2010-2013 COMPENSATION AGREEMENT

I. EFFECTIVE DATE FOR CHANGES

Unless otherwise noted, changes shall be effective in pay period 6 in 2010. Unless otherwise noted, changes that are indicated to be made in subsequent years shall become effective in the first full pay period of the specified year.

For each pay period between pay period 6 and up to the pay period in which the 2010 pay structures and/or locality pay percentages are implemented, employees will be paid a lump sum payment, if the resulting structure or locality changes would have resulted in an increase to their adjusted base pay.

The lump sum payment will be 4.24% of the difference between the impacted portion of the employee's 2009 and 2010 adjusted pay for each pay period between pay period 6 and up to and including the pay period prior to implementation of the new locality rates and salary structures. Appropriate salary range minimums and maximums would apply.

II. ANNUAL PAY

A. Annual Structure Adjustment

1. The employer will increase the Corporate Grade basic pay minimums and basic pay maximums annually to meet the following levels above the Federal General Schedule pay scale:

	Percentage Above GS	
Pay Grades	Range Minimums	Range Maximums
CG-1 through CG-3	10%	30%
CG-4 through CG-6	10%	35%
CG-7 through CG-15	10%	40%

2. The employer will increase the Wage Grade and Printer basic pay minimums and basic pay maximums for the Washington DC area annually so that after the FDIC locality for Washington DC is added, the structures meet the following levels above the appropriate Department of Defense Civilian Personnel Management Service (DoD CPMS) Federal Wage System Appropriated Wage Schedules for the Washington DC wage area:

Pay Grades	Percentage Above Federal Printer or Wage Schedule Range Minimums	Range Maximums
WG or XP-1 through -3	10%	30%
WG or XP-4 through -6	10%	35%
WG or XP 7 or above	10%	40%

3. The minimum and maximum base pay for each FDIC CG, WG, or XP grade will be increased by the amount required to meet the identified percentages, as described above, for that grade.

4. Where the minimum or maximum base pay for an FDIC CG, WG, or XP grade exceeds the target percentage as described above, the CG, WG or XP minimum or maximum rate will not be reduced. On an annual basis, the rate will be raised no less than 1% until it meets the target percentage, as appropriate.

B. Annual Base Pay Adjustment

The Agreement reached by the parties on the Performance Management and Recognition (PMR) program shall remain in effect, and it shall continue to be posted on the FDIC intranet. Any negotiated revisions in that program shall be similarly posted on the FDIC intranet. Portions of that Agreement are excerpted below.

1. In the sixth pay period of 2010 and the fourth pay period of 2011, all employees (except as provided under subsection 4, below) shall receive total compensation payouts based upon which of the five groups they are assigned for the prior year's performance assessment conducted pursuant to the terms of the Memorandum of Understanding on the Performance Management and Recognition (PMR) Program (January 23, 2009). Such assessments shall be completed in a fair, objective and equitable manner. Pay adjustments will be provided to each employee as follows:

Group	Basic Pay Raise	Shares to Basic Pay	Lump Sum
V	4%	plus 2 shares	2.6%
IV	4%	plus 1 share	2.0%
III	4%	0 shares	1.35%
II	2%	0 shares	0
I	0%	0 shares	0

Any pay in excess of the salary grade maximum will be paid as 100 percent lump sum payment, including employees on "saved pay."

2. Pay pools will be established, and funding for share-based increases for each pool will be set at 1% of the basic pay of the employees in that pool. The value of each share (expressed as a percentage of salary) will be determined by dividing the 1% funding by the number of shares earned by employees in that pool.

3. Total Budget: The total budget amount allocated for each pay pool in 2010 and 2011 for the pay out, described above, shall be 7% of basic pay. This amount is 5% added to basic pay plus 2% of basic pay as a lump sum. In order to ensure fair distribution of this money, and stay within this budgetary allotment, the parties agree to the following rules:

   a. If there are so few employees in Groups IV and/or V that the Shares to Basic Pay become too large, then the payout to any employee shall be capped so that no employee receives more than 10% increase to basic pay. All money above that amount would be reallocated to the levels below in that pay pool.

   b. If there are too many employees in Group V in a pay pool so that the lump sum payments for the bargaining unit employees in that pay pool would exceed the 2% allocation, then the lump sum payments for those employees in Group V in that pay pool shall have their lump sum payments reduced pro rata until the lump sum payments to employees in that pool equals the 2% allocation. Similarly, if there are too few employees in Groups IV or V in a pay pool so that the lump sum payments for bargaining unit in that pool are under the 2% allocation, then employees in Group IV and V will have their lump sum payments increased pro rata until the 2% allocation is met.

4. Financial Institution Specialist (FIS): Those employees in the Corporate Employee Program, working as a FIS, shall receive pay raises on their anniversary date during 2010 and 2011 of 4% plus a lump sum payment of 1.35%. The current agreements on their career progression, and bonus at the completion of three years, will otherwise remain the same.

5. Data: Within a reasonable time after the completion of pay determinations, the EMPLOYER will provide the UNION with an electronic file identifying employee placement in each of the various pay groups that will provide the following fields: division/office, position title, pay plan, job series, grade, region, duty station, gender, race/national origin, age (DOB), average job standards rating and rating on each of the four behavioral standards; if there is some technical reason why the data cannot be provided in an electronic file, then the parties shall discuss in what form the information will be provided.

6. Grievances: Any grievance concerning matters covered by the Performance Management and Recognition program will be filed under the collective bargaining agreement. The regular grievance procedures of that agreement will apply, except that the grievance will be filed at the Step Two level. The time period for filing a grievance does not begin to run until the UNION has been provided with all information identified in subsection 5, above.

C. Locality Pay

1. Overview

   a. The parties agree to continue a locality pay program as an adjustment to basic pay called the Locality Pay Index (LPI). Cost of labor differences will be the foundation for the locality pay system, but adjustments to the cost of labor index will then be made, as described below, for localities where cost of living differences are significantly greater than cost of labor differences. The new locality pay rates shall be effective in the sixth pay period of 2010, and in the fourth pay period in each subsequent year, unless modified by the parties.

   b. For 2010 and 2011, the locality rate for each location is contained in Attachment A.

   c. For 2012 and 2013, the methodology used to calculate these new locality pay rates for all years of this agreement is described in subsection 2, below. The funding to be applied to this methodology for those years will be negotiated between the parties.

2. Methodology for Calculating Locality Pay Rates

   The FDIC will use the methodology set forth below to update annually the Locality Pay Index ("LPI") used to determine locality pay adjustments for all FDIC locations (all calculations will be made to the nearest four decimal places).

   a. Using data from the National Compensation Survey ("NCS") published annually by the Bureau of Labor Statistics on the target gap for the Federal Government's "Rest of U.S." ("RUS") locality pay area, calculate a three-year average NCS RUS target gap from the official published results for the three most recent NCS annual surveys available (for 2010, the surveys covering the GS locality pay for 2009 - 2011). Determine the percentage change between this new three-year average NCS RUS target gap and the three-year average NCS RUS target gap from the three NCS annual surveys last used as the basis for calculating the FDIC's LPI, using the following formula (to update the LPI for 2010, use the three-year average NCS RUS target gap from the official published results from the 2005 through 2007 NS surveys):

      (1 + most recent three-year average NCS RUS target gap) ÷ (1 + 2005-2007 average NCS RUS target gap) =
      Percentage Change from Previous Three-Year Average NCS RUS Target Gap

      2010 EXAMPLE (using 2009-2011 NCS data):

      1.2277 ÷ 1.1641 = 1.0546

b. Multiply the current FDIC RUS target gap (for 2010, use the 3.0 percent target gap previously established by the FDIC and NTEU as the basis for calculating the FDIC's 2007- 2009 LPI) by the percentage calculated in a., above, to determine a new three-year average FDIC RUS target gap to be used as the basis for the annual LPI update, using the following formula:

Quotient from Step a. x (1 + current FDIC RUS target gap) =
New FDIC RUS Target Gap

2010 EXAMPLE (using 2009-2011 NCS data):

1.0300 x 1.0546 = 1.0862

c. For each of the Federal Government's non-RUS locality pay areas in which the FDIC currently has an office, calculate three-year average NCS target gaps using the official published results from the three most recent NCS annual surveys available (for 2010, this is expected to be the 2009 - 2011 surveys). Determine the ratio of the three-year average NCS target gaps for each of those locality pay areas to the three-year average NCS RUS target gap calculated in Step a., using the following formula:

(1 + Three-Year NCS Average Target Gap for Individual Non-RUS Locality Pay Area) ÷
(1 + Most Recent Three-Year Average RUS Target Gap) =
Ratio (NCS Target Gap for Individual Non-RUS Location to NCS RUS Target Gap)

2010 EXAMPLE (Washington, DC):

1.5724 ÷ 1.2277 = 1.2808

d. For each of the Federal Government's non-RUS locality pay areas in which the FDIC currently has an office, multiply the ratio calculated in Step c., above, by the new FDIC RUS Target Gap calculated in Step b., above, to determine a new FDIC target gap for each non-RUS FDIC locality pay area, using the following formula:

(Ratio of the NCS Target Gap for Individual Non-RUS Location to the NCS RUS Target Gap) x New FDIC RUS Target Gap = New FDIC Target Gap for Individual Non-RUS Locality Pay Area

2010 EXAMPLE (Washington, DC):

1.2808 x 1.0862 = 1.3912

1.3912 – 1 = .3912 or 39.12%

e. Cost of Living Adjustment

Upward adjustments shall be made to the Initial LPI for localities where the cost of living differences are significantly higher than the cost of labor differences reflected in the Initial LPI. (No downward adjustments shall be made for locations where the cost of living is significantly lower than the cost of labor.) Upward adjustments shall be made in accordance with the following methodology:

Compare the Runzheimer cost-of-living percentage variance from "Standard City" for each FDIC location to the new three-year average FDIC target gap for each non-RUS location. If the Runzheimer percentage variance from "Standard City" exceeds the new three-year average FDIC non-RUS target gap by more than 10 percent, increase the FDIC non-RUS target gap by 50 percent of the difference to determine an adjusted new FDIC target gap for that locality pay area, using the following methodology:

(Runzheimer Cost-of Living Index for Individual Non-RUS Locality Pay Area - 100) – New FDIC Target Gap for Individual Non-RUS Locality Pay Area = X

If X > 10.50:

New FDIC Target Gap for Individual Non-RUS Locality Pay Area + ((Runzheimer Cost-of Living Index for Individual Non-RUS Locality Pay Area - 100)/2) =
Adjusted New FDIC Target Gap for Individual Non-RUS Locality Pay Area

2010 EXAMPLE (Washington, DC):

(123.9 – 100) – 28.09 = (4.18)

Since the difference (negative 4.18) is less than 10, Washington does not receive a cost of living-based adjustment to its target gap.

2010 EXAMPLE (San Francisco, CA):

(160.7 – 100) – 30.32 = 30.38. 30.38/2 + 41.56 = 56.75

3. Communications

The parties agree to issue a joint explanation of the system to employees, and to post the calculations of the rates on the FDIC intranet. Employees will be given information on:

- Rates under old system
- NCS data (prior 3 years)
- Runzheimer data (current year)

III. PAY SETTING FOR PROMOTIONS

A. Employees who receive a promotion, and are at or below the maximum for their grade, will receive a 10% increase in basic pay or be placed at the minimum of the higher grade, whichever is greater.

B. Employees on retained or "saved pay" who have been in their lower grade for more than 24 months and are being re-promoted to a grade previously held, or to an intervening grade, shall receive a promotion increase of 6 percent of the basic salary range maximum of the grade from which they are being promoted, or will retain their current basic pay, if greater.

C. An employee may request a voluntary downgrade or change to lower grade.

1. If the employee has been in the higher graded position for a year or more, basic pay will be set at the lesser of the employee's current rate or the maximum of the lower grade. However, when an employee requests a change to a lower grade solely for personal reasons, and not for any benefit to the Corporation, then the employee's basic pay will be set at the rate immediately prior to the promotion, or the new range maximum, whichever is lower. As necessary, this rate will be adjusted to reflect any pay adjustment(s) received in the higher graded job. The same pay adjustment percentage(s) will be used to recompute the permanent basic rate of pay as long as the resulting rate does not exceed the new range maximum.

2. If the employee has been in the higher graded position for less than one year, basic pay will be set at the rate immediately prior to the promotion, or the new range maximum, whichever is lower. This rate will be adjusted to reflect any pay adjustment(s) received in the higher graded job. The same pay adjustment percentage(s) will be used to recompute the permanent basic rate of pay as long as the resulting rate does not exceed the new range maximum.

D. When an employee's temporary promotion ends, basic pay is set at the rate received immediately prior to being temporarily promoted, regardless of how long the employee has held the temporary promotion. This rate shall be increased to reflect pay increases (if any) received while temporarily promoted. The same pay adjustment percentage received while temporarily promoted will be used to recompute the permanent basic rate of pay as long as the resulting rate does not exceed the new range maximum.

IV. REWARDS AND RECOGNITION PROGRAM

The EMPLOYER will continue all provisions of its existing Rewards and Recognition Program, consistent with this Agreement.

V. BENEFITS

A. FDIC Savings Plan

The EMPLOYER will maintain current retirement programs, including the FDIC's Savings Plan. The EMPLOYER will continue to administer the FDIC Savings Plan and match employee contributions up to 5 percent of adjusted basic pay deferred into the Plan, to the extent allowed by law.

NTEU will continue to appoint a representative to serve on the FDIC Savings Plan Committee.

B. FDIC Flexible Cafeteria Benefits Plan (FDIC Choice)

1. The EMPLOYER will continue to offer a Flexible Cafeteria Benefits Plan, FDIC Choice. The EMPLOYER will pay 80 percent of the premium for dental and vision Standard Option. For High Option, the EMPLOYER will pay an amount equal to 80 percent of the premium for Standard Option. The FDIC Choice benefits shall include the following:

   a. Dental Insurance Options
      - Standard,
      - High (buy up),
      - Low (buy down), or
      - Waive coverage and receive Choice Credits

   b. Vision Insurance Options
      - Standard,
      - High (buy up), or
      - Waive coverage and receive Choice Credits

   c. Life Insurance Options
      - Basic, or
      - Waive Basic and receive Choice Credits (if not enrolled in FEGLI or NTEU Universal Life Insurance)

   d. Long-Term Disability (LTD) Insurance Options
      - Standard (at 60%), or
      - High (at 70%)

e. Flexible Spending Accounts (FSA)
   - Health Care FSA up to an annual maximum of $5000
   - Dependent Care FSA up to the statutory maximum

2. The EMPLOYER will continue to provide "Choice Credits."

   a. Employees may use these "credits" to "purchase" less expensive alternatives for one coverage and receive a cash credit, which may be used to purchase alternatives (e.g. additional life insurance). However, choice credits are not available to employees who elect Low Option Dental coverage.

   b. Employees may purchase enhanced benefits using their own funds or receive a predetermined taxable cash payment in return for any "excess" credits.

   c. Employees enrolled in FEGLI or NTEU Universal Life Plan may elect the Existing FDIC Life Plan but will not receive any credits.

   d. Employees may "opt out" of all but the FDIC long-term disability program.

   e. Reduced credits will be provided to employees who opt out of a benefit, except as noted in paragraph (d) above.

   f. The annual limit on Dental Services (Class I, II and III) will be increased on low/standard from $2000 to $3000, and from $2500 to $4000 on high option. (Effective pay period 1 in 2011)

   g. The Lifetime limit for Class IV Dental Services (Orthodontics) for low/standard option will increase to $2000, and High Option Dental coverage will increase from $2,500 to $4,000. (Effective pay period 1 in 2011)

   h. Prior to December 31st of the final year of this Agreement, the EMPLOYER may contract to extend the cafeteria benefits applicable at that time through December 31st of the following year.

C. FEHB Subsidy and Pre-Tax Deduction of Employee Premiums

1. The EMPLOYER will continue to provide for the deduction of the employee portion of Federal Employee Health Benefits (FEHB) premiums on a pre-tax basis, to the extent permitted by law.

2. For the life of the Agreement, the EMPLOYER will continue to pay 85% of the total weighted average premium for all FEHBP plans as determined by OPM, but not to exceed 88.75% for any individual plan, for all eligible full-time and part-time employees enrolled in any FEHB plan.

D. Other Benefits Programs

1. **FDIC Employee Life Insurance**

   The EMPLOYER will continue existing coverage and practices under the FDIC Life Insurance Program.

2. **Life Cycle Account**

   The Life Cycle Program shall be eliminated.

3. **Flexible Spending Account (FSA)**

   The EMPLOYER will continue to provide Flexible Spending Accounts (FSA) to employees in accordance with IRS guidelines, including the "grace period" provisions that permit contributions from the preceding Plan Year to reimburse eligible expenses incurred for services that occur in the 2 ½ months following the end of the Plan Year.

4. **Domestic Partner Program**

   The FDIC shall continue to offer Domestic Partner enrollment as agreed in a separate MOU, with the following enhancement: employees will be able to enroll under the Domestic Partner Program benefits at any time on or after the date that domestic partnership meets the eligibility conditions for participation under the program for the Health Insurance Premium Reimbursement, FDIC Relocation Program and FDIC Travel Accident Insurance. Employees would still have to wait until the next open enrollment period to change their status under the rules that apply to all employees for FEHB, FDIC Dental, Vision and Life Insurance.

VI. EFFECT OF GENERAL TRAVEL REGULATIONS

A. Introduction

The parties agree that any provisions of the existing General Travel Regulations (GTR's) are superseded by this Agreement to the extent they may be in conflict. All changes in Section VI shall be effective on January 1, 2010, unless otherwise noted.

B. Changes to Regular Duty Travel

1. **Frequent Traveler Lodging Stipend (FTLSP)**

   The stipend shall be maintained to provide $40 per night for each night spent in regular duty travel from the 51st to 70th night, and $50 for each night spent in regular duty travel status in excess of 70 nights, with no limit on the number of nights. This provision applies to regular duty travel beginning on or after January

1, 2010. All nights spent in authorized travel status shall be counted without exclusion.

2. **Lodging Allowance for "Friends and Family"**

   The payment rate for employees who stay-out but do not incur a lodging expense will be increased to $40 per night. The payment will continue to be taxable.

3. **Meal Stipend**

   An employee who is otherwise eligible to "stay out" and receive reimbursement for lodging and per diem in connection with an assignment, but who elects to forego such reimbursement and commute (all or part of) that assignment will receive a meal stipend of $15 for each day. The payment shall be a taxable expense.

4. **Special Meal Allowance**

   Revise the existing special meal allowance in the GTR to:

   a. raise the amount of the meal allowance from $6 and $10 to $15
   b. eliminate the requirement for receipts
   c. eliminate the requirement that the meal be eaten at the work site or at a restaurant near the work site

   The payment will continue to be taxable.

5. **Travel Time for DSC field employees**

   a. An employee eligible for compensatory time for travel who is on "home-based" telework may, subject to supervisory approval, establish his/her normal commute time based on his/her average commuting time to temporary assignments within the DCA around the employee's residence and his/her official duty station not eligible for lodging (stay-out), as well as trips to the official duty station, to the extent applicable.
   b. Additional guidance shall be developed.

6. **Clarification of Rule on Lodging Reimbursement**

   a. Require two 30 air mile circles for all employees, regardless of where they live in relation to their official station.
   b. Maintain rules on cost comparison for employees residing outside field office territory (GTR section 5G).

7. **Use of Rental Cars**

   Employees will continue to be authorized to use a rental car, and to receive reimbursement for the cost of rental and operation (including gas) in lieu of a personally-owned vehicle where it is shown in advance by the requesting employee to be cost effective to the Corporation.

8. **Stopover Rule**

   An employee is not eligible for reimbursement for mileage solely for driving to or from his/her official station. However, if he/she makes a brief stopover at the official station (for example, to drop off files or check mail) enroute to or from a temporary assignment, transportation and per diem, as applicable, are reimbursed for the entire trip between the residence and the temporary assignment. A "brief stopover" would normally be less than one hour in duration.

9. **Travel to Puerto Rico**

   Clarify the GTRs to explicitly provide that travel to Puerto Rico is covered by the 90 minute rule and by the same weekend travel rules as assignments within the continental U.S.

10. **Flex day as non-work day**

    Clarify Section 6.E.1 of the Regular Duty GTRs to explicitly include "flex days" as a "non-workday."

11. **Premium Class Airfare Requirements**

    a. In order to be eligible for premium class airfare, the flight time must be scheduled for a minimum of 10 hours and there must be less than 24 hours rest time between arriving at the destination and conducting work.
    b. The premium class travel authorization form must be filled out and submitted by all employees when requesting authorization to use business class or first class travel. The form may be transmitted electronically.

12. **On-line Booking Tool**

    In order to encourage employees to use the on-line booking tool for airfare, lodging and rental cars, the FDIC shall establish a one-year financial reward system to promote the on-line reservation system. Each month a first, second and third prize winner will be randomly selected from the list of travelers that booked their reservations on-line. First prize winner will receive $750, second prize will receive $500, and third prize will receive $350. Management may extend the option for a second year under the same terms.

13. **DCA Stay-Outs for Assignments Within 30 Air Miles**

Clarify the GTR rules to confirm management discretion to authorize non-taxable travel reimbursement of lodging and per diem for compelling business or safety reasons when the location of the assignment is within 30 air-miles of the assigned official station.

14. **Taxable Stay Outs Within the 15-30 Mile Circle**

Any eligible claim for lodging, lodging taxes, and per diem formerly reimbursed at 135% as referenced in the FDIC GTR under Section **5.J.3,** will now be reimbursed to reflect a true gross-up where the taxes will be paid on the employee's behalf. These expenses will continue to be taxable expenses.

C. Changes to Relocation Program

1. **Mortgage Subsidy**

Provide a mortgage subsidy to Tier 1 employees relocating to high cost areas.

a. The FDIC will determine "high cost" locations based on the 2009 Runzheimer International data of all FDIC locations. Areas will be considered high cost when their Runzheimer cost-of-living indices, based on the FDIC's "profiled employee," are 10% or more above the Runzheimer "standard" city. The Corporation will determine annually which cities are designated as "high cost" locations, based on updated Runzheimer data.

The following FDIC employee profile will be used to calculate the Runzheimer International Cost of Living Indices:

An employee with the median salary for bargaining unit employees, who

(1) Is married, with 2 children;
(2) owns two cars;
(3) owns his or her home; and
(4) using a three year old mortgage as the basis for mortgage and related information.

b. The following eligibility criteria will apply to the mortgage subsidy benefit:

- the principal amount of the mortgage loan up to a maximum of $500,000;
- the mortgage loan must be obtained through the FDIC relocation contractor's mortgage company; and
- 100% of the net proceeds from the sale of the home at the former duty station must be applied to the down payment on the new home.

This benefit is paid in lieu of reimbursement for discount points. Mortgage subsidy payments will be paid directly to the lender and applied to the interest portion of the monthly mortgage payment. Mortgage subsidy payments are taxable. No gross up will be provided.

2. **Rental Subsidy in High Cost Areas**

   The Corporation will provide a rental subsidy for Tier 2 employees and Tier 1 homeowners choosing to rent at the new duty station in a "high cost" location, as determined using the methodology in subsection C.1., above.

   a. The rental subsidy will be provided as follows: three months rent will be reimbursed during the first year; two months rent will be reimbursed during year two; and one month's rent during year three.
   b. "Ordinary and customary" finder's fees as determined by the relocation services contractor will also be reimbursed as long as the expense can be supported with documentation.
   c. Eligibility criteria include:
      (1) minimum one year's lease and
      (2) maximum rental cost of $5,000 per month.
   d. Relocating employees cannot claim renter expenses and home purchase expenses as part of the same relocation.
   e. If using the rental subsidy, benefits will be paid in lieu of purchase reimbursement or mortgage buy down benefits.
   f. Rental subsidy payments are taxable and will not be tax assisted.

3. **Home Sale Bonus**

   A bonus will be paid to employees participating in the Home Sale Program for Tier 1 employees equal to 1.5% of the net sale amount for the home not to exceed $4,000, if an outside offer to buy the home is obtained by the employee before the FDIC offer expires. The outside sale must close in order to claim the bonus.

4. **Marketing Requirement**

   Appraisals and inspections will be ordered when the employee has marketed the home for 15 days at a list price not to exceed 105% of the average of two Broker Market Analyses (BMAs). The employee must then adjust the list price not to exceed 100% of the FDIC offer to ensure a mandatory marketing time of 60 days.

5. **Loss on Sale Assistance**

   The maximum amount paid to a transferee to reimburse him or her for the loss on the sale of their residence is $50,000 for eligible Tier 1 employees, with the employee responsible for the first five percent of the loss.

6. **Staging/Fix-Up Allowance**

a. A Staging/Fix-Up Allowance (Allowance) will be provided to enhance the marketability of the employee's home.

(1) The Allowance is calculated at two percent of the home's value up to a maximum of $6,000. The home value is based on an average of two Broker Market Analyses (BMAs).
(2) The employee will be reimbursed for specific expenses limited to painting, landscaping, professional staging, and flooring replacement or cleaning incurred to address particular items recommended to enhance the home's marketability as identified in the BMAs.
(3) No federal income tax assistance will be provided for this Allowance and taxes will be withheld from the employee's reimbursement.

b. An employee is not eligible for a staging allowance under the HSP unless the employee actually sells his or her home. An employee must reimburse the FDIC for the expense if the employee claims the expense and decides to not sell the home at the old official duty station or opts out of the HSP (sells house on his or her own).

7. **Destination Services for Renters**

Destination services will be provided to Tier 2, 3 and 4 employees planning to rent when they relocate to high cost areas, as defined in section VI.C.1., above. This also includes Tier 1 homeowners choosing to rent at the new duty station.

a. FDIC's relocation services contractor will assign a real estate professional to the relocating employee who will provide an information packet on the area and a one-day "get acquainted" tour of the area including available rentals.
b. Relocating employees cannot claim renter expenses and home purchase expenses as part of the same relocation.
c. If using renter destination services, benefits will be paid in lieu of purchase reimbursements or mortgage buy down benefits.

8. **Lump Sum Enhancements**

a. Temporary living expenses will be authorized for up to 60 days for Tier 1 employees, their spouses, domestic partners, and other eligible family members.
b. Temporary living expenses for Tier 1 and Tier 2 employees will include the cost of two round trips home to the former residence.

9. **Miscellaneous Expense Allowance**

The MEA will be calculated as the greater of $5000 or eight (8) percent of base salary at the location of the new official duty station.

10. **Time Frame to Complete Relocation**

For relocations with effective dates through December 31, 2011, the time allowed for relocating to the new duty station is increased from one year to two years. FDIC may, at its discretion, extend this provision beyond 2011 based upon economic conditions.

11. **Home Sale Program (HSP)**

Participation in the HSP shall be optional. Those employees that close on their homes outside of the HSP will be reimbursed for the home sale closing costs in accordance with the Real Estate matrix in the General Travel Regulations. The closing costs will be grossed up. These employees will not be eligible for the home sale bonus or staging fix up allowance. They will continue to be eligible for reimbursement for their loss on sale up to a maximum of $50,000 if closing outside the HSP; such payment is not eligible for a gross up.

12. **Gap in Transportation Benefits**

The new threshold for shipping POV's and the payment of airfare will be 400 miles. The FDIC shall pay to ship up to 2 POV's for relocations equal to or greater than 400 miles; and the FDIC shall provide airfare within the lump sum calculation. For relocations of 399 miles or less, the FDIC shall pay mileage reimbursement within the lump sum, and no airfare shall be provided.

13. **Limit Relocation Expense**

Once a new relocation is authorized, employees are prohibited from simultaneously claiming the same benefit on multiple relocations. Therefore, no expenses will be reimbursed for any prior relocation still in process. This proposal is limited to preventing an employee from claiming multi-year benefits, such as a mortgage buy down, MIDA on the first home, and rental subsidy in the prior location. The employee could no longer claim the benefit on the prior location once they begin receiving the same benefit at the new location. This limitation would not apply to unsubmitted claims for costs already incurred.

14. **Service Requirement for New Hires**

New hires must be in their current positions for 6 months to be eligible for subsequent relocation benefits. New hires (Tier 4) that relocate a second time within 12 months of the effective date of their first relocation will be relocated as a Tier 4 again with limited benefits.

15. **Synthetic Stucco (EIFS) Homes – Eligibility for Home Sale**

Homes currently clad with Exterior Insulation and Finish System (EIFS), also known as synthetic stucco, are excluded from participation in the HSP. However, an exception is granted to allow homes clad in EIFS into the HSP if the relocating employee was employed with FDIC and owned a home clad in EIFS as of June 19, 2001.

Eliminate the language in the GTR requiring a relocation to be involuntary in order to participate in the HSP if the home is covered in synthetic stucco. EIFS homes will continue to be excluded from the HSP unless the employee was employed with FDIC and owned a home clad in EIFS as of June 19, 2001.

D. Labor-Management Travel Committee

No later than June 15, 2010, the parties agree to establish a joint labor-management travel committee as a two-year pilot. The committee shall review and seek to resolve issues that arise relating to:

- Inconsistent or alleged improper interpretation of the GTRs;
- Inconsistent or alleged improper application of the GTRs; and
- Ambiguities or employee concerns not clearly addressed in the GTRs.

Any resolution of issues by the committee will be made by consensus only. Consensus resolutions by the Committee shall satisfy any bargaining obligation between the parties. The committee will not have the authority to negotiate substantive changes to the GTRs, absent mutual agreement of the parties.

At the conclusion of the two-year pilot, the parties will discuss whether to continue the committee through the end of this Agreement.

E. Miscellaneous Travel Provisions

1. NTEU will be provided advance notice of all revisions and changes to the GTRs, and the opportunity to bargain to the extent required by law. Notice to the Committee will satisfy the notice requirement.

2. The FDIC will provide employee training materials on travel and answers to questions posted on the travel website to the Committee (or NTEU). These materials will be provided for advance review to the maximum extent practicable.

VII. PUBLIC TRANSIT SUBSIDY

The EMPLOYER agrees to continue to reimburse employees for costs of using public transportation for home-to-work travel through a Public Transit Subsidy Program. Employees will be reimbursed for actual costs each month in accordance with the Program, up to the Internal Revenue Service tax-free limit.

VIII. PRE-TAX PARKING

No later than January 1, 2011, the EMPLOYER shall institute a program to permit employees to pay for parking at agency office locations on a pre-tax basis, to the maximum extent permitted under IRS rules.

IX. PROFESSIONAL LICENSES

The EMPLOYER agrees to continue to reimburse employees for the cost of maintaining professional licenses, certifications or memberships that are required for the employee to qualify for and/or retain his/her position or that the EMPLOYER determines would materially enhance the employee's performance of his/her assigned duties and responsibilities. The total reimbursement may not exceed $350 in 2010 and 2011, and $400 in 2012 and 2013.

IX. COMMUNICATIONS

A. In materials publicizing salary and benefits, the EMPLOYER agrees to note that any items provided by or referenced in this Agreement were the product of the negotiated agreement with NTEU. Copies of these materials will be provided to NTEU prior to distribution.
B. Prior to the implementation of any significant changes related to this Agreement, the EMPLOYER agrees to publicize the changes. This may be accomplished in a

variety of ways such as global e-mails, information on the FDICnet, brochures available at the work site and/or mailings to home addresses.

C. The EMPLOYER agrees to grant reasonable official time for NTEU representatives to prepare and participate in-group and/or joint meetings conducted in connection with changes set forth in this Agreement. At each such meeting, the NTEU representative will be given at least twenty (20) minutes to discuss these benefits and other terms of this Agreement.

D. A copy of this Agreement shall be distributed by the EMPLOYER to each employee, and provided to each new employee at orientation. An electronic copy shall be posted on the FDIC internal website on the Compensation (Pay, Performance, and Recognition) page.

XI. RESOLUTION OF DISPUTES

A. Any disputes over the application or interpretation of this Agreement may be grieved through the Collective Bargaining Agreement. However, the parties will use the following process when they wish to file a national level grievance over an alleged violation of this Agreement.

B. The moving party must file the national grievance within twenty (20) working days after the occurrence of the act which gave rise to the national grievance or twenty (20) working days after they became aware of the action which gave rise to the national grievance. The UNION shall submit national grievances to:

Chief, Labor and Employee Relations
Human Resources Branch
Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, Virginia 22226

The EMPLOYER shall submit national grievances to:

National President
National Treasury Employees Union
1750 H Street, N.W.
Washington, D.C. 20006

C. Each grievance filed pursuant to this provision must: include an account of the incident giving rise to the grievance; reference the appropriate contractual provision, law, rule, regulation or policy alleged to have been violated; and, include a statement of the remedy sought. A grievance will not be disposed of solely because of an incorrect citation.

D. Upon receipt of the grievance, the parties' representatives (no more than three (3) representatives for each party unless mutually agreed otherwise) shall meet within ten (10) working days to discuss the grievance. A written decision will be provided to the moving party within ten (10) working days after the meeting. If the moving party is not satisfied with the decision, it may appeal the decision to arbitration, such appeal to be made within twenty-one (21) calendar days after receipt of the written decision.

E. Thereafter, if the parties cannot mutually agree on an arbitrator to hear the issue, the parties shall utilize the next arbitrator on the HQ arbitration panel.

F. The parties will agree on a mutual date, time and location for the hearing. The EMPLOYER will pay associated travel and per diem expenses of any bargaining unit employees participating in the grievance and/or arbitration proceeding as representatives, technical advisors, or witnesses, and approved by the arbitrator.

G. If a party who has referred a grievance to arbitration does not actively pursue the grievance for a period of four (4) months, the other party may thereafter provide written notice of at least sixty (60) days of its intent to declare the grievance null and void. If no arbitration hearing has been held during the notice period, then the case will be considered closed. The parties agree to cooperate on the scheduling of arbitration hearings within any such notice period.

XII. DURATION/REOPENER

A. This Agreement shall remain in effect until December 31, 2013. However, if there is not an agreed-upon successor agreement by that date, then this Agreement will continue to be in effect until such a successor agreement is in effect or until December 31, 2014, whichever comes first. Between February 1 and February 28 in 2013 or 2014, either party may reopen this Agreement. Ground rules are to be submitted by the party reopening the Agreement within two weeks of that party reopening this Agreement.

B. Notwithstanding the provisions of A., above, the parties shall negotiate over the Annual Base Pay Adjustment and funding for Locality Pay (II.B. and C., above) for 2012 and 2013. The period to submit proposals for those negotiations shall be no later than September 1, 2011.

XIII. RIGHT TO NEGOTIATE

The UNION reserves the right to bargain over any issue related to salaries, benefits or other compensation or travel-related matters not expressly and specifically included under the terms of this agreement, or otherwise waived during the course of bargaining.

XIV. AGENCY HEAD REVIEW

The head of the Agency reserves the right, pursuant to Section 7114 (c) of the Statute, to disapprove the Agreement in whole or in part. Should the head of the Agency disapprove the entire contract, the Union may elect to reopen the entire agreement or portions thereof. Should the head of the Agency disapprove or declare invalid a discrete provision(s) of the Agreement, at the option of the UNION, the parties will 1) implement those portions of the Agreement which were not disapproved, or 2) reopen and/or renegotiate the Agreement as a whole or the specific provisions which were disapproved.

FOR THE FEDERAL DEPOSIT INSURANCE CORPORATION:

Steven O. App

Steven O. App
Deputy to the Chairman and
Chief Financial Officer

4/15/2010

Date

James R. Lawrence, Chief Negotiator
Julia N. Goodall, DOA
Janice Guthrie, DOF
Nathan M. Heizer, DSC
Gregory Talley, DOA
Randy Taylor, DRR

FOR THE NATIONAL TREASURY EMPLOYEES UNION:

Colleen M. Kelley

Colleen M. Kelley
National President

4/15/2010

Date

Stephen J. Keller, Chief Negotiator
Sean G. Bartholomew, Chapter 244
Derek Hardin, Chapter 277
Gerald B. McAteer, Chapter 273
Robert Packard, Chapter 276
Dawn M. Sleva, Chapter 242
Peter M. Somerville, Chapter 207

APPROVED at Washington, D.C. this _______ of ________, 2010.

Sheila C. Bair, Chairman
Federal Deposit Insurance Corporation

ATTACHMENT A

Locality Rates and Year to Year Increases

2010 and 2011

FDIC OFFICE LOCATION	2009 FDIC Locality Rate	2010 Locality Rate Increase	2011 Locality Rate Increase	2010 Locality Rate	2011 Locality Rate
ALBANY, GA	2.57%	0.82%	0.82%	3.39%	4.20%
ALBUQUERQUE, NM	2.57%	0.82%	0.82%	3.39%	4.20%
APPLETON, WI	2.57%	0.82%	0.82%	3.39%	4.20%
AUSTIN, TX	2.57%	0.82%	0.82%	3.39%	4.20%
BATON ROUGE, LA	2.57%	0.82%	0.82%	3.39%	4.20%
BILLINGS, MT	2.57%	0.82%	0.82%	3.39%	4.20%
CEDAR RAPIDS, IA	2.57%	0.82%	0.82%	3.39%	4.20%
CHAMPAIGN, IL	2.57%	0.82%	0.82%	3.39%	4.20%
CHARLOTTE, NC	2.57%	0.82%	0.82%	3.39%	4.20%
COLUMBIA, MO	2.57%	0.82%	0.82%	3.39%	4.20%
COLUMBIA, SC	2.57%	0.82%	0.82%	3.39%	4.20%
EAU CLAIRE, WI	2.57%	0.82%	0.82%	3.39%	4.20%
ELIZABETHTOWN, KY	2.57%	0.82%	0.82%	3.39%	4.20%
FARGO, ND	2.57%	0.82%	0.82%	3.39%	4.20%
GAINESVILLE, FL	2.57%	0.82%	0.82%	3.39%	4.20%
GRAND FORKS, ND	2.57%	0.82%	0.82%	3.39%	4.20%
GRAND ISLAND, NE	2.57%	0.82%	0.82%	3.39%	4.20%
GRAND RAPIDS, MI	2.57%	0.82%	0.82%	3.39%	4.20%
HARRISBURG, PA	2.57%	0.82%	0.82%	3.39%	4.20%
HAYS, KS	2.57%	0.82%	0.82%	3.39%	4.20%
HOOVER, AL	2.57%	0.82%	0.82%	3.39%	4.20%
HOPKINSVILLE, KY	2.57%	0.82%	0.82%	3.39%	4.20%
JACKSON, MS	2.57%	0.82%	0.82%	3.39%	4.20%
JACKSONVILLE, FL	2.57%	0.82%	0.82%	3.39%	4.20%
KANSAS CITY, MO	2.57%	0.82%	0.82%	3.39%	4.20%
KNOXVILLE, TN	2.57%	0.82%	0.82%	3.39%	4.20%
LEXINGTON, KY	2.57%	0.82%	0.82%	3.39%	4.20%
LITTLE ROCK, AR	2.57%	0.82%	0.82%	3.39%	4.20%
LUBBOCK, TX	2.57%	0.82%	0.82%	3.39%	4.20%
MADISON, WI	2.57%	0.82%	0.82%	3.39%	4.20%
MANKATO, MN	2.57%	0.82%	0.82%	3.39%	4.20%
MEMPHIS, TN	2.57%	0.82%	0.82%	3.39%	4.20%
MIDDLETON, WI	2.57%	0.82%	0.82%	3.39%	4.20%
MONTGOMERY, AL	2.57%	0.82%	0.82%	3.39%	4.20%
MOUNT VERNON, IL	2.57%	0.82%	0.82%	3.39%	4.20%
NASHVILLE, TN	2.57%	0.82%	0.82%	3.39%	4.20%

OKLAHOMA CITY, OK	2.57%	0.82%	0.82%	3.39%	4.20%
OMAHA, NE	2.57%	0.82%	0.82%	3.39%	4.20%
PENSACOLA, FL	2.57%	0.82%	0.82%	3.39%	4.20%
PRINCETON, IL	2.57%	0.82%	0.82%	3.39%	4.20%
DES MOINES, IA	2.57%	0.82%	0.82%	3.39%	4.20%
SALT LAKE CITY, UT	2.57%	0.82%	0.82%	3.39%	4.20%
SAN JUAN, PR	6.57%	1.50%	1.50%	8.07%	9.57%
SCOTT DEPOT, WV	2.57%	0.82%	0.82%	3.39%	4.20%
SHREVEPORT, LA	2.57%	0.82%	0.82%	3.39%	4.20%
SIOUX CITY, IA	2.57%	0.82%	0.82%	3.39%	4.20%
SIOUX FALLS, SD	2.57%	0.82%	0.82%	3.39%	4.20%
SPRINGFIELD, IL	2.57%	0.82%	0.82%	3.39%	4.20%
SPRINGFIELD, MO	2.57%	0.82%	0.82%	3.39%	4.20%
ST. LOUIS, MO	2.57%	0.82%	0.82%	3.39%	4.20%
SYRACUSE, NY	2.57%	0.82%	0.82%	3.39%	4.20%
TAMPA, FL	2.57%	0.82%	0.82%	3.39%	4.20%
TULSA, OK	2.57%	0.82%	0.82%	3.39%	4.20%
URBANDALE, IA	2.57%	0.82%	0.82%	3.39%	4.20%
WICHITA, KS	2.57%	0.82%	0.82%	3.39%	4.20%
GAHANNA, OH (Columbus)	2.57%	1.50%	1.50%	4.07%	5.57%
INDIANAPOLIS, IN	2.57%	1.11%	1.11%	3.68%	4.79%
BUTLER, PA	4.05%	1.50%	1.50%	5.55%	7.05%
PHOENIX, AZ	4.56%	1.50%	1.50%	6.06%	7.56%
RICHMOND, VA	4.64%	0.90%	0.90%	5.54%	6.45%
BROOKFIELD, WI	7.06%	1.26%	1.26%	8.32%	9.59%
WEST ALLIS, WI	7.06%	1.26%	1.26%	8.32%	9.59%
SUNRISE, FL	8.32%	1.50%	1.50%	9.82%	11.32%
RALIEGH, NC	8.03%	0.28%	0.28%	8.31%	8.58%
PORTLAND, OR	8.97%	1.50%	1.50%	10.47%	11.97%
ATLANTA, GA	10.55%	1.50%	1.50%	12.05%	13.55%
MINNEAPOLIS, MN	11.13%	1.43%	1.43%	12.56%	13.99%
LIVONIA, MI	11.21%	1.50%	1.50%	12.71%	14.21%
DALLAS, TX	11.43%	1.50%	1.50%	12.93%	14.43%
GREENWOOD VILLAGE, CO	12.25%	0.68%	0.68%	12.93%	13.62%
SEATTLE, WA	12.31%	1.50%	1.50%	13.81%	15.31%
BLUE BELL, PA	12.48%	1.30%	1.30%	13.78%	15.08%
CLAYMONT, DE	12.48%	1.30%	1.30%	13.78%	15.08%
CHICAGO, IL	13.36%	1.50%	1.50%	14.86%	16.36%
DOWNERS GROVE, IL	13.36%	1.50%	1.50%	14.86%	16.36%
ELK GROVE VILLAGE, IL	13.36%	1.50%	1.50%	14.86%	16.36%
SACRAMENTO, CA	13.36%	1.50%	1.50%	14.86%	16.36%
COLUMBIA, MD	14.56%	1.50%	1.50%	16.06%	17.56%
WASHINGTON, DC	14.56%	1.50%	1.50%	16.06%	17.56%
HOUSTON, TX	16.21%	1.16%	1.16%	17.37%	18.54%
BRAINTREE, MA	21.40%	1.40%	1.40%	22.80%	24.20%
FOXBORO, MA	21.40%	1.40%	1.40%	22.80%	24.20%

LEXINGTON, MA	21.40%	1.40%	1.40%	22.80%	24.20%
PEMBROKE, NH	21.40%	1.40%	1.40%	22.80%	24.20%
IRVINE, CA	16.59%	1.50%	1.50%	18.09%	19.59%
LOS ANGELES, CA	16.59%	1.50%	1.50%	18.09%	19.59%
ORANGE, CA	16.59%	1.50%	1.50%	18.09%	19.59%
SPRINGFIELD, MA	19.38%	1.33%	1.33%	20.71%	22.05%
ROCKY HILL, CT	19.38%	1.33%	1.33%	20.71%	22.05%
JAMESBURG, NJ	33.00%	0.00%	0.00%	33.00%	33.00%
NEW YORK CITY, NY	33.00%	0.00%	0.00%	33.00%	33.00%
SAN FRANCISCO, CA	35.69%	1.50%	1.50%	37.19%	38.69%