

## NPMHU CALLS FOR STRONGER POSTAL FINANCES

Katie Maddocks, Legislative and Political Director



**A**s Mail Handlers are now aware, Postmaster General David Steiner announced earlier this year that if the United States Postal Service continues operations as usual, it is set to run out of money by the end of the year. In order to meet performance standards for customers without impacting employment, the Postal Service enacted cost saving measures to help lessen financial stress in the short run while long term solutions are created. The National Postal Mail Handlers Union has received questions from members regarding the Postal Service's decision to defer its payments to the Federal Employee Retirement System (FERS) for the remainder of the fiscal year. The Postal Service estimates this deferment will make about \$2.5 billion available. Rest assured, current and retired Mail Handlers and all postal employees will not be immediately impacted by this temporary suspension. The Office of Personnel Management (OPM) is still obligated to meet USPS retirement payments and there will not be a lapse in annuities for NPMHU retirees, or anyone retired from the Postal Service.

While this action is temporary, there are fiscal changes that can be made that would be beneficial in the long run.

The Civil Service Retirement System (CSRS) is the older of the retirement programs and only applies to postal and federal employees hired before 1984, and only covers a minority of postal employees. USPS pays for a disproportionate amount for CSRS employees who worked for both the Department of the Post Office, as it existed before 1971, and the current USPS. The methodology for calculating USPS CSRS expenses misconstrues employees' salary and USPS is required to cover the full cost of CSRS benefits — which does not apply to other federal agencies.

The USPS Office of Inspector General, USPS, NPMHU and other stakeholders have all called for action from the Executive Office to update allocation methodologies for

CSRS payments which, according to the Postal Service, could provide \$14 billion in savings over ten years.

The Postal Service is also handcuffed by how it can invest its retirement funds, as they are managed by the Office of Personnel Management and the Treasury Department. Currently, these funds are required to be invested in Treasury securities, which generate low rates of return. The OIG has repeatedly reported that if USPS were already allowed diversified investments of 60 percent stocks and 40 percent bonds would have generated billions in previous fiscal years. Appropriately investing retirement funds would lower the Postal Service's retirement costs.

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Finally, the Postal Service has borrowing authority from the Treasury Department to maintain liquidity and fund operational expenses. The borrowing limit is currently set to \$15 billion, however, that limit was set back in 1992, and does not meet the growth of inflation. In a hearing before the House Subcommittee on Government Operations, PMG Steiner testified, "This limit is one reason we were forced to defer capital improvements for many years, leading to a deterioration in our network that we are still trying to recover from.... no private company is as limited in its credit access as the Postal Service, and certainly not one with our scope, operational complexity, and importance to the American public."

On June 4, the House Oversight Subcommittee on Government Operations held a hearing with the Postal



Regulatory Commission to learn of the Commission's insight's on the Postal Service's financial standing. In a written statement from NPMHU National President Paul Hogrogian, he reiterated the need to increase the borrowing authority of the Postal Service and applying common sense accounting practices, and the NPMHU will continue to work with our fellow postal unions, USPS, and other stakeholders to promote these solutions. The Postal Service has delivered for every American household and business for over 250 years and is invaluable to the country's national economy. We must work to ensure that it can continue this work while also protecting Mail Handlers' jobs and benefits.

### **NPMHU WORKS TO GROW OUR POLITICAL INFLUENCE**

Were you aware of the political arm of the Mail Handlers Union — the NPMHU Political Action Committee (PAC)? The NPMHU PAC allows us to help congressional candidates get elected and incumbents stay in Washington, where they can advocate on our behalf.

As you've seen, there have been numerous attacks against the value of the Postal Service and its dedicated employees.

Members of Congress have threatened your health and retirement benefits, your right to organize, and the financial stability of the Postal Service. Because of this, it is necessary to ensure those on Capitol Hill understand the value of the work of Mail Handlers. We need friends and champions elected to Congress to ensure that our Union won't see attacks against our livelihood, our earned benefits, and the middle class become a reality.

All it takes is \$1 a pay period to make an investment in our Union's PAC. The easiest way to do so is through payroll deductions set up through Mail Handlers' PostalEase account, but the form for one-time contributions via check or credit card can be found in the following pages of the Mail Handler magazine.

In the last edition of the Mail Handler, contributors to the PAC throughout 2025 were acknowledged. However, some PAC members were unfortunately overlooked and need to be recognized for their efforts: Ryan Pigmon of Local 322, Robin Djakovic of Local 304, and Jorge Ortiz of Local 318. If you have any questions about your contribution level or giving to the NPMHU PAC, please contact the National Office at 202-833-9095. We thank all who give!