



October 15, 2024

Mr. Edmund A. Carley
National President
United Postmasters and Managers of America
8 Herbert Street
Alexandria, VA 22305-2628

Certified Mail Number
9589 0710 5270 0684 7725 35

Dear Edmund:

This is in further reference to the Postal Service's September proposal (enclosed) and October 10 decision (enclosed) to revise the Pay-for-Performance (PFP) matrices for fiscal year (FY) 2024.

The October 10 decision letter stated that the Postal Service would establish the pay matrices that were provided among the September 2024 proposal.

We provided multiple matrices within the September proposal to include matrices from prior years. With the intent of conveying how the Postal Service reached its decision while also preventing any misunderstandings of the pay matrices for FY2024, we added the matrices to the decision letter rather than providing attachments.

Unfortunately, the FY2024 pay matrices were inconsistent with the September proposal and displayed several errors. Specifically, incorrect percentages were displayed in cells 4 and 5 of the matrix for headquarters employees and incorrect percentages were displayed in cells 3 and 4 of the matrix for field employees. These percentages have been corrected and are reflected below.

Headquarters employees FY2024

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	3.0%	4.0%	5.0% 4.5%	6.0% 5.0%

NPA 10-Cell Matrix FY2024 (Lump Sum Variable Pay)

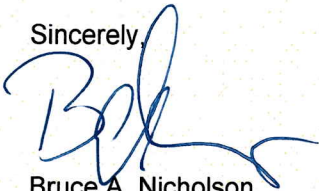
Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%

Field Employees FY2024

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	3.0% 2.0%	3.5% 3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%

Please contact me if you have any questions concerning this matter.

Sincerely,



Bruce A. Nicholson
Director
Labor Relations Policies and Programs

Nonbargaining PFP Compensation

Field Employees (PES System) – 4.0% Target Payout

Current

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	2.0%	2.5%	3.0%	4.0%	5.0%	6.0%	7.5%	9.0%

Proposed

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%
% Var	0.0%	0.0%	0.0%	0.5%	1.0%	1.0%	1.0%	1.0%	0.5%	0.0%

Target/base salary increase set at 4.0% for FY24

HQ Employees (Performance Pilot)- 4.0% Target Payout

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	2.0%	3.0%	3.5%	4.0%

Current

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	3.0%	4.0%	4.5%	5.0%
% Var	0.0%	1.0%	1.0%	1.0%	1.0%

Proposed

Target/base salary increase set at 4.0% for FY24

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	0.0%	2.0%	2.5%	3.0%	3.5%	4.0%	5.0%

Current

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%
% Var	0.0%	0.0%	0.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Proposed

FY2023 PFP Matrices

PES PFP Program

NPA 10-Cell Matrix (% Merit Increase)

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	8.5%	9.0%

Performance Pilot Program

Individual Performance 5-Cell matrix (% Merit Increase)

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	3.0%	5.0%	5.5%	6.0%

NPA 10-Cell Matrix (Lump Sum Variable Pay)

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%



October 10, 2024

Mr. Edmund A. Carley
National President
United Postmasters and Managers of America
8 Herbert Street
Alexandria, VA 22305-2628

Dear Edmund:

This is concerning the Postal Service's September 2024 proposal to revise the Pay-for-Performance (PFP) matrices for fiscal year (FY) 2024 and the recommendation that you provided to that proposal. Your recommendation was for the Postal Service to continue with the same PFP matrices that were modified for the prior fiscal year.

The Postal Service has reviewed your recommendations and has decided not to adopt it. The reason for this decision is based on several factors. The Postal Service, following pay consultation with UPMA in 2021, established the following FY2022 PFP matrix for field employees and established the PFP pay matrix for headquarters employees as part of the PFP pilot. The percentages in those pay matrices are less than the matrices that are proposed for FY2024 and is provided below.

Field Employees FY2022

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	2.0%	2.5%	3.0%	4.0%	5.0%	6.0%	7.5%	9.0%

Headquarters Employees FY2022

Individual Performance 5-Cell matrix (% Merit Increase)					
Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	2.0%	3.0%	3.5%	4.0%

NPA 10-Cell Matrix FY2022 (Lump Sum Variable Pay)

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	0.0%	2.0%	2.5%	3.0%	3.5%	4.0%	5.0%

The Postal Service increased the percentage payouts for FY2023 in response to record inflation in 2022 that continued into 2023. Inflation forecasts have shown a decline throughout 2024. Private sector employers have reacted to these reductions and are planning for average pay raises to be less than last year.

The Postal Service's proposed matrices are an increase to the established pay matrices for FY2022 and are consistent with the private sector. Additionally, the federal sector average pay raises for 2025 are planned at only 2.0%.

The Postal Service will establish the following pay matrices included among its September 2024 proposal and is provided immediately below:

Field Employees

Cell	1	2	3	4	5	6	7	8	9	10
Base Salary Increase	0.0%	0.0%	3.0%	3.5%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%

Headquarters employees

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	3.0%	4.0%	5.0%	6.0%

NPA 10-Cell Matrix (Lump Sum Variable Pay)

Functional Scorecard NPA Rating	1	2	3	4	5	6	7	8	9	10
Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%

Please contact James Timmons at extension 2324 if you have any questions concerning this matter.

Sincerely,


 for Bruce A. Nicholson
 Director
 Labor Relations Policies and Programs