



American Federation of Government Employees
Local 476

Affiliated with AFL-CIO

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MEMORANDUM FOR: Anita Crews, Human Resource Specialist (ER/LR)

FROM: Jerry Gross, Steward, AFGE Local 476

SUBJECT: Demand to Bargain – Transit Subsidy Benefits Update

AFGE Local 476 submitted a demand to bargain over the issue of transit subsidy benefits afforded to bargaining unit employees on February 12, 2016. Our original proposals included the following provisions:

1. HUD will immediately raise the current transit subsidy offered to AFGE Local 476 bargaining unit employees to the maximum amount allowed by federal law and regulation.
2. HUD shall expand the transportation fringe benefit program to include both a transit subsidy and a qualified parking subsidy.
3. HUD will permit qualified employees to participate in both the transit subsidy and the qualified parking subsidy simultaneously in accordance with 26 CFR § 1.132-9 A-1(b). (“An employer may simultaneously provide an employee with any one or more of these three benefits.”)
4. HUD will immediately adjust the value of the subsidies offered whenever the maximum allowed is changed by federal law or regulation.

On March 24, 2016, HUD responded that the Department considered bargaining to be premature and declined to negotiate at that time. On March 31, HUD announced that the transit subsidy would be increased to \$255, the maximum amount allowed by law, effective May 1, 2016.

We add the following proposals at this time:

5. HUD will provide bargaining unit employees with the retroactive pre-tax transit benefits to cover all periods allowed under current law:
 - a. An increase from \$130 to \$255 for the period January 1 through April 30, 2016.
 - b. An increase from \$130 to \$250 for the period January 1 through December 31, 2015.
6. HUD will respond in writing within ten days to proposals 2 through 5.

HUD’s unilateral implementation of the transit subsidy increase clearly shows that bargaining was not “premature” and that it would be timely to engage in bargaining now.