Date

Name

Address

**Re: FRONT PAY DAMAGES**

Too whom it may concern:

I have prepared a valuation of the salary and benefits I would lose due to the refusal/inability of the United States Postal Service (USPS) to place/reinstate me into the position I once held (but for the retaliatory/discriminatory termination) as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ stationed in the city of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, state of \_\_\_\_\_\_. Had I remained employed and/or been reinstated into the position I would have worked for an additional \_\_\_ years (from today) until my retirement age of \_\_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. I am currently as have I always been willing and able to return to duty with disability accommodation thus the decision not to reinstate me into my previous position outside of the influence/supervision of employees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hostile/abusive work environment facilitators) is the sole decision of the USPS. This refusal to reinstate justifies payment/award of front pay calculated to the month of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, year of \_\_\_\_\_\_\_\_\_.

The list and basis for my assumptions is contained on the attached report.

The calculation of front pay damages I would have earned in the future while employed with the USPS in my previous position follows in this report. Predicting the future is difficult but with Federal employees (like myself) employed with the USPS made the process simple due to the existence of clearly defined wage/salary charts earned by civil servants including premium payments (working Sunday), shift differential (for working after daylight hours) and overtime (for regularly/often mandated work over 8 hours in a day) I received and would have continued to receive at all times until my retirement. I currently would be a grade \_\_\_\_\_ step \_\_\_\_\_ with an annual leave category \_\_\_ as I progressed to a step \_\_\_ at the expiration of \_\_\_ more years of service had I either never been subject to the unlawful act(s) of the USPS and/or been reinstated.

I would have also continued to participate in all of the well-defined benefits available to me. These benefits include a Thrift Savings Plan (TSP) into which the USPS contributed 5% of my salary as to match my contribution of 5%. The USPS also makes a pension contribution on my behalf of 1.1% per year of service. The USPS also paid a life insurance premium on my behalf which I would have continued throughout the front pay period with no inflation.

I also would have continued to earn/accrue vacation/personal annual leave at a rate of \_\_\_ hours per each 26 pay periods every year carrying over the 440 hours maximum.

After determining all of these factors I projected how much pay and benefits I would have earned (front pay) from Sunday January 6, 2019 (start of USPS pay period #1) to my age \_\_\_ retirement (ending of USPS pay period #\_\_\_). The total was $,$$$,$$$.$$ (before dollar value adjustment, see below for adjusted value).

I receive FERS disability retirement benefits which are not to be accounted for in offsetting lost front pay amounts as the courts have decided (see attached case **13-3415 - Sansone v. Brennan** 9/7/2017) stating “Sansone and the Postal Service seek to rely on the decision in United States Can Co. v. NLRB, 254 F.3d 626 (7th Cir. 2001) in claimed support of their opposing arguments on the applicability or non-applicability of the "collateral source" doctrine. But what is most significant for current purposes is the recognition in United States Can, id. at 633-34 of the Court of Appeals' earlier decision in EEOC v. O'Grady, 857 F.2d 383, 391 (7th Cir. 1988), which teaches in relevant part: "We do not agree with defendants' arguments that the pension payments in this case should be offset. First, the pension benefits may be viewed as earned by the claimants and therefore not paid by the employer at all. Like an insurance policy provided by an employer, the pension benefits here were part of the claimants' compensation. See In re Air Crash Disaster Near Chicago, Illinois, On May 25, 1979, 809 F.2d 304, 308 (7th Cir. 1986) ("[I]nsurance was as much a part of the compensation [the former employee] received from his employer as were his salary, fringe benefits, and pension benefits") (emphasis added). Furthermore, in (see attached) **Ghannam v USAID** (#04A40007 dated June 22, 2004) states "The Commission finds that given the parties' positions that receipt of disability retirement constitutes mitigation of damages, and given that petitioner's disability annuity commenced on September 28, 1996, petitioner began mitigation of damages through disability retirement on or about September 28, 1996. The Commission finds that there is insufficient evidence to prove that petitioner would have been on disability retirement in September 1996, had she not been denied reasonable accommodation by the agency."

Thus my continued receipt (effective month \_\_\_\_\_\_\_\_\_\_\_\_, year \_\_\_\_\_\_\_\_\_) of OPM disability retirement through reaching age 62 constitutes my having met the burden of mitigating damages with respect to seeking/obtaining employment income. I would have continued working until date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at age \_\_\_\_\_\_ with the USPS to maximize my Federal Service retirement of \_\_\_\_ years of service.

The last step is to compute the present value of the benefits I would have received in the future. The principle involved is that a dollar received 20 years from now is not worth its face value and to fairly compensate someone for the loss of a future dollar I need to reduce it to the present value which, if invested, would produce the face amount by the time it is to be received. To determine the discount rate I noted the time period involved is approximately 20 years so I used the yield on a 20-year treasury bond, because I would invest without undue risk. The result of my present value computation was to reduce the damages to $,$$$,$$$.$$. This amount should be increased to account for interest (at the current Treasury rate) starting the pay period after back pay with interest has been paid until the full front pay amount above has been paid in the event the USPS is found to not have paid the exact amount of front pay it should have.

This report is a recap and explanation of findings but is incomplete without and must be read with all attachments, calculations and statements of assumptions.

Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Enclosures - As stated

Name

CALCULATION OF FUTURE LOST SALARY AND BENEFITS

FAILURE/REFUSAL TO REINSTATE EMPLOYMENT BY THE USPS

1/9/2019

ASSUMPTIONS AND DATA

|  |  |  |  |
| --- | --- | --- | --- |
| Key Dates, Ages and Dollar Amounts |  |  |  |
|  |  |  |  |
| Date of valuation |  | 1/9/2019 | A |
| Birth date |  | X/XX/19XX | B |
| Current age  |  | XX | A-B |
| Date of change to current grade and step level |  | X/X/2019 | C |
| First date of USPS service |  | X/X/XXXX | D |
| Date USPS reinstatement offer due/expired |  | 0/00/0000 | E |
| First date of Federal Service |  | X/XX/XXXX | F |
| Retirement date  |  | X/XX/XXXX | G |
| Retirement age  |  | XX | G & B |
| Years in Federal Service to retirement date |  | XX | G & F |
| **Key Rates** |  |  |  |
| Inflation rate (see attached inflation calculator) |  | 2.58% |  |
| Discount factor rate on 20-year treasury bill (see attached yield chart)  |  | 2.86% |  |
|  |  |  |  |

Statistics Regarding Pay and Benefits

Current base pay level - Grade \_\_ step \_\_\_ (see attached salary table) = $\_\_\_\_\_\_\_\_\_\_

Premium pay for Sunday $\_\_\_\_\_\_\_\_\_\_, Overtime $\_\_\_\_\_\_\_\_\_\_\_\_, Shift Differential $\_\_\_\_\_\_\_\_\_\_\_ = total $\_\_\_\_\_\_\_\_\_\_\_\_\_

Pay rates per attached Salary Table 2019

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Step | Term of Pay | Year of Raise | Base Pay | Premium | Total | AL cash out |
|  | 1/6/2019 | 2019 | $ | $ | $ |  |
|  | 1/5/2020 |  | $ | $ | $ |  |
|  | 1/6/2021 |  | $ | $ | $ |  |
|  | 1/5/2022 |  | $ | $ | $ |  |
|  | 1/6/2023 |  | $ | $ | $ |  |
|  | 1/5/2024 |  | $ | $ | $ |  |
|  | 1/6/2025 |  | $ | $ | $ |  |
|  | 1/5/2026 |  | $ | $ | $ |  |
|  | 1/6/20272 pay periods |  | 2 pay periods | $2 pay periods | $2 pay periods | 440 hrs cash out $$,$$$  |

Life insurance paid by USPS = $218 yearly

Annual leave category 8 due to over 15 years of service = 208 per year earned

Hours used to determine hourly rate = 2080 hours per work year

TSP matching rate by USPS = 5%

**CALCULATION OF LOST FUTURE SALARY AND BENEFITS**

 **1 2 3 4 5**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Pay** | **AL cash out** | **TSP matching** | **Retirement Plan 1.1%** | **Life Insuran** | **Total Pay/Benefit** |
| 2019 | $,$$$.$$ Per Pay Period |  | $$$.$$ PP | $$.$$ PP | $.$$ PP | $,$$$ PP |
| 2020 | $$,$$$.$$ year |  | $,$$$.$$year | $year | $year | $year |
| 2021 | $ | $ | $ | $ | $ | $ |
| 2022 | $ | $ | $ | $ | $ | $ |
| 2023 | $ | $ | $ | $ | $ | $ |
| 2024 | $ | $ | $ | $ | $ | $ |
| 2025 | $ | $ | $ | $ | $ | $ |
| 2026 | $ | $ | $ | $ | $ | $ |
| 2027 | $ | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ | $ |

Present value of lost future salary and benefits discounted using 20-year US Treasury rate = $,$$$,$$$.$$

1) 2019 (pay period 1) at grade \_\_ step \_\_\_ with increase after \_\_ years to a \_\_\_ step \_\_ (pay period 1) of year \_\_\_\_\_ then increased to a grade \_\_\_ step \_\_\_ (pay period 1) of year \_\_\_\_\_\_ then no increase thereafter.

2) I continue to carry over the 440 hours to year \_\_\_\_\_\_.

3) Given my TSP contribution would remain at 5% and the USPS would continue at a matching 5%.

4) Assume pension contribution of 1.1% for would remain unchanged for regular Federal employees.

5) Assume same payments would continue at the 2010 rate with no increases.