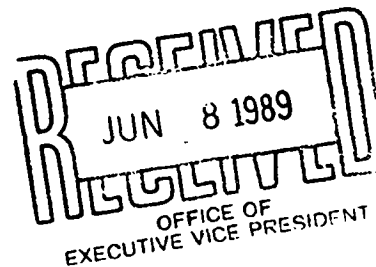




UNITED STATES POSTAL SERVICE
 Labor Relations Department
 475 L'Enfant Plaza, SW
 Washington, DC 20260-4100

June 5, 1989

Mr. William Burrus
 Executive Vice President
 American Postal Workers
 Union, AFL-CIO
 1300 L Street, NW
 Washington, DC 20005-4107



Dear Bill:

This is in further response to your inquiry regarding the right of the Inspection Service to withhold employees' salary checks when issued letters of demand. Additionally, you were concerned as to the right of the employer to attach employee retirement funds when financially indebted to the U.S. Postal Service.

It is our understanding that the Inspection Service may not withhold employees' salary checks. In seeking to collect a debt from a collective bargaining unit employee, the U.S. Postal Service adheres to the procedural requirements governing the collection of debts as specified in Article 28, Employer Claims, of the National Agreement, and ELM 460, Collection of Postal Debts from Bargaining Unit Employees.

With regard to employee retirement funds, when a U.S. Postal Service employee separates and the full debt owed by the employee cannot be collected at the time of separation, the debt is recovered from any available retirement or disability payments due to the former employee, consistent with ELM 465.3 and 5 C.F.R., Section 831.

Should you have any further questions concerning this matter, please contact Harvey White of my staff at 268-3831.

Sincerely,

Joseph J. Mahon, Jr.
 Assistant Postmaster General



American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

March 29, 1989

William Burrus
Executive Vice President
(202) 842-4246


Dear Mr. Mahon:

I have received a number of recent inquiries regarding the right of the Inspection Service to withhold employees' salary checks when employees have been issued letters of demand.

In addition, other employee are being advised that the amount of their debts to the Postal Service will be deducted from their retirement fund. In that the parties have agreed to specific contractual language dealing with repayment procedures for employees financially liable, it is inappropriate for the Inspection Service to intervene in the withholding of such funds from employees' salary checks. It is also my understanding that an employee's retirement funds cannot be attached by the employing agency. Enclosed is a copy of a letter of demand from a postal inspector relative to this procedure.

Please review and advise of the regulations empowering the Postal Service to take this action.

Sincerely,



William Burrus
Executive Vice President

Joseph Mahon
Asst. Postmaster General
U.S. Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-4100

WB:rb

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