

**AGREEMENT BETWEEN THE INTERNAL REVENUE SERVICE (IRS)  
AND THE NATIONAL TREASURY EMPLOYEES UNION (NTEU)**

In December of 2009, pursuant to the terms of Article 18, Section 2 B 4 of the National Agreement II (NA II) between the parties the IRS reopened Subsection 2 B 1 of the agreement. As a result of subsequent discussions, the parties now agree to modify the criteria in Article 18, Section 2 B 1 (a) of NA II as follows:

**Modifications (bolded):**

- (a) **Most recent IRS rating of record is "Outstanding";**
- (b) **At least two (2) of the preceding three (3) IRS annual ratings of record were "Outstanding";**
- (c) **It has been at least 76 pay periods since the end of the employee's most recent appraisal period for which the employee was granted a QSI or 3% of salary award in lieu of a QSI;**
- (d) Are not serving under a temporary or time limited appointment;
- (e) Are serving under the GS, GM or GL pay plans; and
- (f) Are not compensated under the Wage and Investment Submission Processing Incentive Pay or Gainsharing Programs.

**The parties also agree that:**

- By October 31<sup>st</sup> of each year, the IRS will provide NTEU National with QSI results for all bargaining unit employees (e.g., QSI and 3% of salary) for that fiscal year. Within thirty (30) days of that date, either party may request a meeting to discuss those results. Upon the submission of the 2011 report, and all subsequent reports, either party may reopen if the total percentage of permanent employees who actually receive a QSI or 3% of salary award is less than nine (9) percent or more than eleven (11) percent in that fiscal year.
- Notwithstanding any other provisions contained in this agreement, the parties acknowledge that the Agency retains the discretion to either grant or deny a QSI. Employees will be eligible for a QSI only if they meet all of the criteria outlined in this agreement and the QSI is affirmatively approved by the IRS Human Capital Officer, or designee.

**To resolve all outstanding grievance claims related to the 156 week waiting period and the Full Performance Level (FPL) under Article 18, Section 2 B 1 (c) and (d) of NA II, the parties will implement the following procedures:**

**Local Grievance Settlement**

In full resolution of any timely filed grievance relating to the 2009 fiscal year QSI processing (that is for appraisal periods ending September 30, 2008 through May 31, 2009) and based upon a dispute with the 156 week computation, the agency will apply

the criteria described under (c), above. If the employee would have qualified for recommendation for a QSI, the employee's name will be forwarded to the Human Capital Office for approval of a QSI. Once the QSI has been approved by the Human Capital Officer, or designee, the employee will receive the monetary difference between the NPAA performance award amount received for that appraisal period and the 3% of salary award that would have been paid in lieu of a QSI, if that amount is higher.

In full resolution of any timely filed grievance relating to the 2010 fiscal year QSI processing (that is for appraisal periods ending September 30, 2009 through May 31, 2010) and based upon a dispute with the 156 week computation, the agency will apply the criteria under (c), above. If, using those criteria, the employee would have qualified for recommendation for a QSI, the employee's name will be forwarded to the Human Capital Office for approval of a QSI. Once the QSI has been approved by the Human Capital Officer, or designee, the employee will be provided the opportunity to elect either a QSI or a 3% salary award in lieu of the QSI, and may request that a time off award (TOA) be approved for the 3% of salary award.

The parties agree to resolve all QSI grievance claims related to Full Performance Level (FPL) by eliminating FPL criteria from existing QSI criteria for appraisal periods ending on or after September 30, 2010.

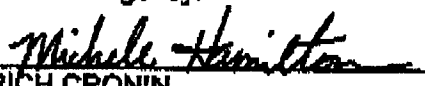
All other grievance claims will continue to be processed. If a QSI grievance included multiple claims, then the 156-week computation and Full Performance Level (FPL) claims should be severed from the grievance, and hereby considered resolved. However, the remainder of the claims should be processed in accordance with NA II.

**This agreement will become effective 31 days after execution, or upon agency head review, whichever occurs sooner. This agreement will exist conterminously with the National Agreement II unless further modified in accordance with the terms of Article 18, Section 2 B 4 and Article 47 of NA II.**

For the Union:

  
 RAVEN HALL  
 National Negotiator

For the Agency:

  
 for RICH CRONIN  
 Director, Workforce Progression Mgmt.

  
 DAVID KRIEG  
 Acting Director, Workforce Relations