it is considered a basic annual salary. There were also a number of RCS routes that required more than 40 hours of work per week. Unless a solution to the problem could be found promptly, the time-honored pay system for rural carriers would have to be abandoned and we would have to go on the straight hourly rate of pay.

Fortunately, both parties were anxious to save the pay system. It was a matter of mutual concern to the Association and to the Postal Service. Our first inclination was to attempt to obtain a legislative exemption for rural carriers from the FLSA.

A belated attempt was made in late 1974 to have a legislative exemption attached to another bill as it passed through the Congress, but the attempt proved unsuccessful. Upon the return of Congress in early 1975, we began in earnest to go "all-out" for an exemption.

In the meantime, it became necessary to reach a Memorandum of Understanding with the Postal Service on January 21, 1975 to comply with the FLSA within the framework of our current pay system. It was only a stop-gap measure designed to tide us over until we could obtain the anticipated exemption. It could not be used as a long-term solution because it was a one-sided agreement which was costly to the Postal Service. This resulted in constant pressure from the Postal Service to move quickly on the legislative front.

Congressman Ford (D.-Mich.) introduced the initial legislation in the House of Representatives. Senator Randolph (D.-W.Va.) introduced a companion bill in the Senate. To expedite passage of the bill in the House, an amendment to

accomplish the purpose was attached to another bill containing miscellaneous amendments to the Postal Reorganization Act. On June 3, 1975, this bill passed the House of Representatives and we had crossed the first legislative hurdle.

We soon discovered that it would not be such smooth sailing in the Senate. In spite of intensive lobbying by the National Officers and literally thousands of letters to Senators by our members, we could not even get a hearing scheduled by the Senate Labor Committee Chairman, Harrison J. Williams (D.-N.J.). (Yes, it was the same Harrison J. Williams who later was convicted for accepting bribes in a "sting operation").

In the meantime, a new National Agreement was being negotiated from April 20 to July 20. By this time, the Postal Service was putting enormous pressure on us to negotiate an Agreement which would free them from the lop-sided Memorandum of Understanding. We were finally able to persuade the Postal Service to negotiate the Agreement on the assumption that we would be successful in obtaining a legislative exemption. A tentative Article XLII (the Rural Carrier Craft Article of that Agreement) was negotiated. On August 15, 1975, a Memorandum of Understanding was agreed upon between the parties to institute collective bargaining negotiations, if legislative exemption to the FLSA was not enacted before November 20, 1975.

We learned that it was the AFL-CIO that was using its influence with Senator Williams to keep our bill bottled up in Committee. They were understandably opposed to an exemption for rural carriers from the FLSA, a law which they had fostered in the Congress. They were fearful that an exemption for us would let down the flood-gates for other groups to seek exemptions.

It soon became evident that although we believed we had the support of the majority of the Senators for our legislation, that support was useless unless the bill was reported out of Committee and brought to the floor of the Senate for a vote. We reluctantly concluded that our year-long legislative effort had failed.

Our extensive lobbying and letter-writing effort had not been in vain. It had brought so much pressure on the Committee that even the officials of the AFL-CIO were cooperating with us to find another solution. They offered us the counsel and advice of one of their consultants who had been involved in drafting the FLSA legislation.

It was she who fully explained to us Section 7(b)(2) of the FLSA, the annual wage concept of the law. Although we had explored that section for a solution to our problem, it was not until the AFL-CIO consultant explained that only *actual* hours worked counted toward the 2,080 hours that we finally had a clue to the solution of our problem. We discovered that a carrier who worked the time standards and used at least 26 days of leave plus the holidays could confine the actual hours worked on a 46-hour route to the 2,080 hours.

For the first time in many months, there was a ray of hope for an alternate solution even though a legislative exemption could not be achieved. However, the struggle had just begun. It now became necessary to convince the Postal Service that our solution was a viable one.

In accordance with the Memorandum of Understanding of August 15, 1975, mentioned earlier, negotiations began on November 20, 1975 "to reach agreement on changes in the existing compensation system for rural letter carriers."

Quoting from the article on this subject, which appeared in the December 6, 1975 issue of *The National Rural Letter Carrier*, the following paragraph appeared:

"It is the goal of the National Rural Letter Carriers' Association, in these negotiations, to preserve as much of the Rural Carrier Pay System as possible. It is our desire to keep the disruption to rural carriers to an absolute minimum by having as few rural route adjustments as possible. Every effort will be made to retain our annual wage concept in lieu of an hourly wage basis of pay...."

It required most of the first thirty days of the negotiations to convince the Postal Service negotiators that our concept was workable and the proper solution to the problem. We would be remiss if we did not give due credit to a young management official, William J. Henderson, who was serving as the chief spokesman in those negotiations and who

had the foresight to recognize the potential of our proposed solution. Together, we "hammered out" the FLSA Agreement for rural carriers after about sixty more days of negotiations. Many hurdles needed to be crossed, many obstacles needed to be removed, and solutions had to be found for many problems, but with a mutual desire to succeed, it was accomplished.

In our view, the FLSA Agreement stands as one of the finest examples which can be found of good Labor-Management relations. Both parties had a problem and both parties worked together to find an acceptable solution.

It is a complex Agreement and probably one of a kind in the nation. In fact, we are one of the few groups of employees who utilize Section 7(b)(2) of the FLSA; also, we are the largest group to do so. In spite of its complexities, it works. It has enabled the rural carrier craft to retain its incentive basis of pay in the evaluated system, as well as retain the Rural Carrier Schedule. (At that time, there were still a large number of RCS routes.)

It was known, at that time, as the Amended Article XLII. Of course, since that time, Article XLII became Article 30 in 1978 and the FLSA provisions of Article 30 were transferred to Article 9 in the 1984 Agreement and remains there in the current Agreement.

An Analysis of the Amended Article XLII was prepared for distribution following the conclusion of negotiations. Requests for that Analysis continue to be received and since the supply of them has been exhausted, a new Revised version has been prepared by the author of the original Analysis. Actually, the only substantive change in the Agreement occurred in the 1988 negotiations, when a change in the payment of Christmas overtime was effected. Otherwise, it remains basically the same after more than eleven years. It has stood the test of time. It should serve the rural carrier craft for many years to come!

ANALYSIS OF FLSA PROVISIONS OF NRLCA-USPS NATIONAL AGREEMENT

By: Lester F. Miller, Past President, NRLCA

Classification Options and Reviews

PART I

The Agreement became effective on November 20, 1976. This date coincided with the effective date of changes in compensation as determined by the annual evaluation of rural routes following the September Count.

Since options and reviews are at the very heart of the FLSA Agreement and since it is the first part of the Agreement which became operable, Classification Options and Reviews will be the first Part of this Analysis.

Classification Options

Any rural carrier whose route may be classified in more than one evaluated classification may elect the higher-route classification if certain requirements are met. There are now more options available to the carrier and requirements must be met to qualify for them. For a comprehensive picture of the options available, carriers may check the route classification chart appearing elsewhere in this Analysis.

When a route evaluation falls in two different route classifications, the carrier may choose the classification most desirable, except the following requirements to qualify for the higher hour category must be met:

- (a) It must be demonstrated that the rural carrier's actual hours will not exceed 2,080 during the guarantee period. Such determination should be based on, but not limited to, the rural carrier's performance during the previous year;
- (b) The rural carrier agrees in writing, to use sufficient annual leave to assure that the total actual hours worked will not exceed the 2,080 annual guarantee;
- (c) The rural carrier must be in a 6- or 8-hour (20 or 26 days) leave category.

Reviews

Article 9.2.C.8.c.(1) provides that "At the time of the national count, interim adjustment, or special count, the postmaster must arrange a meeting with each eligible rural carrier to discuss requirements for election of a higher classification for which the rural carrier may qualify. The commitment to use sufficient annual leave in order to qualify for a higher classification must be made in writing to give the postmaster assurance that the actual work hours will not exceed 2,080 hours during the guarantee period. The written commitment must be submitted with the appropriate forms at the time of a national count, interim adjustment or special count."

At the review, the rural carrier's performance during the previous year will be examined to determine the carrier's eligibility to qualify for the higher-hour category. As an example, if the carrier's route evaluates 46 hours, the carrier must have demonstrated during the previous year that time standards were consistently met on the route being served, since a 46-hour route has only a 20-hour cushion between the 2,080 hour guarantee, at which time overtime is payable, and the number of hours actually worked in the year, provided the carrier uses 26 days of leave (plus 10 holidays). This would apply on a 46 K route and also on a 46 II or J route if the free Saturdays are utilized with a week's annual leave.

On a 45-hour evaluated route, the carrier could exceed the evaluated time by more than an hour per week throughout the year and still qualify for such route, because there is a cushion of 65 hours per year between his actual hours worked and the guarantee before overtime would be payable.

A 44-hour evaluated route would allow the carrier to exceed the evaluation more than 2 hours per week throughout the year and still work less than 2,080 hours in the year, provided there were 26 days of leave used.

Thus, only on a 46-hour route must the carrier have demonstrated that time standards can be absolutely met to qualify for such route. The carrier's adherence to time standards during the year becomes less critical as the route evaluation decreases. Of course, a poor performance one year could jeopardize a carrier's eligibility to qualify for a higher-route classification the following year.

Other factors may be considered to determine whether the carrier can confine his actual hours during the year to 2,080. Conditions on the route may have changed. The amount of leave used during the previous year is also an important factor.

In making a determination of whether a carrier can confine the actual hours worked on the route to 2,080, overtime hours worked at Christmas should be excluded from the calculations. Overtime compensation will be paid for Christmas overtime hours whether the actual hours worked on the route exceed 2,080 or are less than 2,080. This subject will be treated in another Part. It is only mentioned in this article as it relates to the reviews and the determination of route classifications.

Under normal conditions, only carriers who are eligible to exercise an option for a higher-route classification and carriers in the higher K route categories will be required to make a commitment of annual leave in the initial review.

Review—During Guarantee Period

The other review provided in this Section may occur *during the guarantee period*. (Article 9.2.C.8.(2)) It can occur on *any* route which is in danger of exceeding 2,080 hours during the guarantee period. It can be on a route where the carrier made a leave commitment at the initial review to not exceed 2,080 hours, but now appears in danger of doing so. It can be on a K route where the carrier was not required to make an initial leave commitment because there was no classification option available, but now a leave commitment becomes necessary to assure the route will not require adjustment. It can be on an RCS route with long mileage or one with bad road conditions where the carrier cannot confine the hours to 2,080 during the guarantee period. (See Part V for a review of paragraph "t" for treatment of routes with "permanent or long-standing conditions" which would cause the carrier a problem.)

It is important to note the exact language of the Agreement on this subject. It reads as follows:

(b) Review—During Guarantee Period

When a postmaster believes that a rural carrier will exceed 2,080 actual work hours during the guarantee period, the following procedures shall apply: The rural carrier must be advised, in writing, and a meeting arranged to discuss the action deemed to be necessary to assure that the actual hours do not exceed the 2,080 annual guarantee. At such meeting, the postmaster shall ascertain whether or not a rural carrier, not covered under C.8, will commit, in writing, to use sufficient annual leave to keep the actual work hours under 2,080 during the guarantee period. Normally, route adjustments or additional relief days will not be necessary in order to control actual work hours where the rural carrier has given specific commitments of annual leave and such leave usage will keep the actual work hours under 2,080 for the guarantee period. However, the postmaster may take such action as necessary to avoid actual work hours in excess of 2,080 during the guarantee period."

The Leave Agreements required in this Section of the Agreement will be described in Part IV.

There are three different Leave Agreements—one for each specific situation. Review them carefully.

Commitment Of Annual Leave

We come now to the second very important ingredient in the formula to make this a viable Agreement—that of the use of leave. It would be virtually impossible for a carrier to qualify for one of the higher-hour categories without the normal use of leave. For this reason, it was necessary to include a requirement for the carrier to "use sufficient annual leave to assure that the total actual hours worked will not exceed the 2,080 hour annual guarantee."

Generally, this would be the normal use of annual leave, that is, the amount of leave earned that year. Of course, it may not always be necessary to use all leave earned that year,

especially if the route evaluates less than 46 hours or the carrier works below the time standards.

On the other hand, a carrier may choose to commit the use of some accumulated annual leave in addition to the leave earned that year to assure that the actual hours worked do not exceed 2,080 hours.

As a last resort, the carrier may choose to use LWOP on Saturday to reduce the actual hours worked below 2,080 for the year. Thus, there are many options open to the carrier in making his commitment of the use of annual leave. However, the carrier cannot be required to use LWOP against his or her wishes.

The commitment for use of sufficient annual leave to assure that the total actual hours worked will not exceed the 2,080 annual guarantee must be made in writing. The commitment is a part of Form 4241 and is mailed to the Sectional Center in order that the route may be properly classified.

Thirteen-Day Leave Category Not Eligible

The third requirement is a very simple one. The rural carrier must be in a 20- or 26-day leave category to qualify for the higher hour classification. This requirement will only apply to a very limited number, as only a very few of our regular rural carriers are in a 13-day leave category.

Alternatives

We come now to the alternatives available if the carrier cannot qualify for the higher-hour category, either because the carrier's past performance does not demonstrate that the carrier's actual hours will not exceed 2,080 during the guarantee period or because the carrier failed to make a commitment for the use of annual leave. In that event, the route will be classified in the lower-hour category.

If the route is in a K classification and the requirements are not met, the route may be considered to be an overburdened route and adjusted.

Saved Salary

It is important to note Article 9.2.C.8.d. which reads as follows:

"In the event it becomes necessary to adjust a route, either evaluated or non-evaluated, because the rural carrier failed to make a commitment to use sufficient annual leave earned during the guarantee period to assure that the actual work hours will not exceed the 2,080-hour annual guarantee, the saved salary for the rural carrier shall be limited to the salary guarantee under Section 7(b)(2) of the FLSA in accordance with Article 9.2.A."

In effect, the carrier will lose the normal saved salary protection, if it becomes necessary to adjust his route because the carrier failed to make a commitment to use sufficient annual leave earned during the guarantee period to assure that the actual hours will not exceed the 2,080-hour annual guarantee.

● GUARANTEES ●

PART II

Section 7(b)(2)

Article 9., Section 2, Part A.1. pertains to **Compensation Pursuant To FLSA Section 7(b)(2)**. The above Section is the annual wage provision of the FLSA by which we were able to preserve the Rural Carrier Pay System.

Section 7(b)(2) of the Act reads as follows:

“Section 7(b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed.

(2) In pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that during a specified period of fifty-two consecutive weeks the employee shall be employed not more than two thousand two hundred and forty hours and shall be guaranteed not less than one thousand eight hundred and forty hours (or not less than forty-six weeks at the normal number of hours worked per week, but not less than thirty hours per week) and not more than two thousand and eighty hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guaranty which are also in excess of the maximum workweek applicable to such employee under subsection (a) or two thousand and eighty in such period at rates not less than one and one-half times the regular rate at which he is employed. . . .”

This Section of the FLSA provides the legal basis upon which our Agreement is based. Its basic requirements, as they apply to the Rural Carrier Pay System, are as follows:

- The employee shall be employed on an annual basis at a guaranteed annual wage.
- The guarantee must be a minimum of 1,840 hours and a maximum of 2,080 hours.
- The employee shall receive overtime compensation for all hours actually worked in excess of:

(a) 2,080 hours in one year;

(b) 56 hours in one week;

(c) 12 hours in one day.

- The employee may not *actually* work more than 2,240 hours during the guarantee period of fifty-two (52) consecutive weeks. Any employee who exceeds the 2,240-hour limitation must be compensated in accordance with Section 7(a) of the FLSA.

Guarantees

The subject of Guarantees is, perhaps, the most difficult to understand of any aspect of the Agreement. In negotiating the Agreement, it provided one of the greatest challenges to the negotiators to apply the annual guarantees of the law to the Rural Carrier Pay System. Although the most difficult to comprehend, it causes the least difficulty in the actual implementation of the Agreement.

In the first place, the rural carrier easily meets the first requirement of being employed on an annual basis at a guaranteed annual wage. The biggest problem was to apply the annual guarantees to the Rural Carrier Pay System with its several pay schedules. Paragraphs “a” through “h” of Article 9.2.A.1. relate to the guarantees and how they apply to the Rural Carrier Pay System.

Guarantees and the Evaluated Schedule—All evaluated routes between 35-48 hours qualify for Section 7(b)(2) of the FLSA and have an annual guarantee of 2,080 hours. Paragraph “a” relates to the annual guarantee for those routes. You will note that the guarantee of compensation differs for each route evaluation between 35-40 hours. Such carriers’ salary cannot be reduced below the compensation provided for the particular route evaluation at the beginning of the guarantee period. It may, however, be adjusted upward, except that any compensation paid above 40 hours shall not be considered guaranteed annual wages.

The annual guarantee remains at the 2,080-hour level for all routes of 40-48 hours. In accord with paragraph “b,” the compensation for rural carriers whose routes evaluate in excess of 40 hours is considered additional compensation above the annual guarantee. Such additional compensation is not considered a part of the annual guarantee for the route. This allows adjustment of compensation, upward or downward, between the 40-48 hour levels, without affecting the annual guarantee. Such carriers’ salary cannot be reduced below the 40-hour compensation level during the guarantee period.

Guarantees and the Rural Carrier Schedule—All RCS (non-evaluated) routes beginning at 31 miles and upward

qualify for Section 7(b)(2) and have an annual guarantee of 2,080 hours. Paragraph "d" relates to the annual guarantee for those routes. The guarantee of compensation differs for each route length between 31 and 42 miles. Such carriers' salary cannot be reduced below the compensation provided for the particular route length at the beginning of the guarantee period. It may, however, be adjusted upward, except that any compensation paid above the 42-mile level shall not be considered guaranteed annual wages.

The annual guarantee remains at the 2,080-hour level for all routes in excess of 42 miles. In accord with paragraph "e" the compensation for rural carriers with routes in excess of 42 miles is considered additional compensation above the annual guarantee. Such additional compensation is not considered a part of the annual guarantee for the route. This allows adjustment of the compensation on such routes, upward or downward, without affecting the annual guarantee. Such carriers' salary cannot be reduced below that of a 42-mile route during the guarantee period. Of course, most carriers would qualify for the normal saved salary protection above the 42-mile level, except as described previously where it became necessary to adjust a route because the carrier failed to make a commitment for annual leave earned during the guarantee period to assure that the actual work

hours would not exceed 2,080 hours. (See Article 9.2.C.8.d.)

It can be said that the annual guarantees apply in the same manner to routes between 31-42 miles on the Rural Carrier Schedule as to routes of 35-40 hours on the Evaluated Schedule; also, the annual guarantees apply in the same manner to routes in excess of 42 miles on the Rural Carrier Schedule as to routes of 40-48 hours on the Evaluated Schedule.

Hourly Rates

Paragraph "g" relates to the hourly rates of compensation for each route category as applied to the 2,080 hours of guaranteed compensation. For all practical purposes, a rural carrier need not be concerned with this paragraph of the Agreement, as it serves no useful purpose in actual application of the Agreement. Its primary purpose is to prove compliance with the provisions of the FLSA.

Paragraph "h" merely sets forth the guarantee period as the 52-consecutive week period beginning the first day of the first pay period in November. The beginning date of the guarantee period was chosen to coincide with the effective date of any change in compensation resulting from a National Mail Count.

● OVERTIME COMPENSATION ●

PART III

Paragraphs "i" and "j" of Article 9.2.A.1. stipulate when overtime compensation is payable to a rural carrier who is under Section 7(b)(2) of the Agreement. The conditions under which the carrier shall be compensated at an overtime rate are set forth below.

Hours *actually* worked in excess of:

- 12 hours in any one work day;
- 56 hours in any one work week;
- 2,080 hours in the 52-consecutive week guarantee period.

The carrier under Section 7(b)(2) may not work in excess of 2,240 hours. Any carrier whose actual hours of work does exceed 2,240 hours will have the overtime hours computed under the provisions of Section 7(a).

How FLSA Overtime Is Computed

Paragraph "k" specifies how overtime compensation for

carriers under Section 7(b)(2) is computed. It is payable at 150% of the carrier's *regular* rate of pay. The big difference in the payment of FLSA overtime and the normal overtime to which we have been accustomed is the manner in which a carrier's *regular* rate of pay is computed.

The regular rate for such carriers shall be the total amount of compensation earned for the days worked divided by the total number of hours the carrier actually worked since the beginning of the guarantee period. (Previous overtime hours and compensation are excluded from this computation.)

As an example, let us assume a carrier in Step 12 on a 46 K route works 2,100 hours during the 52-consecutive week guarantee period. Using the July 18, 1987 Salary Schedule, the annual salary for such route would be \$31,569. The maximum number of days for which the carrier would be compensated on such route would be 260 days ($52 \times 5 \text{ days} = 260 \text{ days}$.) Dividing \$31,569 by 260 equals \$121.42 daily compensation for the carrier. Of course, this includes compensation for holidays and any leave taken by the carrier.

If this carrier uses 20 days of annual leave and 5 days of sick leave plus the 10 holidays, he would have a total of 35

days not worked during the guarantee period. This would leave a balance of 225 days *actually* worked. Multiplying the 225 days times the daily rate of \$121.42 would result in total earnings of \$27,320 for the 225 days *actually* worked. The remainder of the carrier's salary of \$4,249 would be for the 35 days not worked on the holidays and days of annual and sick leave. Thus, the \$27,320 would be the total amount of compensation earned for hours actually worked since commencement of the guarantee period for the purpose of computing the carrier's *regular* rate of pay.

The annual rate of pay is for the 2,080-hour guarantee. Thus, the 2,080 hours becomes our divisor. Dividing \$27,320 total compensation for the 225 days actually worked by 2,080 gives a quotient of \$13.14 as the carrier's *regular* hourly rate of pay. Multiplying the \$13.14 hourly rate by 150% equals \$19.71 as the carrier's hourly overtime rate of compensation.

In our example, the carrier who worked 2,100 hours during the guarantee period worked 20 hours in excess of 2,080 hours, the level at which overtime is payable. Multiplying 20 times the \$19.71 overtime rate results in a total of \$394.20 overtime compensation payable to the carrier.

The same overtime rate would apply to such carrier for all hours worked in excess of 2,080 hours up to 2,240 hours. However, the same overtime rate would not apply for any hours worked in excess of 12 hours in any one day or in excess of 56 hours in any one week. Such overtime rate would be computed at the time of its occurrence in the same manner as described above.

The *regular* rate of pay would always vary because the compensation for the days worked and the hours actually worked would always be different for each specific computation. The FLSA overtime compensation hourly rate must be computed each time overtime is payable and it will likely differ each time it is computed. Thus, the FLSA overtime rate will be a variable amount for each given situation.

Overtime Compensation At Christmas

The only major change in the FLSA portion of the Agreement occurred in the 1988-1990 National Agreement. Prior to the 1988 Christmas period, payment of Christmas overtime was delayed until the end of the guarantee period or until the carrier had reached the 2,080-hour plateau. It had been determined that this was necessary to determine the proper rate of overtime to be paid. If the carrier did not ex-

ceed 2,080 hours during the year, the overtime was payable at the regular overtime rate. However, if the carrier exceeded 2,080 hours during the year, the payment for the Christmas overtime was at the FLSA rate, as described above.

This provision had been one of the annoying aspects of the FLSA Agreement. Furthermore, a controversy existed between the Union and the Postal Service in the payment procedure for Christmas overtime when a carrier exceeded the 2,080 hours and it became necessary to pay the overtime at the FLSA overtime rate. In the negotiations of the 1988-1990 Agreement, an attempt was made by the Union to alleviate both problems.

Beginning with the 1988 Christmas period, Christmas overtime compensation, if appropriate, *shall be paid in the regular check following the pay period worked.* (Reference: Article 9.2.A.1.1.) Such compensation will be payable at the FLSA rate. (Reference: Article 9.2.J.1.b.(1) and (2)) The FLSA rate will be determined in the manner described above, except the actual hours worked will be counted from the beginning of the guarantee period (the first full pay period in November) to the end of the pay period in which it is earned. Those total hours will be divided into the compensation received for the days actually worked to determine the *regular* rate for the carrier. The FLSA overtime rate will be 150% of that amount.

To make this solution feasible, it was necessary to prohibit the use of X days (days of leave granted to a carrier for relief days worked) during the period from the beginning of the guarantee period until the end of the Christmas period. To allow carriers to use X days during this period would have distorted the rate of overtime in the carrier's favor. Likewise, to work a relief day during this same period will distort the rate of overtime in the Postal Service's favor.

To further explain the above, when a carrier works the relief day, no compensation is paid for that day, but the actual hours worked must be counted. This would increase the divisor and reduce the regular rate and also the overtime rate. When the carrier takes the X day, compensation is payable for that day, but there are no actual work hours for that day. This would reduce the divisor and increase the regular rate and, thus, the overtime rate. It was for that reason that X days were prohibited. For the same reason, we caution the carrier against working any relief days from the beginning of the guarantee period until the end of the Christmas period, as it will adversely affect the overtime rate for Christmas overtime.

ANNUAL LEAVE AND GUARANTEE TERMINATION AGREEMENTS

PART IV

Some options are provided to rural carriers and substitutes under certain situations, but it also requires certain agreements or commitments of them to be able to exercise the options.

Only Hours Actually Worked Are Counted

Paragraph "n" of Article 9.2.A.1. states that hours of absence from duty are not counted in determining the number of hours actually worked. This is the key that opened the door through which came the ray of hope that our pay system could be adapted to the provisions of the FLSA. Until we became aware of this interpretation of the law, our plight seemed hopeless. Once we learned that days of absence from duty—holidays, annual leave, sick leave, leave without pay, etc.—were not included in hours actually worked, the 2,240-hour limitation of Section 7(b)(2) and the 2,080-hour level at which overtime becomes payable, did not seem such insurmountable obstacles. It soon became apparent that we could salvage most of our pay system, except the 47- and 48-hour categories—and even those under certain circumstances.

Leave Agreements

Of course, this is also the reason that the use of annual leave becomes such an important factor in making the system work. This is the sole purpose of the leave agreements. It is not a "devious design" of the employer to deprive a carrier of his independence to use annual leave in accordance with his own personal wishes. It is a means by which the carrier may realize the full benefits of the pay system. The leave agreement is entirely a voluntary action by the carrier. No carrier's arm will be "twisted" to sign a leave agreement.

Generally, it will be to the carrier's advantage to sign the leave agreement, especially if he prefers the higher compen-

sation. Also, a carrier could lose the normal saved salary protection if it becomes necessary to adjust a route because the rural carrier failed to make a commitment to use sufficient annual leave *earned* during the guarantee period to assure that the actual work hours will not exceed the 2,080 hour annual guarantee.

Three different Leave Agreement forms have been developed.

Pursuant to the provisions of Article 9.2.C.8.a.(2) of the 1988 Agreement, the following Agreement appears in the lower right-hand corner of the Form 4241X:

AGREEMENT TO USE ANNUAL LEAVE PURSUANT TO ELECTION OF HIGHER ROUTE CLASSIFICATION

In the event that I am eligible to elect a higher route classification, I agree to use sufficient annual leave during the guarantee period to assure that my total actual work hours will not exceed 2,080 during the guarantee period.

Signature of Carrier

The above form is to be used following the annual mail count for those carriers who elect the higher route classification which would result in higher compensation. No other carrier needs to sign this form. Those carriers who prefer the lower route classification, that is, the lower compensation with an additional relief day, should not sign this form.

The second Leave Agreement form appears below:

Generally, the above form will be used later during the year, at such time that the Postmaster believes that the actual work hours may exceed 2,080 during the guarantee

Form 4015-E

Rural Carrier Agreement to Use Annual Leave Earned to Reduce Actual Work Hours		
Pursuant to the provisions of Article 9, Section 2.C.8.c. of the 1984 Agreement between the United States Postal Service and the National Rural Letter Carriers' Association,		
I, _____, agree as follows (Name of Carrier)		
I am a regular rural carrier serving route # _____, I did not elect a (Name of Post Office)		
higher route classification at the commencement of the guarantee period. I understand that the Postmaster in charge of my office believes that my actual work hours will exceed 2,080 during the current guarantee period. I agree to use sufficient annual leave during the remainder of the current guarantee period to assure that my actual work hours do not exceed 2,080 during the guarantee period.		
Signature	Route #/Post Office	Date

PS Form 4015-E, February 1986

period. A carrier on a high-hour category "K" route or on a long RCS mileage route may choose to sign this form to give assurance that the route need not be adjusted to keep the actual work hours below 2,080 during the guarantee period.

The term "sufficient" annual leave in the preceding two forms means whatever amount of leave is necessary to keep the actual hours below 2,080 hours during the guarantee period. It could mean less than the amount earned during the guarantee period for those carriers whose routes evaluate less than 46 hours or whose actual hours are less than the evaluated hours. On the other hand, it could mean more than the amount earned during the guarantee period for those carriers who have chosen the higher hour category and whose actual hours exceed the evaluation of the route. As a benchmark, keep in mind that a carrier whose route evaluates 46 K, who works the time standards exactly and uses 26 days of leave and 10 holidays would actually work 2,060 hours during the guarantee period.

The third Leave Agreement (below) reads as follows:

This Leave Agreement form is an agreement to use sufficient annual leave *earned* during the guarantee period to protect full saved salary protection in the event it becomes necessary to adjust the route to prevent the actual hours from exceeding 2,080 hours. Please note that it is only necessary to agree to use sufficient annual leave *earned* during the guarantee period to protect the full saved salary. Generally, it will be to the carrier's advantage to sign such an agreement, if it becomes necessary. The signing of such agreement may not avoid the route adjustment, but it will assure saved salary protection.

Termination Of Guarantees

It is very essential that the annual guarantee for each route begins at a time which coincides with the change in com-

penation following an annual mail count. This requirement made it necessary to commence the annual guarantee on the first day of the first pay period in November.

The requirement that the annual guarantee for each route begins at a specific pre-determined date creates a problem for those carriers appointed or reassigned at other times of the year. However, the FLSA permits termination of the annual guarantee provided all three parties agree—the employer, the union and the employee. The employer and the union have agreed that the annual guarantee may be terminated under certain conditions. It then remains only for the employee to agree to terminate the guarantee in order to complete the agreement.

Newly Appointed Carriers—

One such group of employees so affected are newly-appointed rural carriers. Article 9.2.A.1.o. describes how a newly-appointed carrier may qualify for Section 7 (b) (2) and be compensated in the normal manner on the Evaluated Schedule. It stipulates that the carrier must agree in writing, at the time of appointment, to terminate the guarantee on the last day of the guarantee period. This would then allow such carrier to begin a new guarantee period at the proper time at the beginning of the next 52-consecutive week period.

A newly-appointed carrier who chooses not to agree to terminate the guarantee shall be compensated under Section 7 (a) of the FLSA. Such carrier will be compensated at an hourly rate in the attained step and overtime for work performed only after forty (40) hours in a service week, until the beginning of the next guarantee period when the carrier would qualify for Section 7 (b) (2) and be compensated in the normal manner for rural carriers. It is expected that most newly-appointed rural carriers will choose to sign the agreement to terminate the guarantee in order to gain the full

Form 4015-F

1	Rural Carrier Agreement to Use Annual Leave Earned to Obtain Protected Salary
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Pursuant to the provisions of Article 9, Section 2.C.B.d. of the 1984 Agreement between the United States Postal Service and the National Rural Letter Carriers' Association,

I, _____, (Name of Carrier) agree as follows:

I am a regular rural carrier serving route # _____ (Name of Post Office). I did not elect a higher route classification at the commencement of the guarantee period. I understand that the Postmaster in charge of my office believes that it is necessary to adjust my route in order to assure that my actual work hours do not exceed 2,080 during the guarantee period. I desire to obtain guaranteed/protected salary rather than saved salary limited to the salary guarantee for my route provided under Article 9, Section 2.A. Accordingly, I agree to use sufficient annual leave earned during the guarantee period to limit my actual work hours to as near 2,080 as possible.

Signature	Route #/Post Office	Date
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Rural Carrier Agreement to Terminate Guarantee

Form 4015-D

Pursuant to the provisions of Article 9, Section 2.A.1.c, of the 1984 Agreement between the United States Postal Service and the National Rural Letter Carriers' Association.

I, _____, agree as follows:
(Name of Carrier)

I desire to be appointed as a regular rural letter carrier during the course of the guarantee period set forth in Article 9, Section 2.A.h.

I desire to be compensated on the Evaluated Schedule, pursuant to a guarantee agreement with the US Postal Service under Section 7(b)(2) of the Fair Labor Standards Act, as provided in Article 9, Section 2.

Therefore, I agree to terminate the said guarantee agreement on the last day of the 19 ____ guarantee period. I understand that my agreement as set forth in this document is irrevocable.

Signature	Route #/Post Office	Date
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PS Form 4015-D, February 1986

U.S. Government Printing Office: 1984-481-745/47935

benefits of the Rural Carrier Pay System. The agreement to terminate the guarantee is printed above:

Carriers Exercising Retreat Or Bidding Rights—

Another group of carriers who may find it necessary to agree to terminate the guarantee are those who desire to exercise their retreat rights or bidding rights. Such agreement will be necessary only if the route to which the carrier would retreat or for which he would bid provides less compensation than the current guaranteed salary. This will occur on-

ly if the carrier is currently on a route of 40-hour evaluation or more on the Evaluated Schedule or a route of 42 miles or more on the Rural Carrier Schedule and desires to retreat to, or bid for, a route of less than 40 hours in evaluation on the Evaluated Schedule. This will rarely occur. When it does, the carrier will be required to agree to terminate the annual guarantee to exercise the retreat or bidding right to which the carrier would be otherwise entitled. The carrier who fails to sign an agreement to terminate the guarantee may not exercise his retreat or bidding rights. The agreement to terminate the guarantee under those conditions follows:

Form 4015-C



Rural Carrier Agreement to Terminate Guarantee

(Rural Carrier Exercising Retreat or Bidding Rights)

Pursuant to Article 12, Section 4.D.1, and in accordance with Article 9, Section 2.A.1.c, of the 1984 Agreement between the United States Postal Service and the National Rural Letter Carriers' Association.

_____, agree as follows:
(Name of Carrier)

I am a rural letter carrier assigned to route # _____ (Name of Post Office)

I desire to exercise my right to, or bid for, the vacancy on route # _____ (Name of Post Office)

If the route to which I retreat or am assigned provides less compensation than my current guaranteed annual salary, I agree to terminate my current guarantee and begin a new guarantee based on my new route effective the date I am assigned to my new position. I also agree to terminate my new guarantee on the last day of the 19 ____ guarantee period. I understand and agree that my agreement as set forth in this document is irrevocable.

Signature	Route #/Post Office	Date
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PS Form 4015-C, February 1986

U.S. GPO: 1986 157-671-49295

Substitutes Serving Vacant Routes—

The third group to which the agreement to terminate the guarantee will apply are substitute rural carriers assigned to vacant routes or to routes where the regular carrier is on extended leave, who are eligible for coverage under Section 7 (b) (2) of FLSA. Such substitute rural carriers who desire to be compensated on the RCS or Evaluated Schedule, whichever is appropriate, may sign an agreement to terminate the annual guarantee on the last day of the guarantee period upon the filling of the vacancy, or upon the return of the regular rural carrier to the route, whichever comes first. In the event the substitute is still assigned to such route at the end of a guarantee period, the agreement to terminate would be automatically renewed.

Form 4015-B

 Rural Carrier Agreement to Terminate Guarantee <small>(Substitute Rural Carrier Serving Rural Route which is Vacant or Where Regular Carrier is on Extended Leave)</small>		
<small>Pursuant to the provisions of Article 9, Section 2F, of the 1984 Agreement between the United States Postal Service and the National Rural Letter Carriers' Association, I</small>		
_____ <small>(Name of Carrier)</small>		
<small>agree as follows:</small>		
I am a substitute rural letter carrier, and desire to serve full-time on _____ <small>(Rural Route # & Name of Post Office)</small>		
<input type="checkbox"/> That route is vacant. <input type="checkbox"/> The regular rural carrier on that route is or will be on extended leave		
<small>I desire to be compensated on the basis of mileage or evaluated time, whichever is appropriate, while serving full-time on route # _____, pursuant to a guarantee agreement with the US Postal Service under Section 7(b)(2) of the Fair Labor Standards Act as provided in Article 9, Section 2</small>		
<small>In order to be compensated pursuant to the said guarantee agreement, I agree to terminate the guarantee agreement on the last day of the 19__ guarantee period, or upon the filling of the vacancy, or upon the return of the regular carrier to the route. I understand that my agreement as set forth in this document is irrevocable.</small>		
Signature _____	Route # & Post Office _____	Date _____

PS Form 4015-B, February 1986

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APPLICATION OF SECTION 7(b)(2) TO SPECIFIC SITUATIONS

PART V

As we continue our analysis, we shall describe how Section 7(b)(2) is applied to specific situations

Carrier Cannot Exceed 2,240 Hours

Although it has been previously stated, it is of such importance that it bears repeating that no regular carrier compensated pursuant to FLSA Section 7(b)(2) may actually work in excess of 2,240 hours within the 52-consecutive week guarantee period. *THIS IS THE LAW*. It is clearly outlined in Article 9.2.A.1.m.

What happens if such carrier inadvertently exceeds 2,240 hours? Such carrier would have the compensation computed

The 90-day qualifying period normally associated with the substitute serving a route where the carrier is on extended leave does not apply in this situation. If it is known the regular carrier will be on an extended period of leave, the substitute may sign the agreement to terminate the guarantee immediately. Such substitute would then be compensated on the RCS or Evaluated Schedule, whichever is appropriate.

The substitute who does not choose to agree to terminate the guarantee will be compensated in accordance with Section 7 (a), as described for newly-appointed rural carriers who fail to sign the agreement. The agreement to terminate the guarantee under the above conditions follows:

in accordance with FLSA Section 7(a), which would mean overtime for all hours over 40 hours in any week. Since such overtime would be payable in addition to the carrier's regular compensation already paid, management will avoid such occurrence at all costs.

Bear in mind that the carrier's regular compensation has overtime already built into it for all hours of the route evaluation in excess of 40 hours in the Evaluated Schedule. Since such overtime is not computed in accordance with provisions of the FLSA, it cannot be credited as FLSA overtime. Thus, if a carrier is allowed to work in excess of 2,240 hours, FLSA overtime would be payable for all hours over 40 hours in a week in addition to the overtime already built into the evaluated compensation.

Carrier Separated From Service

What happens when a rural carrier compensated in accordance with FLSA Section 7(b)(2) resigns, retires, is properly discharged, or is properly terminated during the guarantee period? Article 9.2.A.1.p. states that the guarantee period terminates and no further obligation exists for any overtime compensation, provided all overtime obligations have been met up to that time.

Overtime compensation for any hours actually worked in excess of 12 hours in a day and 56 hours in a week are payable on a current basis. Any overtime hours in excess of 2,080, if any, are also payable during the pay period the total hours for the route exceed the 2,080-hour limit.

Carrier In Non-Pay Status

Article 9.2.A.1.q. states that when a rural carrier who is compensated pursuant to Section 7(b)(2) is properly placed in a non-pay status, the compensation which the carrier would have otherwise earned will be deducted from the Employer's guarantee obligation. This reduces the monetary obligation by the amount the carrier would have been paid if he were not in a non-pay status. This would apply to any days the carrier is in a non-pay status for any reason.

Carrier Transferred Or Reassigned

Article 9.2.A.1.r. provides that when a carrier who is compensated in accordance with FLSA Section 7(b)(2) is transferred or reassigned to another position during the guarantee period, such carrier shall not receive less compensation for the balance of the guarantee period than the annual guarantee for the position from which he is transferred or reassigned.

Actually, this provision will apply to a very limited number of carriers. Bear in mind that the maximum compensation guarantee for any rural route is the compensation for 40 hours on the Evaluated Schedule or for a 42-mile route on the Rural Carrier Schedule. There are only a limited number of evaluated routes under 40 hours in evaluation or RCS routes under 42 miles to which a carrier could be reassigned or transferred. Furthermore, a regular rural carrier who is transferred or reassigned to another craft position would normally be assigned to a 40-hour position.

Special Allowances Not A Part Of Guarantee

Article 9.2.A.1.s. stipulates that compensation resulting from lock pouch allowance, temporary deviations, or seasonal route adjustments are not a part of a rural carrier's salary guarantee. Only the route evaluation on an evaluated route or the miles on an RCS route determine the annual salary guarantee of a rural route.

Exceptions For Route Conditions

Article 9.2.A.1.t. is a very significant provision of the Agreement for those rural carriers serving routes having per-

manent or long-standing route conditions which cause the carrier to exceed the route evaluation or exceed the hours of the annual guarantee for the route. Such rural carriers shall not be expected to use leave in addition to that normally required to meet the route evaluation or guarantee requirements. The Postal Service shall provide suitable relief for such routes or pay overtime compensation, as necessary.

The concluding paragraph "u" merely confirms that the Agreement supercedes any Postal Service regulations, manual, or handbook if there is a conflict in any of the provisions.

APPLICATION OF FLSA

SECTION 7(a)

SECTION 2. COMPENSATION PURSUANT TO FLSA SECTION 7(a)

The following employees shall be compensated in accordance with FLSA Section 7(a):

- a. Evaluated carriers assigned to routes having less than thirty-five (35) hours of required service per week.
- b. Regular rural carriers receiving non-evaluated compensation assigned to routes having less than thirty-one (31) paid miles.
- c. Substitute rural carriers.
- d. Rural carrier associates.
- e. Rural carrier relief employees.
- f. Auxiliary rural carriers.
- g. Employees appointed as regular rural carriers during the guarantee period not covered by Section 7(b)(2) of the FLSA.

In the event the provisions of this Section conflict with any Postal Service regulation, manual, or handbook, the provisions of this Section shall be deemed controlling.

The above Section lists those rural carrier craft employees who shall be compensated pursuant to FLSA Section 7(a). Only those employees who do not qualify for FLSA Section 7(b)(2) are included in this list.

Generally, such employees shall be compensated at an overtime rate in the attained step for work performed only after forty (40) hours in a service week. The employees listed will be compensated on the Evaluated or Rural Carrier Schedule up to the 40-hour per week limit. Each category of employees will be treated separately in the actual Agreement itself.

● A. COMPENSATION, ALLOWANCES AND FEES ●

PART VI

We have reviewed the basic fundamentals and principles of the Agreement. We shall now review the actual changes in the Agreement itself which were necessary to bring the Rural Carrier Pay System into compliance with the FLSA.

RURAL CARRIER SCHEDULE

RCS (mileage) routes are divided between those compensated under Section 7(b)(2) and those under Section 7(a) of the FLSA.

Regular rural carriers assigned to RCS routes *in excess of 30 miles* shall be compensated on the Rural Carrier Schedule and in accordance with *Section 7(b)(2)* of the FLSA. For such carriers, overtime is payable for hours in excess of 12 hours in a day, 56 hours in a week or 2,080 hours in a year (52-week guarantee period).

Those regular rural carriers assigned to RCS routes of *30 miles or less* shall be compensated on the Rural Carrier Schedule and in accordance with *Section 7(a)* of the FLSA. For such carriers, overtime compensation is payable for all hours worked in excess of 40 hours in a week. Due to the nature of these routes, such carriers will rarely exceed 40 hours in a week.

It is important to note that the Rural Carrier Schedule was retained in the Agreement. The vast majority of the regular rural carriers assigned to RCS routes will detect very little change when the new Agreement becomes effective. Only those with extremely long routes or routes where bad road conditions exist will be affected, to any great degree, by the provisions of the new Agreement.

EVALUATED ROUTES

Evaluated routes are divided between those compensated under Section 7(b)(2) and those under Section 7(a) of the FLSA. While RCS routes are divided at the 30-mile level, the division of evaluated routes is at an evaluation of 35 hours.

Regular rural carriers assigned to evaluated routes evaluating to *35 hours or more* shall be compensated on the basis of the Evaluated Schedule and in accordance with *Section 7(b)(2)* of the FLSA.

Those regular rural carriers assigned to routes evaluating to *less than 35 hours* shall be compensated on the basis of the Evaluated Schedule and in accordance with *Section 7(a)* of the FLSA.

Overtime payments for both categories shall be paid as described above for the RCS routes under each Section of the FLSA. Again, you will note that compensation on the Evaluated Schedule is payable in the same manner as in the past, except that overtime payments are now payable under certain conditions.

Relief Days

Relief days on evaluated routes will be provided when the evaluation time exceeds *46 hours* per week. This was made necessary because a carrier assigned to a 46-hour route, who works the time standards exactly and uses a normal 26 days of leave, will actually work 2,060 hours, only 20 hours less than the 2,080-hour level at which overtime is payable.

Relief days are also provided "as necessary to keep the total work hours under 2,080 during the guarantee period." Thus, a relief day may be granted at the 46-hour level or below, if such carrier cannot confine the total hours worked during the guarantee period to 2,080 hours. This lower-hour classification may occur at the beginning or during the guarantee period.

Table of Evaluated Hours

The 47- and 48-hour categories have been eliminated from the H-route classifications.

The 47- and 48-hour categories have also been deleted from the J-route classifications for the same reason. However, the J-route classifications have been expanded to include 41-, 42-, 43- and 44-hour categories. These were made necessary to provide greater options.

The 41- and 42-hour J routes provide a haven for the 45- and 46-H route carriers who cannot qualify for the higher-hour categories.

The 43-hour J-route category was made necessary when the 47-hour H route was eliminated from the Table. The 43-hour J route evaluation (46:22-47:27) offers very few options, as only a few routes in this category can be classified in any other classification.

The 44-hour J route was necessary to accommodate the former 48-hour H route which was eliminated and also provides the carrier a higher-hour category option than the 40-hour K route.

Thus, the expanded J route classifications play a very important role in providing flexibility to the Agreement and allowing it to function properly.

The K route classifications were expanded by adding the 40-hour category. This provides an alternative to a 44-hour J route carrier who cannot qualify for the higher-hour category. It also offers an option to a carrier with an evaluation of 47:24-48:35 to choose a 5 day, 40 hour week.

The 47- and 48-hour K classifications remain on the Table for limited use only. Normally, these categories should only be used as interim classifications pending permanent relief. Where the carrier normally averages 46 hours or less per week and makes a leave commitment, such permanent relief may be postponed indefinitely. However, a carrier should not depend on the 47- and 48-hour K classifications with any degree of assurance or certainty.

“Switching” of Relief Days

It was necessary to amend the provision that the regular carrier may serve the assigned route when the substitute rural carrier is unavailable for service on the scheduled relief day. In the old Agreement this was permissible if mutually agreeable between the carrier and the installation head and provided another day was scheduled within the next 8 weeks. Another stipulation was added which requires that it may be permitted only if *such action does not cause the carrier to exceed the hours of the annual guarantee or 56 actual work hours within one week.*

This requirement was added to avoid the payment of unnecessary overtime to the regular carrier. This will rarely create a problem. It would mean, however, that a regular carrier who had a high-hour K-route classification such as a 46-K route, would have very little margin of tolerance above the time standards. As an example, if such carrier worked the route in the actual standards, it would require 55 hours and 12 minutes, a margin of tolerance of less than one hour. A carrier on a 45-K route would have a two-hour margin before overtime was payable.

Also, if a carrier's actual hours of work were expected to nearly approach or exceed 2,080 hours at the end of the guarantee period, it would require that the relief day or days be scheduled before the end of the guarantee period. This will rarely be a problem. Most carriers will not be so nearly approaching the 2,080-hour level and those who do may simply arrange with the installation head to have the relief day(s) scheduled in time to avoid exceeding 2,080 hours during the guarantee period.

Overburdened Routes

The criteria for overburdened routes is as follows:

A route is considered overburdened when:

- (1) *The evaluated hours for the route are outside the Table of Evaluated Hours.*

Since the 48-K route classification still remains on the Table of Evaluated Hours, the overburdened criteria remains at 57 hours and 36 minutes as in the past. Although the 47- and 48-hour K classifications will, normally, be used as interim classifications pending route adjustments, such route adjustments could be postponed indefinitely where the carrier normally averages 46 hours or less per week and makes a leave commitment. This would assure that the carrier would not exceed 2,080 hours during the guarantee period.

The real test of whether a route is overburdened is found in the second part of the definition. A route is also considered overburdened when:

- (2) *The regular rural carrier who is assigned to the route does not, or is not expected to, meet the requirement to stay within the annual guarantee for the route.*

This could result in a rural route becoming overburdened below the 46-K classification if the carrier assigned to the route was exceeding the time standards. As an example, even a 44-K route could become overburdened if the carrier was consistently exceeding the route evaluation by more than two hours per week. Before the end of the year such route would be in danger of exceeding the 2,080 hours unless the carrier used more than 26 days of leave during the year.

The most common methods used in effecting relief for overburdened routes are as follows:

- (1) Transfer of territory between existing rural routes;
- (2) Establishment of additional regular rural routes;
- (3) Establishment of auxiliary rural routes.

The following revision of Section 823 of the M-38 Handbook was issued on June 15, 1985.

823 PROVIDING RELIEF

823.1 General

- .11 When providing relief to one or more routes in an office, all rural routes in that unit should not be adjusted simultaneously unless it is in the best interest of the unit operation to do so.
- .12 When considering rural route relief in a delivery unit, elimination of relief days for rural routes in that unit should be considered only if obtaining relief carriers is causing operational problems for that unit.

- 13 Generally, it is desirable to adjust evaluated routes to as near 48 standard hours per week as practicable, i.e., the route should be adjusted to the 44I/40K option category. However, in some cases this may be impractical. There is no prohibition against reducing a route below 48 hours per week when it is operationally advantageous. However, documentation must be supplied with the route adjustment documentation as to why it is not practical to adjust the route to 48 hours.

Special Route Compensation

For several weeks during the negotiations, an impasse existed over the fate of the Rural Carrier Schedule, the basic foundation of the Rural Carrier Pay System. The Postal Service negotiators were intent upon elimination of the Rural Carrier Schedule, the basic salary schedule for rural carriers since 1934. (As early as 1915, the concept of compensation based on miles of travel was instituted.)

The negotiating team of the N.R.L.C.A. was equally insistent upon retention of it. Our goal in negotiations was to preserve as much of our pay system as possible and to make only those changes necessary to comply with the FLSA. This meant preserving the Rural Carrier Schedule as well as the Evaluated Schedule of compensation.

The impasse was finally broken when agreement was reached to establish a new Special Route Schedule for vacant routes evaluating to less than 35 hours which were filled on or after November 20, 1976, the effective date of the Agreement. A newly-appointed regular rural carrier assigned to such a route was paid in the attained step and overtime compensation for work performed after eight (8) hours on duty in any one service day or forty (40) hours in one service week. In other words, such carrier was on an hourly rate of pay in much the same manner as an auxiliary carrier.

Such carrier was not "locked in" on such a route. When the evaluation of such route reached 35 hours or more per week, it was converted to the Rural Carrier Schedule or the Evaluated Schedule at the beginning of the next guarantee period. Also, a carrier on such route was not prohibited from exercising seniority rights to bid on other routes with other salary schedules.

Special Route Compensation did not apply to employees who were regular rural carriers as of the effective date of the Agreement, November 20, 1976. A regular rural carrier on the rolls on November 20, 1976 was not prohibited from bidding on such route which became vacant at a later date. This Section applied only to newly-appointed regular carriers.

The above explanation has been included in this Analysis for historical purposes. This provision lasted only until the 1978 Agreement. In that Agreement it was superceded by a new Special Route provision which required all routes of less than 35 hours of evaluation to be classified as a Special Route and gave the incumbent on such route a period of three years to bid off of it. After three years, the route was classified as an evaluated route and the carrier paid accordingly. Any carrier who chose not to bid off the route was given an additional two years of saved salary. All vacant routes were posted and filled as evaluated routes. Special Routes are now extinct.

Substitute Pay

Our goal of preserving as much of our pay system as possible and yet comply with the FLSA was probably the most difficult to achieve for substitute rural carriers. Section 7(b)(2) of the FLSA could not be applied to substitutes because they could not be afforded a guaranteed annual wage, since they were not full-time employees.

There seemed to be little choice but to place them under Section 7(a) of the FLSA, which requires overtime for all hours in excess of 40 hours in a week. It still seemed unfair to deny the benefits of the old pay system to substitute rural carriers when they did not exceed 40 hours in a week. A solution was found by allowing substitute rural carriers who are not required to actually work in excess of 40 hours in a week to be compensated on the basis of the RCS or Evaluated Schedule in accordance with past policies and procedures.

Once the substitute rural carrier's actual work hours exceed 40 hours in a week, the compensation will be on an hourly basis at the carrier's attained step. When this occurs, overtime will be payable for the hours actually worked over 40 hours.

Exception—

There is an exception to the above provisions.

The exception is described in Article 9.2.F. Since Section 7(b)(2) of the FLSA affords the best opportunity to preserve the Rural Carrier Pay System, an effort was made by both parties to place as many members of the rural carrier craft under it as possible. Substitute rural carriers serving on a vacant route or on a route where the carrier is on extended leave serve full-time during the time the route remains in that status. If such route is eligible for coverage under Section 7(b)(2) of the FLSA, the substitute rural carrier serving it shall be compensated on the RCS or Evaluated Schedule, whichever is appropriate, pursuant to Section

7(b)(2) of the FLSA, provided the substitute agrees in writing to terminate the guarantee at the end of the guarantee period or upon filling of the vacancy or the return of the regular carrier to the route. (For explanation of Termination Agreements, see Part IV of this Series.)

A carrier who does not agree to terminate the guarantee, as described above, shall be compensated on the basis of hours actually worked in the attained step with overtime for any hours worked in excess of eight (8) hours in a day or forty (40) hours in a week, pursuant to Section 7(a) of the FLSA. Generally, a substitute rural carrier will find it advantageous to sign the Agreement to Terminate the Guarantee to qualify for the RCS or Evaluated Schedule.

Impact—

In spite of the exception listed above, the fact remains that most substitute rural carriers will not be eligible for compensation under Section 7(b)(2) and will be compensated under the RCS or Evaluated Schedule only when the weekly hours do not exceed forty (40) hours. During any week that the substitute's actual hours worked exceed forty (40) hours, the compensation will be based on hours actually worked, attained step, with overtime for all hours worked in excess of 40 hours in a week.

The above situation may prompt some over-reaction by local management and some policies which will result in false economies. It can be expected that substitutes will be trained to serve other routes besides the one to which they are normally assigned. This will be done to allow management to place another substitute on a route on the relief day, when the regular carrier is absent from the route for an entire week, to avoid the payment of excessive overtime to the regularly assigned substitute. This arrangement is not the most desirable situation for the substitute who will be required to serve a strange route several times each year nor for the regular carrier whose route will be served by a substitute other than the normally assigned substitute.

If the assignments are shared equally among the substitutes, it should result in all substitutes getting about the same compensation as before, except the task will be more difficult on those days when required to serve a route other than their own. At no time should other craft employees or emergency substitutes be used for this purpose. Only in emergencies, when the services of a substitute rural carrier are not available, may another qualified employee be designated by the Employer.

In many offices it may prove impractical and inefficient to use a substitute other than the normally assigned one on the route. Payment of the additional overtime may prove to be the "lesser of the two evils" during the few times in a year the regular carrier is absent for an entire week.

Where the false economy and over-reaction will become evident is when a rigid rule is applied that no substitute will be permitted to exceed forty (40) hours in a week. Unless a substitute rural carrier substantially exceeds the route evaluation, there is no savings in placing another substitute on an RCS or an H route on the sixth day to avoid payment of overtime for the hours over forty (40) hours in the week. As an example, the weekly evaluation of a 46 H route has 6 hours of overtime built into the compensation. The daily rate for such route is determined by dividing the weekly rate by six. Thus, the daily rate also has overtime built into it. It can be readily seen that the total compensation for such route will be virtually the same whether the same substitute serves it six days or whether two substitutes serve the route, unless the regular substitute exceeds the time standards and uses in excess of 46 hours to serve the route. In fact, if the regular substitute actually works less than the evaluation of the route there would actually be a saving in allowing the same substitute to serve the route the entire week. If the substitute uses exactly 46 hours on such route, the compensation will be exactly the same whether one or two substitutes serve the route.

The same principle will apply on RCS routes. It will also apply in a similar manner on J and K routes when an effort is made to limit the regular substitute to less than 40 hours by limiting the substitute to four days per week.

The only significant savings in using another substitute on a route can be realized in using them on a J or K route where a relief day is involved. Even in that situation, the savings must be weighed against the disadvantages and inefficiencies of using more than one substitute on a route.

Although the compensation system for substitutes may seem complex and may cause some inconveniences, it is the absolute maximum which could be achieved in retaining as much of the Rural Carrier Pay System as possible for substitutes and still comply with the FLSA. In summary, most substitutes will be compensated on the RCS or Evaluated Schedule, as in the past, except when they exceed forty (40) hours in a week and are paid on an hourly basis.

Editor's Note: As expected, this situation has been a continuing problem. As a result, an agreement was reached in 1987, which has now become a part of the 1988 Agreement as follows:

"When a substitute, rural carrier associate, or rural carrier relief employee assigned to a route is working the route as a leave replacement or serving full-time on a vacant route, or where the carrier is on extended leave, the employee is entitled to work at least the evaluated hours of the assigned route and then may be replaced to avoid payment of overtime or additional overtime."

**QUESTIONS AND ANSWERS
ON
FLSA PROVISIONS
OF
THE NATIONAL AGREEMENT**

PART VII

Route Classifications

1. How many types of rural routes are there?

A. Three

- (1) Rural Carrier Schedule (RCS) routes—compensated on a mileage basis;
- (2) Evaluated Routes—compensated on an evaluated basis;
- (3) Auxiliary Routes—compensated on an evaluated basis (partial routes, generally, created from excess territory resulting from relief of overburdened routes).

2. Which carriers are eligible for Section 7(b)(2) of the FLSA?

A. Carriers serving RCS routes in excess of 30 miles in length and those serving evaluated routes evaluating to 35 hours or more are eligible to be compensated under the provisions of Section 7(b)(2) of the FLSA.

3. How will a carrier on a 38-hour evaluated route be compensated?

A. Such carrier will be compensated on the evaluated Schedule under the provisions of Section 7(b)(2) of the FLSA.

4. Will a carrier on a 33-hour evaluated route be compensated under the provisions of Section 7(a) or 7(b)(2)?

A. Such carrier will be compensated on the Evaluated Schedule under the provisions of Section 7(a) and be paid overtime for all hours in excess of 40 hours in a week.

5. How many evaluated route classifications are there?

A. There are three evaluated route classifications as follows:

- (1) H Route—6 days per week (No relief days);
- (2) J Route—5½ days per week (Relief day every other week);
- (3) K Route—5 days per week (Relief day every week).

Classification Options

6. What options are available to a rural carrier on an evaluated route?

A. Any rural carrier whose route may be classified in more than one classification may elect the higher-route classification if certain requirements are met.

7. What exception has been made to the above provision?

A. The parties have agreed that in those instances when the evaluation of a route exceeds the maximum hours in the "H" classification, but less than 48:33 evaluated hours (46:30-48:32), the carrier may elect the 46 H route classification if the RCS salary for the route exceeds the salary for the "J" classification of the route and provided the carrier meets the requirements of Article 9.2.C.8.a.

Also, when the evaluation of a route exceeds the maximum hours in the "J" classification, but less than 52:55 evaluated hours (50:44-52:54), the carrier may elect the 46 J route classification, if the RCS salary for the route exceeds the salary for the "K" classification of the route and provided the carrier meets the requirements of Article 9.2.C.8.a.

8. **What three requirements must be met for a carrier to qualify for the higher-route classification for which the carrier may be eligible?**
- A. (1) It must be demonstrated that the rural carrier's actual hours will not exceed 2,080 hours during the guarantee period.
- (2) The rural carrier must agree, in writing, that sufficient annual leave will be used to assure that the total actual hours worked will not exceed 2,080 during the guarantee period.
- (3) The carrier must be in a 6- or 8-hour (20- or 26-day) leave category.
9. **What action is required by the postmaster at the time of a national count, interim adjustment or special count?**
- A. The postmaster must arrange a meeting with each eligible carrier to discuss requirements for election of a higher classification for which the carrier may qualify.
10. **What action is required of the rural carrier at such meeting?**
- A. If a carrier who is eligible chooses to elect the higher route classification to qualify for the greater number of hours of work and the resulting higher compensation, the carrier must sign a Leave Agreement to use sufficient annual leave to assure that the actual work hours will not exceed 2,080 during the guarantee period. Such agreement now appears on the Form 4241X.
11. **What action may be taken by the postmaster if it appears the carrier will exceed 2,080 hours during the guarantee period?**
- A. The postmaster shall advise the rural carrier, in writing, of his concerns and arrange a meeting with the carrier to discuss the action deemed to be necessary to assure that the actual hours do not exceed 2,080 hours. At such a meeting a carrier whose route could not be classified in more than one route classification may now choose to sign a Leave Agreement to assure that the actual hours do not exceed 2,080 hours during the guarantee period. If no satisfactory assurances can be provided by the carrier, the postmaster may provide temporary auxiliary assistance; adjust the route; or allow the carrier to work in excess of the 2,080 hours. *The postmaster may not require the carrier to use LWOP to keep the hours under 2,080.*
12. **Are there situations when allowing a carrier to exceed 2,080 hours may be justified?**
- A. Yes.
- (1) When there is no practical way to provide relief;
- (2) When there has been route growth which is not reflected in the route evaluation, especially growth of less than 120 minutes which did not qualify for an interim salary adjustment;
- (3) When permanent or long-standing route conditions, beyond the control of the rural carrier, cause the carrier to exceed the evaluation of the route, as provided in paragraph "t" of Article 9.2.A.1.;
- (4) When the carrier has worked overtime during the Christmas period;
- (5) When the carrier has worked overtime in excess of 12 hours in a day and/or 56 hours in a week;
- (6) When unusual circumstances prevailed on the route for a part of the year, such as extended detours or other conditions of a temporary nature beyond the control of the rural carrier.
13. **When a carrier signs a Leave Agreement, does the commitment include his entire leave balance?**
- A. It includes whatever amount is sufficient to remain within the 2,080 hours. It could mean less than the leave earned that year or it could mean the carrier's earned leave plus whatever amount of the carrier's leave accumulation is necessary to confine the total hours worked to 2,080 during the guarantee period. Carriers are advised to carefully evaluate their own situation and their own capabilities before making a leave commitment for the higher-route classification.
14. **May a carrier utilize LWOP, if necessary, to meet the commitments?**
- A. The new Agreement made no change in the LWOP provisions of the Agreement for rural carriers. The use of LWOP on other days is governed by existing regulations. Therefore, LWOP may be utilized as an alternative to assure that the actual hours worked do not exceed 2,080 hours, but a carrier cannot be required to do so.
15. **May a carrier sign a Leave Agreement to use only sufficient annual leave earned during the guarantee period?**

- A. Yes. A carrier who does not desire to commit any of his accumulated leave balance may sign a Leave Agreement to use only sufficient leave *earned* during the guarantee period. This action will preserve the carrier's Saved Salary protection in the event it becomes necessary to adjust the route to assure that the actual work hours will not exceed 2,080 during the guarantee period. Such agreement by the carrier to use only sufficient *earned* annual leave will not qualify such carrier to elect the higher-hour classification, but it may prevent the necessity of a route adjustment and will definitely assure Saved Salary protection, if the route is adjusted.

Guarantees

16. What is the Guarantee Period?

- A. Section 7(b)(2) of the FLSA provides that the guarantee period shall be a period of 52 consecutive weeks. The first guarantee period of the new Agreement was from November 20, 1976 through November 18, 1977.

17. Are carriers who are subject to the provisions of Section 7(b)(2) guaranteed an annual wage or annual hours?

- A. Such rural carriers are guaranteed an annual wage.

18. Which rural routes are covered by the annual guarantee provisions of Section 7(b)(2) of the FLSA?

- A. All RCS (mileage) routes beginning at 31 miles and upward and all evaluated routes between 35-48 hours qualify for Section 7(b)(2) of the FLSA. However, the annual wage guarantee based on the 2,080-hour level remains constant for all RCS routes of 42 miles and up and for all evaluated routes of 40 hours and up. Compensation for miles in excess of 42 miles on the Rural Carrier Schedule and for hours in excess of 40 on the Evaluated Schedule shall be considered additional compensation above the annual guarantee.

19. May a 43-hour evaluated route be adjusted below 40 hours during the guarantee period?

- A. The Agreement does not prohibit the adjustment of such route below 40 hours, but the salary cannot be reduced below the 40-hour compensation guarantee.

20. May a route of less than 40 hours be adjusted upward during the guarantee period?

- A. Yes. The Employer may increase the total compensation paid to rural carriers having routes evaluating to

40 hours or less by adjusting the route evaluations upward. This does not change the annual guaranteed wage. As an example, if a 38-hour evaluated route is increased to a 41-hour route, the compensation would increase to that of a 41-hour route, but the guarantee would remain at the 38-hour level.

21. If a 45-H route is reduced by 2 hours, will the carrier's salary be reduced or will it be guaranteed at the 45-hour level?

- A. The annual salary guarantee is only at the 40-hour level. Therefore, the salary of the carrier on such route would be reduced to the 43-hour level unless the saved salary protection was higher on the Rural Carrier Schedule. Generally, this would require a route in excess of 125 miles to provide salary protection above that of a 43-hour evaluated route salary.

22. Will a carrier on a 45-hour route receive compensation in addition to the annual guarantee?

- A. Yes. The annual guarantee is only for the first 40 hours. The compensation for the 5 hours of evaluation above 40 is considered additional compensation. Actually, the compensation for those 5 hours is computed at an overtime rate which is built into the Evaluated Schedule, although it is not considered overtime by FLSA standards.

Overtime hours actually worked during the Christmas period would be considered additional compensation above the annual guarantee.

Overtime due under Section 7(b)(2) of the FLSA for all hours worked in excess of 12 hours in a day, 56 hours in a week and 2,080 hours in a year is also considered additional compensation above the guarantee.

Compensation for temporary deviations, locked pouch allowance or seasonal route adjustments is also additional compensation above the annual guarantee.

23. How does a suspension from duty affect the guarantee of a carrier under Section 7(b)(2) of the FLSA?

- A. The compensation which would otherwise have been paid will be deducted from the Employer's guarantee obligation under Section 7(b)(2) of the FLSA.

24. If a carrier retires during the guarantee period, what is the Employer's obligation under Section 7(b)(2)?

- A. There is no further obligation on the part of the Employer

under such circumstance provided the Section had been complied with up to that time.

25. If a rural carrier is involuntarily transferred to the city carrier craft during the guarantee period, how is his annual guarantee affected?

- A. The annual guaranteed compensation will remain in effect for the balance of the guarantee period whether in the rural or another craft. Of course, this guarantee does not exceed the 40-hour level, at any time.

26. How is a carrier's pay computed if he exceeds 2,240 hours during the guarantee period?

- A. When the carrier exceeds 2,240 hours during the guarantee period, Section 7(b)(2) is void. The carrier's compensation must then be re-computed on the basis of Section 7(a) of the FLSA with all hours in excess of 40 hours worked in a week to be paid at the FLSA overtime rate.

27. How is a newly-appointed carrier who is assigned to a rural route which qualifies for Section 7(b)(2) status compensated?

- A. Such carrier may be compensated in accordance with the Evaluated Schedule under the provisions of Section 7(b)(2) of the FLSA, provided such carrier signs an Agreement to Terminate the Guarantee at the end of the guarantee period.

28. How will such carrier be paid if he chooses not to sign the Agreement to Terminate the Guarantee?

- A. Such carrier will be paid on an hourly basis under the provisions of Section 7(a) of the FLSA with overtime payable for all hours in excess of 8 hours in a day or 40 hours in a week.

29. How can a carrier with retreat rights qualify to be reassigned to a route providing less compensation than the current guaranteed salary? (Example: A carrier on a 41 H route retreating to a 39 H route.)

- A. The carrier may sign an Agreement to Terminate the Guarantee on the current route to which assigned and also on the new route to which reassigned at the end of the guarantee period. The carrier could then be reassigned and be compensated under Section 7(b)(2) of the FLSA. Otherwise, such carrier could not be reassigned.

30. What other carriers may find it advantageous to sign an Agreement to Terminate the Guarantee?

- A. Substitute rural carriers serving vacant routes or routes where the carrier is on extended leave may be compensated on the Rural Carrier Schedule or the Evaluated Schedule, as appropriate, under Section 7(b)(2) of the FLSA, provided they sign an Agreement to Terminate the Guarantee:

- (1) At the end of the guarantee period; or
- (2) Upon the filling of the vacancy; or
- (3) Upon the return of the regular carrier to the route; whichever comes first.

Such Agreement is irrevocable and continues indefinitely.

31. Is a route considered overburdened if the carrier is not expected to meet the requirement to stay within the 2,080 hour guarantee?

- A. Routes are considered overburdened when—
- (1) The evaluated hours for the route are outside the Table of Evaluated Hours.
 - (2) The regular carrier who is assigned to the route does not, or is not expected to, meet the requirement to stay within the annual guarantee for the route.

Overtime Compensation

32. Under what conditions is overtime compensation payable to rural carriers under Section 7(b)(2)?

- A. The rural carrier shall receive overtime compensation for all hours worked in excess of:

- (1) 12 hours in one day;
- (2) 56 hours in one week; or
- (3) 2,080 hours in one year (52 week guarantee period);
- (4) Also, for Christmas overtime as provided in Article 9.2.J.

- 33. How does this differ from the requirements of Section 7(a) of the FLSA?**
- A. Section 7(a) of the FLSA requires payment of overtime for all hours actually worked in excess of 40 hours in one week.
- 34. How is FLSA overtime computed?**
- A. It is computed at 150% of the employee's *regular* rate of pay. The regular rate of pay is the total amount of compensation earned for the hours actually worked (not including leave or holiday pay) divided by the number of hours the employee worked since the beginning of the guarantee period.
- 35. If a carrier works over 12 hours in a day or over 56 hours in a week, when will the overtime be paid?**
- A. Such overtime will be payable at the end of the pay period in which the overtime was earned, at the FLSA overtime rate.
- 36. If a carrier actually works in excess of 2,080 hours during the guarantee period, when will the overtime be paid?**
- A. Such overtime would be payable at the end of the pay period in which the rural carrier exceeds 2,080 actual work hours.
- 37. If a carrier on a 34-hour evaluated route under Section 7(a) actually works 38 hours during a week, is such carrier entitled to any additional compensation?**
- A. No. Overtime is payable under Section 7(a) only after 40 hours in a week. Such evaluated route is compensated on an evaluated basis whether the hours actually worked are more or less than the route evaluation.
- 38. On the same route, if the carrier actually worked 43 hours during the week, would additional compensation be payable?**
- A. Yes. The carrier would be compensated for 3 hours at the FLSA overtime rate.
- 39. Can a carrier compensated under the provisions of Section 7(b)(2) earn overtime during the Christmas period?**
- A. Yes, in virtually the same manner as before.
- 40. Are there any circumstances that a carrier would not receive compensation for overtime hours actually worked during the Christmas period?**
- A. No. The carrier will be paid overtime compensation for all hours deemed to be overtime as determined by Article 9.2.J, Christmas Allowances and Procedures.
- 41. At what rate will such overtime be payable?**
- A. It will be payable at the FLSA rate.
- 42. When will a carrier compensated under Section 7(b)(2) be paid Christmas overtime?**
- A. In the check following the pay period worked.
- 43. Can a carrier be required to use additional annual leave or have the route declared overburdened because the Christmas overtime would cause the carrier's hours to exceed 2,080 hours during the guarantee period?**
- A. Absolutely not. Payment for the Christmas overtime hours must be made anyway. No harm is done if the Christmas overtime causes the actual hours worked during the guarantee period to exceed 2,080 hours. Actually, the Christmas overtime has the effect of establishing a new "benchmark" for the route. Example: A carrier who has 30 hours of Christmas overtime has actually established 2,110 hours as the new "benchmark" for the route before additional overtime would be payable beyond that already paid. Such carrier can only be required to use sufficient annual leave to keep the actual hours below the new 2,110 level.
- 44. How do the overtime hours paid in excess of 12 hours in a day and 56 in a week affect the 2,080-hour limit?**
- A. Those hours should also be deducted from the total hours worked; the same as Christmas overtime hours, when considering the requirement to keep within the 2,080 hours.

Substitute Compensation

- 45. Under what Section of the FLSA are substitute rural carriers paid?**
- A. Basically, they are under the provisions of Section 7(a), except under certain conditions.

46. What are the exceptions to this general rule?

- A. (1) When substitute rural carriers are not required to actually work in excess of 40 hours in a week, compensation should be based on the evaluation or mileage of the route in accordance with past policies and practices.
- (2) Substitute rural carriers serving full time on routes eligible for coverage under Section 7(b)(2) of the FLSA shall be compensated on the RCS or Evaluated Schedule, whichever is appropriate, provided the carrier agrees in writing, to terminate the guarantee at the end of the guarantee period or upon the filling of the vacancy or the return of the regular carrier.

47. How will such substitute rural carrier be paid who does not sign such an agreement, as described above?

- A. Such substitute would be compensated on an hourly basis, attained step, with overtime payable for all hours in excess of 8 hours in a day and 40 hours in a week under the provision of Section 7(a) of the FLSA.

48. What is the basis for compensating a substitute rural carrier on a relief day?

- A. The substitute rural carrier will be compensated at the daily rate for the route on the Rural Carrier Schedule or the Evaluated Schedule, whichever is appropriate.

49. If a substitute rural carrier serving as a leave replacement for a 43-hour evaluated route works 41 hours during the week, what will be the rate of compensation?

- A. Such substitute will be paid on an hourly basis, attained step, at straight time for the first 40 hours and an overtime rate for the additional 1 hour.

50. If the substitute rural carrier works the same 43-hour evaluated route in 40 hours, what will be the rate of compensation?

- A. Such substitute will be compensated at the appropriate rate for a 43-hour evaluated route, because the actual hours did not exceed 40 hours in the week.