



# The National Association of Postmasters of the United States

## Legislative Agenda Leadership Conference 2009

*NAPUS includes approximately 40,000 active and retired U.S. postmasters who serve and have served as the managers of the approximately 27,000 post office.*

### Safeguarding a Universal Postal Service in Tough Economic Times

While it is essential to have a vibrant U.S. Postal Service during economic expansion, it is critical to protect the institution and its Constitutional mission in times of economic crisis. The Postal Service has always been a leading indicator of market decline. In late 2007, mail volume began its precipitous decay, and with it the revenue that supports universal mail service. The deterioration was NOT the result of electronic diversion of the mail, as some have speculated; rather this mail erosion reflected the deterioration of the financial services, retail, and housing industries. The bottom dropped out of the global economy in fall 2008, and with it mail volume plunged – and the free fall continues. The 2006 Postal Reform Act (PL 109-435) provides the USPS with new product and pricing tools, and entitles its to adjust rates on annually without being subject to extended rate proceeding; however, the Act could not envision the ongoing economic catastrophe. Consequently, NAPUS' prime legislative goal will be: Enact legislation to enable the USPS to refinance its Retirement Health Trust Fund – H.R. 22.

PL 109-435 requires the USPS to pre-fund its present and future health care obligations on behalf of current and eventual retirees. The USPS deposits approximately \$5 billion per year into the Trust Fund. Recognizing its revenue shortfall, last fall, the USPS seeks permission to pay its share of current employee health premiums from the Trust Fund, rather than from its operating budget. The change would last for only eight years. At the end of this period, the USPS would recalibrate its obligation into the Trust Fund and amortize payment into the Fund. Consequently, no taxpayer funds would be used, there would be no cost to the government, and the Trust Fund would remain secure. This proposal would save the USPS approximately \$2.8 billion per year for the 8-year period. In January, Rep. John McHugh (R-NY) and Rep. Danny Davis (D-IL) introduced H.R. 22, which embraced the Postal Service's proposal. NAPUS strongly supports passage of this legislation and encourages Members of Congress to cosponsor it.

In addition, NAPUS will be seeking to further the operational and fiscal viability of a universal postal service by:

- Asking Congress to pass legislation permitting the USPS to apply for a Medicare Part D Subsidy: Medicare-eligible individuals may purchase drug coverage through Medicare. The Federal Employees Health Benefits Program (FEHBP) already provides its beneficiaries with superior prescription benefits. Therefore, postal retirees do not enroll in Medicare Part D. Part D enables employers who provide drug benefits equivalent or better than Medicare to claim a rebate. The subsidy is valued at \$600 per retiree. Consequently, NAPUS supports legislation to enable the USPS to apply for the subsidy.
- Requesting Congress to assist states in launching Vote-By-Mail: Legislation has yet to be introduced to provide “no excuse” absentee ballots. In the 110<sup>th</sup> Congress, Rep. Susan Davis (D-CA) sponsored a bill which permitted eligible voters to cast a mail-in ballot in

federal elections. NAPUS believes that vote-by-mail offers America a convenient, secure and inexpensive way of increasing electoral participation.

- Defending Post Offices: Over the past year, the NAPUS Post Office Closings and Consolidation Committee has worked with communities to save post offices from closure and consolidation. Congress has also proclaimed strong support of small and rural post offices. Rep. JoAnn Emerson (R-MO) introduced legislation (House Concurrent Resolution 4) to protect small and rural post offices. NAPUS strongly supports House Concurrent Resolution 4.

## **Defend Postmaster Retirement Equity**

NAPUS supports legislation to restore equity and fairness to postal retirees and their dependents. Over the past 40 years, Congress and the White House have attempted to chip away at the financial security of postmaster retirees, or denied them benefits provided to their actively employed counterparts. NAPUS supports legislation to alleviate the financial penalty suffered by retired postmasters who would otherwise be eligible for full Social Security survivor benefits, retired postmasters who would otherwise be eligible for full Social Security annuities and retired postmasters who would otherwise benefit from their FEHBP premium paid on a pre-tax basis.

- NAPUS supports legislation to alleviate the unfair impact levied against postmaster retirees by the *Government Pension Offset* rule. The GPO can reduce or eliminate the Social Security spousal or survivor benefits for an otherwise eligible retired postmaster. NAPUS also supports legislation to remedy the inequity of the *Windfall Elimination Provision*. The WEP can reduce the earned Social Security benefit by up to 60% of an otherwise eligible retired postmaster. H.R. 235, the Social Security Fairness Act, which repeals both the GPO and WEP, are pending before the House Ways and Means Committee. Sen. Feinstein (D-CA) introduced the Senate companion, S. 484.
- NAPUS SUPPORTS legislation to permit federal and postal retirees to pay their FEHBP premiums on a pre-tax basis.

## **Leave Equity**

NAPUS supports legislation to permit FERS-covered employees to receive credit for unused sick leave upon retirement. Presently, only employees who participate in the Civil Service Retirement System receive compensation for their unused leave. H.R. 958, introduced by Rep. James Moran (D-VA), would provide retirement credit for the unused sick leave of FERS employees, similar to CSRS retirees.

- Legislation would enable postmasters and other managers to better administer work schedules, by reducing the occurrence of extended sick leave by employees at the twilight of their careers.
- For the purpose of sick leave, legislation would treat FERS and CSRS employees in a non-discriminatory fashion.

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