Determining the Volume Only Box Factor

Frequently rural carriers, stewards, or managers will desire to know how the volume factor is determined on a rural route. The volume factor is needed when additions to or deletions from a route are being planned, or to determine if the route qualifies for an interim adjustment. The number of boxes to be added or deleted multiplied by the appropriate volume factor and the appropriate time allowance for the boxes (2 minutes for regular boxes—regular routes, 1.64 minutes for regular boxes—L routes, 1 minute for central delivery—all routes) will determine how many boxes need to be added or deleted from a route in order to trigger an interim adjustment or to put in place other route adjustments. The chart on page 851 indicates the computations that determine the volume only box factor. The total time standard of 47 hours is converted to minutes by multiplying by 60 and adding 2 minutes. The totals from lines 2 and 3, which consist of "other" and individual items peculiar to any route such as withdrawing of mail, stamps, personal time, return receipts, miles, boxes, lock pouch delivery, NDCBU collection compartment parcel lockers, and dismount allowances, are added together and subtracted from the total time standard, in minutes, from the route evaluation. This gives a value of items not directly related to volume. The resulting number is divided by the total number of boxes listed for the route. This number is then rounded, if the third decimal is 5 or more, round up. If 4 or less, round down and compare to the volume factor in the space on line 4.

Thrift Savings Plan (TSP) Utilization Continues To Increase

Be aware of the Law that takes effect January 1, 1993 Concerning the TSP payout.

The Thrift Savings Plan (TSP) continues to enjoy increased participation by employees. During the Open Season, which ended July 31, 1992, the participation of FERS employees was 67.1%, which is a 3% increase compared to the February 1992 results. CSRS participation grew by 29,000 over the same period.

The end of August report for the Postal Service indicates a total of 296,729 employees who are eligible to contribute to FERS with 204,136 actually participating (68.8%). There are 415,008 eligible CSRS employees, with only 118,287 contributing to the Thrift Savings Plan.

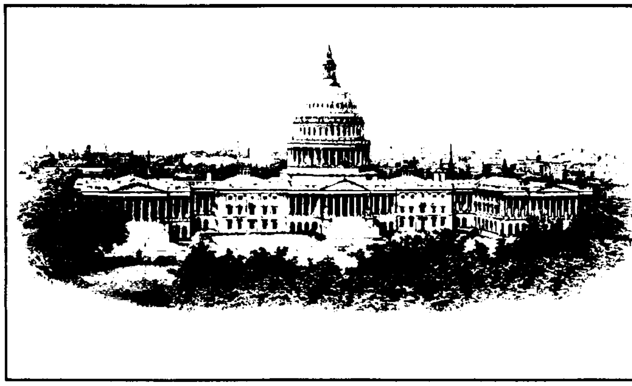
Public Law 102-318, effective January 1, 1993, significantly effects the way pension distributions are made, among them, the lump sum Thrift fund payments and how they are treated for tax purposes.

Under existing rules, if you leave your job with the Postal Service or federal government, and have money in the TSP, you can leave your TSP contributions so they can continue to accumulate on a tax free basis until you use them or reach retirement age.

When you reach retirement age, your contributions can be withdrawn in several ways.

A. Lump Sum
B. Annual increments
C. Converted to a lifetime annuity
D. Rolled over into an Individual Retirement Account (IRA)

Currently, if you leave government employment and elect to take a lump sum distribution of your TSP, you can proceed in one of two ways. You can ask the government to direct the transfer of your TSP savings directly into an IRA or, if you have a new employer, directly into your new pension plan. Another option is to ask the government to send you a check for the proceeds of your TSP account. If this occurs, you have 60 days to determine how you are going to use these funds. If you elect to roll over the proceeds, either to an IRA or another qualified pension plan within 60 days, there will be no tax liability incurred. If 60 days passes or you fail to transfer the proceeds, you are liable for regular income taxes on the distribution. If you are under age 59½ there is also a 10% penalty for making a premature retirement plan withdrawal. Under Public Law 102-318, effective January



1993, if you ask for a payout of your TSP contributions instead of making a direct transfer to an IRA, the government is obligated to withhold 20% of the amount for income tax purposes. This is treated as a taxable distribution. To avoid a severe penalty, it will be necessary for the individual to match the 20% that the government withheld from the TSP payout.

For example:

> If an individual is entitled to $25,000 from the Thrift Savings Plan, the government will send him $25,000 less 20% or $20,000.
>
> Now the individual must come up with the additional $5,000 to put into an IRA to avoid the tax penalty.
>
> If the individual only put in the $20,000 it will be considered a premature retirement withdrawal.

Under this scenario, the carrier must not only pay ordinary income tax on the $5,000, he will also be slapped with a 10% penalty if he is under age 59½.

Based on this, it is best that you either ask that your TSP funds be directly transferred to an IRA or you must come up with the 20% that the government withheld and transfer it yourself within the alloted 60 day time frame. If you put up the 20% and adhere to the 60 day IRA roll over, the government will refund the 20% withheld from your TSP payout.

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx EFFECTIVE ######## FOR PP #####

MSC 999 U.S. Postal Service DATE PROCESSED

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx RURAL ROUTE EVALUATION xxxxxxxxxxxxxxxxxxxx ########

Post Office, State and Zip + 4 Code	Finance No.	Date of Count

Line No.	Number Delivered: Letters	Sec/Seg Letters	Flats	Parcels	Boxholders	Reg Cert Spec Exp and Ins	COD's Customs Due	Address Changes	Markups	Forms 3821	M.O. Application
1											

Line No.	Collected [illegible]	Accepted [illegible]	Postage Due	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Personal Time	Return Receipts
2					18.00	30.00		15.00	30.00	1.25

Line No.	Number Delivered: Reg Cert Spec Exp and Ins	COD's Customs Due	M.O. Application	Number Accepted: Parcels (Insured)	Registered & Certified	Parcels Route-Time	Miles	Box	Locked Pouch Delivery	NDCBU Coll/Comp Parcel Locker	Dismount Allow
3							249.00	1115.32	30.00	58.00	13.30

Line No.	Volume Factor	Standards (in hours and minutes): Office	Route	Total	Actual Time (in hours and minutes): Office	Route	Total	Aux Assist (hrs & min): Office	Route	Wait & Count
4	1.75			47.02						

Line No.	Number Of: Miles	Regular Boxes	Central Boxes	Total Boxes	Vehicle Stops	Families Served	USPS Vehicle Used	Weekly Dismounts	Dismount Distance	Route Relief
5		613	110	723						

Line No.	Rte No.	Name	Social Security Number	Des	Step	Salary	FLSA	Eval Hours	EMA	Lock Pouches	Protected Salary	Guaranteed Salary
6												

NOTE: The figures shown on Lines 1, 2, and 3 represent the number of minutes allowable under the daily time standards for a one week period. These minutes were developed from the mail count data on Forms 4241. Lines 1 and 2 represent office time; Line 3 represents route time, and Line 4 (standard total) is the composite of Lines 1, 2, and 3. If a monetary locked pouch allowance is authorized, the time shown for Locked Pouch Delivery on Line 3 is not included in the Standard Time shown on Line 4. Line 5 represents current route statistics from latest base hour change. Line 6 represents the carrier's salary information.

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DETERMINING THE VOLUME ONLY BOX FACTOR

1. Total time standards (in minutes) from Line 4 2822.00

2. Subtract the following:

From Line 2:		From Line 3:	
(1) Other	18.00	(1) Miles	249.00
(2) Withdrawing	30.00	(2) Boxes	1115.32
(3) Stamps	15.00	(3) Lock Pouch Delivery	30.00
(4) Personal Time	30.00	(4) NDCBU Coll/Comp Parcel Locker	58.00
(5) Return Receipts	1.25	(5) Dismount Allowance	13.30

-1559.87

Subtotal # 2 1262.13

3. Divide the remainder by the total number of boxes on Line 5. 723

4. Round the resulting volume only factor to minutes and two decimals and compare to the designated space on Line 4. If third decimal is 5 or more, round up. If 4 or less, round down.

Formula: 1262.13 divided by 723 equals 1.745685 or 1.75