

Memorandum of Understanding
between
Tennessee Valley Authority
and the
United Government Security Officers of America
regarding
Four-Classification Pay Structure with Schedules of Basic Salary Rates
for Fiscal Years 2012 and 2013, Determining Pay for Fiscal Years 2014 - 2016
and New Overtime Rule

Tennessee Valley Authority (TVA) and the United Government Security Officers of America (UGSOA) agree to discontinue the current pay structure and progression plan (within-grade rates) and establish a new, four-classification pay structure for Nuclear Security Officers (NSOs) effective upon execution of this Memorandum of Understanding (MOU).

Classifications and the New Pay Structure

NSO-Trainee *	<ul style="list-style-type: none"> • New hire/in training to become NSO
NSO-Probationary *	<ul style="list-style-type: none"> • Qualified NSO (classification used during the probationary period) • May be assigned to any post, duty or work assignment for which he/she is qualified
NSO *	<ul style="list-style-type: none"> • Qualified NSO • May be assigned to any post, duty or work assignment for which he/she is qualified
Senior NSO *	<ul style="list-style-type: none"> • Qualified NSO with a minimum of four years experience performing Tactical Response Drills and Force on Force exercises as an Armed Responder • Administers on-the-job training for NSO-Trainees • May be assigned to any post, duty or work assignment for which he/she is qualified

* See applicable Position Description for details

Eligibility for Promotion

An employee's eligibility for promotion is dependent upon his/her attainment and maintenance of all of the following: (1) meets all minimum requirements of the new position; (2) Satisfactory or better performance; and (3) no more than two remediations for annual requalification.

Pay for Fiscal Years 2012 and 2013

The new, four-classification pay structure will become effective with the pay period beginning after the execution of this MOU. TVA and the UGSOA recognize that implementation will require adjustments to existing structures and acknowledge that retroactive payments may result from the transition to the new, four-classification pay structure.

The Schedules of Basic Salary Rates for Fiscal Years 2012 and 2013 are attached.

Transition

Except as otherwise provided below, all within-grade step increases will be discontinued effective with the pay period beginning after the execution of this MOU.

1. Employees currently classified as NSO Trainees will remain in that classification.
2. Employees currently classified as NSO and who have not completed their probationary period as defined in the Collective Bargaining Agreement between TVA and the UGSOA will be reclassified as NSO-Probationary.
3. Employees currently classified as NSO and who have less than four years experience performing Tactical Response Drills and Force on Force exercises as an Armed Responder will remain in the NSO classification.
 - Employees currently on Step 4 and who have less than four years experience as described herein will receive an increase of \$2592 on the currently established within-grade due date, provided their performance is Satisfactory or better.
4. Employees currently classified as NSO and who have four or more years experience performing Tactical Response Drills and Force on Force exercises as an Armed Responder will be reclassified as Senior NSO.

Determining Pay for Fiscal Years 2014 through 2016

Once every three years, beginning in 2013 for FY 2014 rates, the parties will collect salary and wage data from utilities with comparable nuclear security work in the Nuclear Regulatory Commission's Region 2 geographic area. This data will be used as the basis for negotiations of the basic salary rate for the Senior NSO position.

Once the basic salary rate for the Senior NSO position is determined, the following pay differentials will be applied:

NSO-Trainee	55 percent of the Senior NSO rate
NSO-Probationary	70 percent of the Senior NSO rate
NSO	80 percent of the Senior NSO rate

For FYs 2015 and 2016, the basic salary rate for the Senior NSO position will be adjusted by an amount agreed upon by the parties during negotiations for FY 2014.

The pay differentials set forth above also will be applied for FYs 2015 and 2016.


New Overtime Rule

If an employee takes four or more hours of paid leave (e.g., sick leave or annual leave) during the workweek, the employee will not be eligible for overtime at the time-and-one-half (1.5) rate until he/she has worked in excess of 36 hours in the workweek with three scheduled straight time days for 12-hour shift employees, or in excess of 40 hours in a workweek with 40 hours scheduled straight-time work. In such cases, the employee will be paid at the straight time rate until actual hours worked exceed the number of scheduled straight-time hours for the workweek, i.e., 36 or 40 straight-time hours, respectively.

This new overtime rule and the new classification structure set forth herein are considered to be modifications to the collective bargaining agreement.

This MOU is for the limited purposes contained herein and is non-precedent setting.

Except as specified herein, this MOU shall remain in effect through September 30, 2013.

By:  2/27/12
(Dated)

Peyton T. Hairston, Jr.
Senior Vice President
Diversity and Labor Relations
Tennessee Valley Authority

By:  2-26-12
(Dated)

Eric McMillen
International Representative
United Government Security
Officers of America