

SETTLEMENT AGREEMENT

The National VA Council-American Federation of Government Employees ("AFGE" or "the Union") and the Department of Veterans Affairs, ("Agency" or "VA"), hereby agree to settle all disputes arising out of AFGE's National Grievance 04/09/2010 entitled "Improperly denying and failing to reimburse part-time employees eligible for Sunday premium pay as ordered by the Federal Circuit Court in Fathauer v. United States, 566 F.3d 1352 (Fed. Cir. 2009) and OPM guidance OPM 2009-2 ("National Grievance"), in accordance with the following terms and conditions.

I. Withdrawal of Grievance

By execution of this settlement agreement (hereafter "Agreement" or "Settlement Agreement"), AFGE voluntarily withdraws the National Grievance and waives any and all actions, claims, complaints, grievances, appeals or proceedings of whatever nature arising from the allegations contained in the National Grievance, with the exception of any grievances that may arise by reason of breach of any term of this Settlement Agreement. AFGE agrees to promptly provide any document or take other action necessary to effectuate the withdrawal or dismissal of the National Grievance.

II. Terms of Settlement

By execution of this Agreement, AFGE and VA (collectively the "parties") have agreed to the following:

- A. The VA agrees to accept written claims for unpaid Sunday premium pay retroactive 6 years from the date of the filing of the National Grievance on April 9, 2010, unless a written claim was previously filed from this date.
- B. All claims must be processed as soon as possible. If claims are not processed within 90 days of receipt of a written claim, HR offices must issue claimants an interim response with an expected date or timeframe of payment or final decision. HR and payroll offices must maintain a record of the actions taken on all claims received, whether paid or unpaid.
- C. The Agency will follow the notice requirements as outlined in Section 3B of the HRML. Upon receipt of returned mail to the Agency for lack of forwarding address, the Agency will notify the Union of the employees affected and the Union will provide, if available, any updated address information to the Agency so that it can make a second attempt at notice.

- D. In the event that an AFGE representative and/or bargaining unit employee has filed a written claim and an issue arises that cannot be resolved at the local level, the local HR office and/or the AFGE National or District Representative will utilize the regional contact information in the HRML to resolve process of the claim. (See Attachment B for the contact information).
- E. The Fathauer HRML recognizes that the automated identification process attempts to identify all potentially eligible part-time employees. The parties understand that in some instances, potentially eligible part-time employees may not have been identified due to coding errors or other unusual circumstances. Upon request, the VA will work with AFGE to address these concerns.

III. Stipulations

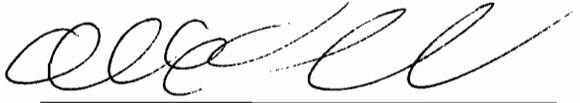
The parties further stipulate and agree that:

- A. The parties have entered into this Settlement Agreement freely and voluntarily.
- B. This Settlement Agreement does not constitute an admission of guilt, fault or wrongdoing by either party.
- C. The obligations of the parties specified above constitute consideration sufficient to render this Agreement enforceable by either party.
- D. This Settlement Agreement shall not serve as precedent for resolving any other complaints, grievances, appeals or actions that may be filed.
- E. This Settlement Agreement constitutes the entire understanding between the parties regarding the resolution and settlement of the National Grievance, and there are no other terms or commitments, verbal or written, regarding the settlement of the National Grievance.
- F. The Agency or the Union may submit this Agreement as evidence of withdrawal of the National Grievance or as evidence of AFGE's waiver of any and all actions, claims, complaints, grievances, appeals or proceedings of whatever nature arising from the allegations contained in the National Grievance.
- G. Either party may bring a claim in the form of a grievance arising by reason of breach of any term of this Settlement Agreement.

H. This Settlement Agreement may not be modified except by a written agreement signed by the undersigned herein.

For the Union

Date: _____

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

For the Agency

Date: 8/15/10