

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JUL 29 1999

Mr. Frank D. Ferris
Director of Negotiations
National Treasury Employees Union
901 E Street, N.W., Suite 600
Washington, D.C. 20004-2037

Re: Compliance Support to Customer Service in Fiscal Year 2000 and Beyond

Dear Mr. Ferris:

This is to confirm discussions among representatives of the Assistant Commissioner (Customer Service), Assistant Commissioner (Examination), Assistant Commissioner (Collection), Assistant Commissioner (International), Stuart H. Fields and you concerning the support that Compliance employees will provide to Customer Service during fiscal year 2000 and beyond.

As was the case during fiscal year 1999, the Service remains committed to increasing the level of access to taxpayers. To fulfill this commitment, the Service has determined that Examination and Collection employees, and International District employees in Puerto Rico and Washington, D.C., will continue to assist Customer Service by providing staffing support to the walk-in activity and to the telephone operation (i.e., toll-free and ACS) answering direct incoming telephone calls during periods when existing staffing is insufficient to handle telephone demand. This initiative includes the use of Revenue Officers and Tax Examiner positions in the 592 series from the Collection function; and Revenue Agents, Tax Auditors and Tax Examiners from the Examination function and International District functions.

This support may be full or part-time and vary by days or hours depending on site need and by type of work assigned. This may include Compliance employees who volunteer for Saturday, Sunday, or extended hours work. The days and times during which Compliance support is needed may vary by location. For example, certain sites may need support from Examination on Mondays and Tuesdays for tax law issues in March and April, while other sites may need support from Collection on account-related issues on Mondays and Wednesdays in May and June. This initiative may impact all district offices, including the Puerto Rico and Washington, D.C. post of duty.

The Service is committed to taking all steps practical to avoid adverse impact on employees assigned this work. This includes impact at the time of assignment as well as potential impact upon return to normal duties.

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As a result of the discussions referenced above, the Service has decided to take the actions outlined below to implement this initiative.

1) The provisions of this Letter of Understanding (LOU) apply to the support described above that Compliance employees will provide to Customer Service beginning January 1, 2000. This date may vary in each impacted office based upon workload. Management has determined that compliance support will occur from January 1 through September 30 of each year.

2) The Service will utilize sufficient FTEs from Collection, Examination and International in order to support the telephone and walk-in operations. By October 30 of each year the Service will give NTEU National a plan which shows which occupations will be used in which local offices for the current fiscal year. This plan will include the approximate number of hours that will be needed at each site, the location of the work, and the likely days of the needed assistance. Copies of this plan will be provided to the local chapters and electronically to NTEU National.

3) While on detail, these employees will be assigned the following duties: answering incoming telephone calls on tax law and/or account-related issues, including ACS incoming calls or performing walk-in duties.

4) Employees may perform the Customer Service telephone assistance duties at an Aspect Remote work station, a toll-free work station, or ACS work station.

5) Once the Service has determined to which tasks referenced in paragraph 3 above employees will be detailed, and what the necessary qualifications are (those who possess the needed skills, which may include bilingual skills), the Service will notify NTEU local chapters of those qualifications. Employees will be selected in a manner consistent with paragraph 10 below. Such employees must have a current annual performance rating of at least fully successful. Employees who are detailed to perform telephone work will move to a telephone work station and use existing telephone, IDRS and/or ACS equipment, as required. Where there is a local option as to which kind of equipment is provided to the employees (for example, headsets), the local parties will address this issue in their supplemental negotiations. The local parties are also authorized to negotiate over the issues outlined below.

(A) Equipment to perform the telephone duties; any reasonable accommodations necessary; learning curves; hardship exceptions; travel reimbursement and selection issues. Travel reimbursement issues will only include parking reimbursement consistent with GSA regulations, and waiver of the "five-day rule". Selection issues could include whether volunteers will be solicited from all or part of the Compliance organizations within a specific post-of-duty;

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(B) Potential adverse impact of these details on seasonal employees who may or may not be recalled; and

(C) The process of returning employees to their permanent assignments.

6) The local parties are strongly urged to reach an agreement as a result of their negotiations. If the Service provides the staffing plans to the local chapter on or before September 21, the local parties shall have 30 calendar days to complete their negotiations. However, if these staffing plans are provided after September 21, the local parties shall have 14 calendar days to complete their local negotiations. Any local disputes that still exist after the above dates must be sent to a national dispute resolution committee of IRS and NTEU officials who will resolve the impasse. Members of the committee will be for the Service: National Director, Office of Compliance Specialization (or designee); National Director, Collection Field Operations (or designee); Assistant Commissioner (International) (or designee); and Assistant Commissioner (Customer Service) (or designee); and for NTEU National: Director of Negotiations (or designee).

Ten (10) calendar days after the deadline for local negotiations, both local parties must fax to their respective dispute resolution committee members the following information:

(A) A statement of the dispute (include an explanation of the merits, or lack thereof, of the positions of the parties); and

(B) A copy of the parties' most recent proposals (including those provisions for which agreement has been reached).

Local Examination management should forward material to the National Director, Office of Compliance Specialization at FAX (202) 401-4552; local Collection management should forward material to the National Director, Collection Field Operations at FAX (202) 622-4919; local Puerto Rico or Washington, D.C. management should forward material to the Assistant Commissioner (International) at FAX (202) 874-1782; local Customer Service management should forward material to the Assistant Commissioner (Customer Service) at FAX (202) 622-4398; and local NTEU chapters should forward material to the NTEU National Director of Negotiations at (202) 783-4085.

If the committee cannot resolve the within ten (10) calendar days of receiving the dispute(s) from the local parties, the national parties shall use the impasse procedures of Article 9, Section 2(J) of NORD/NC V and seek assistance from an outside neutral to resolve the issue(s). The neutral will assist the parties to informally and voluntarily settle the disputed issue(s) and to reach agreement through appropriate means, including the issuance of recommendations. Any recommendations made by the

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neutral will not be precedential. In order to expedite the resolution of issues through this process, the parties agree that consultation sessions or hearings may be held with the neutral party via three-way telephone conferences. Such hearings shall proceed without transcripts or briefs and result in the issuance of bench recommendations within twenty-four (24) hours of the conclusion of the telephone conference.

If there is a dispute remaining after the impasse neutral's recommendation, it will be resolved pursuant to 5 U.S.C. § 7119 or other appropriate provisions of 5 U.S.C. § 7101, *et seq.* The party that moves such remaining disputes to the statutory impasse resolution process carries the burden of proof regarding the reasons the neutral's recommendation does not resolve the issue at impasse.

* 7) The Service has determined that no Compliance employee involuntarily detailed to Customer Service duties will be required to work on Saturdays, Sundays or during extended hours. Employees volunteering for the details to Customer Service will be given the opportunity to work additional hours before those employees who did not volunteer.

8) Consistent with NORD V, Article 24, § 2A, overtime for Compliance employees who provide support to Customer Service will be distributed as equitably as possible. However, first consideration for overtime will be given to permanent Customer Service employees who perform the same work. The local parties will discuss rules for the equitable distribution of overtime for Compliance employees. They are guided by the national parties' shared interest in encouraging volunteers for any overtime work and they are encouraged to develop simple, workable rules for overtime distribution. A Compliance employee who volunteers for overtime work need not volunteer to work every day for which overtime is offered. This LOU does not affect a Compliance employee's eligibility for overtime in his or her permanent unit. However, overtime for compliance support takes precedent over overtime work in the employee's permanent unit if there is a conflict.

* 9) Any employees who may be detailed to this work will be invited to an NTEU/IRS meeting prior to implementation. At this meeting the Service will explain the reason for the details and answer questions. The Union will be permitted thirty (30) minutes at the end of the meeting to meet with the employees, without the employer present, to further discuss the matter. As an alternative (because of space, travel, time considerations), a joint NTEU/Service memorandum will be issued to all employees who may be detailed to this work, if the parties agree in local negotiations to use this alternative means of communicating. In this memorandum, the Service will explain the reason for the detail, survey for volunteers and list contact points for employees who may have questions. All time spent during the briefing (or completing the survey) and in follow-up meetings will be administrative time for impacted employees and official time for their

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representatives.

10) The Service will determine the order in which grade levels are used. For example, GS-09s may be used before GS-11s. However, once that determination is made, qualified volunteers will be selected in order of the most senior EOD by grade. In order to balance the needs of the Service with those of employees, where there are not enough qualified volunteers in the telephone and walk-in operations during the normal work week (Monday - Friday) and traditional work hours, the Service retains the right to detail employees involuntarily. If either local party believes there will be insufficient volunteers below GS-12, it may open local negotiations to encourage more volunteers. The Service has determined that AVC International will use Collection employees in Puerto Rico for employment tax issues support and Examination employees for individual income tax issue support.

X 11) The local parties are authorized to negotiate over hardships exceptions to the assignment, reasonable accommodation, and selection issues. Selection issues could include whether volunteers will be solicited from all or part of the Collection, Examination or International District organizations. Hardship will not be limited to medical hardships and may include other types of hardships such as commuting or child care. The Service will accommodate hardships by any locally agreed upon mechanism that is not inconsistent with NORD V, this LOU or applicable law.

→ 12) Employees who serve on details under the terms of this LOU will adjust their AWS, tours of duty, breaks and scheduled leave to comport with the Customer Service organization to which the employees are being detailed except that employees who have leave scheduled prior to volunteering for a compliance support detail will not have their leave canceled. The Service has the discretion not to accept a volunteer where the employee's previously approved annual leave conflicts with compliance support duties. Employees will not be permitted to participate in the flexiplace program while serving on the details, but there will be no change to employees' existing flexiplace arrangements when they are performing duties in their permanently assigned organizations. However, as an incentive for volunteering for these details, volunteers from the Collection and Examination functions will be allowed start times as early as 7:00 a.m. for the days during the period of the detail when they perform duties in their permanently assigned organizations.

→ 13) In order to find an appropriate balance between regularly assigned work and details to Customer Service, the Service has determined that upon request of Compliance employees interested in being detailed to Customer Service, the employees will be given an opportunity to meet with their immediate supervisors to discuss if and to what extent an inventory reduction is required and appropriate extensions of time to complete their normal work assignments. The employee may

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prepare a memorandum reflecting the substance of this discussion. The manager will review the memorandum, suggest changes as appropriate, and indicate concurrence prior to the beginning of the detail. Further, the Service has determined that employees detailed to Customer Service will be given a proportionate reduction in their normal workload to permit them to do this work and/or appropriate extensions of time to complete their normal work.

14) Local management will notify the union at the outset of local negotiations about any adjustments that are to be made to local Compliance work plans/goals. If work is to be assigned to Compliance employees as a result of other Compliance employees being detailed to Customer Service, the local parties may negotiate over the impact and implementation of this change.

15) To avoid adverse impact on employees, the employees detailed to Customer Service will be permitted to attend continuing education (CPE) or other short term group developmental activities available to their normally assigned group or occupation during their assignment to this work. Similarly, management has determined if an employee is assigned to a training course that is part of the mandatory development for employees in his or her occupation, that employee will not be required to be detailed to Customer Service on normal training days.

16) In no case will an employee's promotion be delayed nor will an employee be nonselected for a promotion due to participation in details to Customer Service.

17) The Service has determined that prior to being assigned these telephone or walk-in duties, impacted employees will be provided appropriate training necessary to satisfactorily perform those duties. Employees should be preidentified in order to ensure they receive the appropriate training prior to commencing the details. The training modules given to specific employees will be determined locally based on the employee's skills. Training modules may include tax law, professional treatment of customers, resolving account problems, preparing returns, VITA and organizing and researching IRM 21.

18) The Service has determined that this initiative will not result in a change to impacted employees' position descriptions or critical elements.


19) This initiative will not result in a delay of the processing of contract grievances. Processing time frames, and any extensions, will be in accordance with the provisions of NORD/NC V, Article 41.

20) The Service has determined to take those actions necessary to ensure that climate control systems consistent with weekday conditions will be in place for those

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employees who work on Saturdays, Sundays or extended hours as a result of this initiative.

21) Consistent with NORD V, Article 23, § 2E, Compliance employees serving on these details who (a) are on a flexitour schedule with credit hours while on detail, and (b) work on a regular nonwork day, may work up to ten (10) credit hours for such work. Employees not on a flexitour schedule with credit hours may earn up to ten (10) hours of compensatory time.

 22) The Service has determined to use alternative work sites in addition to traditional office sites for Saturday service. Employee security will be one of the deciding factors in identifying the sites for Saturday service.

23) Evaluative feedback will be provided to employees in accordance with the applicable provisions of NORD/NC V and any local agreements. Should the Service at the local level telephone monitor for employee evaluative purposes, monitoring will be conducted in accordance with the provisions of NORD/NC V, Article 12, Sections 4 and 9.

24) Pseudonym requests from Compliance employees serving on these details will be reviewed in accordance with § 3706 of the Restructuring and Reform Act of 1998 and the existing procedures that have been agreed to by the national parties.

25) A copy of this LOU will be provided to each Compliance employee who is given the opportunity to volunteer to perform duties as described in this LOU.


26) This LOU will remain in effect for yearly periods beginning with its execution by the national parties, unless either party serves the other party with written notice during the month of April of its desire to modify or terminate this LOU.


If the above reflects your understanding of the actions that the Service will be taking with respect to the implementation of this initiative, please indicate that understanding

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below and return the original of this letter to Mr. Fields, or contact him at (202) 622-5575 if you have any questions.

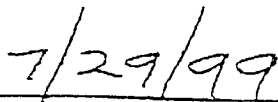
Sincerely,


for John P. Martin
Director of Labor Relations


Ronald S. Rhodes
Deputy Chief
Customer Service Field Operations

Concurrence:


Frank D. Ferris
Director of Negotiations, NTEU


Date