

**Memorandum of Understanding Between the
National Treasury Employees Union (NTEU or the Union) and the
Internal Revenue Service (IRS or the Agency)
Agency-Wide Shared Services (AWSS)
Transition from Employee Express (EEX) to
National Finance Center's (NFC) Employee Personal Page**

Introduction

On, June 3, 2011, the Internal Revenue Service (IRS) (Agency, Employer, or Management) Agency-Wide Shared Services (AWSS) Employee Support Services, Payroll and Personnel Systems briefed the National Treasury Employees Union (NTEU) (together the Parties' or individually Party) of IRS AWSS' intent to transition from the Employee Express (EEX) system to the National Finance Center's (NFC) Employee Personal Page (EPP) for the processing of certain payroll actions by employees

In March 2011, the Department of Treasury recommended the transition from the EEX system to the NFC EPP, effective April 1, 2012, resulting in projected annual savings to the Department of Treasury \$750,000 per year, of which \$650,000 is from the IRS. Upon transition from the EEX system, IRS employees will be required to use the NFC EPP to process all payroll actions previously initiated in EEX. The IRS plans to implement this initiative on April 1, 2012, due to pending change requests necessary to make the NFC EPP fully functional for IRS employees. This initiative will impact all NTEU bargaining unit (BU) employees.

The EEX is a mandatory computer-based administrative system that currently allows employees to input certain payroll transactions without using forms, a mailing system, or contacting payroll offices. The Office of Personnel Management administers the EEX which can be accessed 24 hours a day, 7 days a week, from any computer or portable device with internet access. The EEX also provides a telephone option which allows employees to use an automated touchtone phone menu to execute certain payroll transactions. Employees are required to use the EEX to process the following payroll actions:

- Changes in Federal withholding allowances,
- Changes to state withholding allowances,
- Sign up for Direct Deposit for paychecks, up to two discretionary allotments per pay check, and up to 16 voluntary allotments

- Address changes,
- Enrollment and changes to the amount of Thrift Savings Plan (TSP) contributions, or to cancel enrollment in the TSP,
- Begin/change Federal Employees Health Benefits (FEHB) enrollment during open season,
- Begin/change FEHB premium conversion elections during open season,
- Begin Combined Federal Campaign (CFC) contributions during the campaign season, and
- Transfers to The Work Number to obtain an authorization code for employment verification.

Exceptions for mandatory use of the EEX to process the aforementioned payroll actions are:

- New hires,
- Physically challenged employees pursuant to existing Reasonable Accommodation Procedures
- Request to "exempt" a state tax deduction,
- Valid zip codes or bank routing codes not recognized the EEX system,
- Locally determined reasonable hardship cases,
- New check mail address elections (if you need to cancel Direct Deposit), and
- FEHB events not included on the EEX system.

The NFC EPP is a personalized web site available for employees of all agencies serviced by the NFC. IRS employees currently use the NFC EPP to view their payroll, leave, health and life insurance, Statements of Earnings and Leave, Personal Benefits Statement, W-2, and other personal information online. The NFC EPP is available 24 hours a day, 7 days a week from any computer (e.g. work, home, library, kiosk, IRS Business Center) or portable device with internet access (e.g. Blackberry, iPhone, iPad, Android, etc.). Unlike the EEX system, the NFC EPP shows most payroll changes by the next business day as opposed to the next pay period under the EEX.

The current version of the NFC EPP does not provide an automated telephone access. Accordingly, once the IRS transitions from the EEX system, employees will be required to process their payroll transactions online, unless a valid exception exists.

The current version of the NFC EPP does not provide the following functionalities:

- Combined Federal Campaign (CFC) contributions during the campaign season,

- Voluntary discretionary allotments, and
- FEHB Qualifying Life Events (outside of open season).

The IRS has initiated the appropriate change requests (CR) to modify the NFC EPP so that it includes these three (3) functionalities. However, the CFC functionality will not be ready prior to the fiscal year (FY) 2012 CFC campaign. Accordingly, the IRS has determined it will not delay the transition to the NFC EPP because of the lack of CFC functionality. Instead, the IRS will provide employees with paper forms and confidential submission envelopes for the FY 2012 CFC campaign to ensure there is no disruption to those CFC campaigns utilizing electronic contributions. The IRS will ensure all employee contributions to the CFC remain confidential.

IRS will however, delay the transition to the NFC EPP until the current version of the NFC EPP contains transactional histories, the required jurat statement (i.e., the statement requiring an employee to affirm that the information submitted by the employee is true and accurate) on the Form W-4, or is able to process Discretionary Allotments or the FEHB Qualifying Life Events function(s).

IRS has provided verification the NFC EPP is compliant with Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 (d).

The IRS will initiate communications to inform employees of the elimination of the EEX and the transition to the NFC EPP via normal communication channels. In addition, IRS will develop and provide employees with "job aides" on the use of the NFC EPP and maintain additional guidance on the Employee Resource Center.

- The communication will also be mailed to the home address of any employee in non-pay or extended leave status as noted in TIMIS. The communication will explain the change from EEX to the NFC EPP. The communication will inform employees of the need to obtain a user name and password for the NFC EPP and an overview of the systems' capabilities.
- Include remarks about the initiative on the Statement of Earnings and Leave.
- Develop an e-learning self-study course on ELMS for all employees to familiarize them with the NFC EPP. Upon completion, credit will be posted in ELMS history.
- Issue IRWeb articles regarding the transition from EEX to NFC EPP for all discretionary payroll actions.
- Send out the attached all-employee email notification.
- Posters/flyers displayed in the workplace

- **New Hire Orientations**
- **Work with business units to publish articles in newsletters and on websites.**
- **Work with Campus Site Coordinators to market the NFC EPP through CCTV.**

IRS does not anticipate the changes described in this MOU will result in an adverse impact on the working conditions of employees (e.g., reductions in staffing levels, changes in work stations, downgrades, tour of duty, job loss, AWS/Flexiplace schedules, etc). IRS also does not anticipate the changes in this initiative will result in changes to position descriptions or existing Critical Job Elements (CJEs) of impacted BU employees.

In order to implement the above described initiative, the IRS and NTEU (the Parties) agree to the following provisions:

1. **This MOU, once finalized, will be communicated electronically to all impacted employees and posted on the Employee Resource Center (ERC). The Employer will ensure hard copies of this MOU will be provided to all impacted employees who do not have routine access to the IRS Intranet. Subject to workload requirements, employees will be provided with a reasonable amount of administrative time to review the MOU. The ERC will also be available for assistance. The Employer will encourage discussion of the transition from the EEX to the NFC EPP during regularly-scheduled group meetings and will provide NTEU notice of such meetings as required by the Parties 2009 NA II or the Statute. The Employer will develop briefing materials to explain the reasons for the implementation, any NFC EPP registration procedures (i.e., user id and password requirements), and procedures for obtaining guidance and assistance via the ERC.**
2. **Prior to implementation, the Employer will provide a demonstration of the NFC EPP via CENTRA to two (2) NTEU representatives, selected by NTEU, from each impacted Chapter.**
3. **IRS will not implement the NFC EPP unless or until IRS is able to provide NTEU with the specific written notice that the NFC EPP includes the following functionalities:**
 - a) **Discretionary allotments, and**
 - b) **FEHB Qualifying Life Events.**

4. Prior to implementation of NFC EPP IRS will create and ensure that the "business centers" and Kiosks agreed to by the Parties in Article 11, Section 21 of the Parties' 2009 NA II are in place, working and accessible by employees.
5. Within 60 days of implementation, employees may request a reasonable amount of duty time to complete any requirements necessary for initial set up of their NFC EPP account. Such requests shall normally be granted and shall not unreasonably be denied. Where the employee does not have routine access to a government-issued computer (i.e., W&I), the employee, upon request, may be granted additional time from their managers to set up their NFC EPP accounts, subject to workload requirements.
6. The Parties agree that an employee's completion of discretionary payroll actions via the NFC EPP is an appropriate activity that may be performed on government-issued computers, at business centers, and kiosks pursuant to the terms and conditions of Article 11, Sec 21 of the Parties' 2009 NA II and the IRS policy on limited personal use of government IT resources.
7. Appropriate training will be provided in accordance with the terms of this MOU and pursuant to Article 30 of the Parties' 2009 NA II. If after completing this training, an employee has additional questions or requires additional guidance, the employee is encouraged to discuss training needs with their manager.
8. IRS will ensure that in the event an employee is incapacitated and unable to access NFC EPP that the employee's designated representative (e.g., spouse, attorney, conservator, etc.) shall have access to or the ability to obtain copies of the employee's payroll information.
9. In the event that IRS seeks to implement a new IRM or append existing IRMs to include or otherwise cover the use of the NFC EPP which impacts bargaining unit employees, and if such impact triggers an obligation to bargain, the Agency shall give National NTEU notice and opportunity to bargain such changes pursuant to Article 47 of the Parties' 2009 NA II.
10. It is the intention of the Parties to cover all reasonably foreseeable adverse impact related to this MOU. Moreover, the Employer does not anticipate any adverse impact, beyond that addressed herein, to result from the implementation

of this initiative. However, should either the Employer or the Parties via paragraph 12 below, identify adverse impact post implementation of this MOU, the Employer will provide notice to and bargain with the NTEU over such impact in accordance with Article 47 of the Parties' 2009 NA II and any applicable law, rule or regulation.


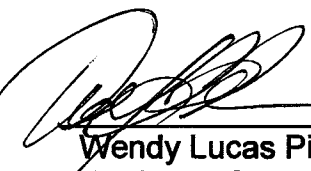
11. If either Party becomes aware of significant unanticipated problems/adverse impact post implementation of this MOU that Party (the Employer or the Union) shall inform the other. The Parties will thereafter meet, as soon as practicable, to discuss and attempt to resolve the identified problems/adverse impact.

12. Either Party may reopen this agreement one (1) year from the date this agreement becomes effective. The Party making the request will notify the other Party of their intent to reopen no later than thirty (30) days following the date that the one (1) year period tolls.

13. This MOU becomes effective thirty-one (31) calendar days from this Agreement's execution date or upon Agency Head Approval, whichever is earlier. This MOU will terminate two (2) years from the date of execution, or upon expiration of the Parties' 2009 NA II, whichever is earlier.

For the Agency:

For the Union:

 _____ Mary Beth Murphy Director, Employee Support Services Agency Wide Shared Services (AWSS) IRS	 _____ Wendy Lucas Pisman Assistant Counsel for Negotiations National Treasury Employees Union
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1-9-12
Date

1/12/12
Date