



**Statement of
The National Association of Postmasters of the
United States
Walter Olihovik, National President**

Before

**The House Ways and Means Subcommittee on
Social Security**

On

**“Social Security Provisions Affecting Public
Employees”**

Thursday, May 1, 2003

Chairman Shaw, Congressman Matsui, and Members of the Subcommittee I am Wally Olihovik, President of the 42,000 member National Association of Postmasters of the United States (NAPUS). NAPUS represents the approximately 27,000 postmasters in the United States, as well as retired postmasters.

It is a privilege to share with you my thoughts about how current social security provisions adversely affect a large number of public employees. Specifically, I would like to address the unfair financial burden that many NAPUS members must endure as the result of the “government pension offset” (GPO) and “windfall elimination provision (WEP). Pending before your Committee are three different ways to address the social security penalty imposed on retirees, such as retired postmasters. One strategy would be to do nothing; another strategy, as proposed by Representatives William Jefferson and Representative Barney Frank, would be to reform the way in which the GPO and WEP are to be calculated; and the final method, as offered by Representative Buck McKeon and Representative Howard Berman, would be to repeal totally the GPO and WEP. As the Meatloaf song goes: “two out of three ain’t bad!” Clearly, the Subcommittee should pursue legislation that reduces, if not eliminates, the unfair burden shouldered by many former public employees.

The GPO unjustly taxes government annuitants, including retired postmasters, who are also eligible for Social Security survivor benefits. The offset provision slashes the social security benefit by two-thirds of the amount of their federal annuity. It is possible for a retired postmaster to receive no social security survivor benefit to which they would otherwise be entitled. Postmasters do not qualify for a large pension. Many have managed small post offices for which their salary history yields a subsistence CSRS annuity. Moreover, a large number of retired postmasters happen to be female, who may have interrupted careers that compound their limited CSRS benefit. These are the NAPUS members who are most injured by the GPO.

Many NAPUS members suffer from the WEP, which dates back to the mid-1980s. This social security provision also unfairly punishes many public employees. The WEP cuts the earned social security benefit by up to 50 percent, for the sole reason that an individual chose a career path in the public service. Public employees should get full credit for their employment no matter if they pursue public or private employment.

Mr. Chairman, there exists a fundamental misunderstanding of the Civil Service Retirement System. This misunderstanding has bred the present unacceptable and financially harmful situation for countless postal and federal retirees. The CSRS is not a social insurance program, like the social security system. It is an employer-sponsored defined-benefit pension plan, similar to private sector plans. Its interaction with social security should resemble the interaction between private plans and the social security system. In this way, public employees including postmasters will be treated with the respect and fairness they deserve.

Mr. Chairman, thank you for conducting this hearing and providing NAPUS with opportunity to share our views. We encourage you to expeditiously report legislation to correct the unfair financial plight suffered by so many who are committed to public service.