



MAIL HANDLER UPDATE

NATIONAL POSTAL MAIL HANDLERS UNION

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Paul V. Hogrogian
National President

POSTAL SERVICE REFORM ACT PASSES IN THE SENATE, BIDEN EXPECTED TO SIGN



Michael J. Hora
Secretary-Treasurer

On March 8, 2022, by a vote of 79–19, the U.S. Senate passed the Postal Service Reform Act (PSRA). This legislation has been more than a decade in the making, delayed on numerous occasions to ensure that lawmakers, unions, management, and stakeholders came to a consensus on the language. This resulted in a narrow bill that only addresses the prefunding mandate, retiree healthcare costs, six-day delivery, non-postal services, and transparency. The House of Representatives voted on the bill a month earlier, passing the bill in a vote of 342–92. It is expected to be signed into law by President Biden.

In order to achieve significant savings, as well as align with best practices concerning retiree healthcare costs in the private sector, changes will be made to the Federal Employee Health Benefits Program and future USPS retirees will be required to enroll in Medicare.

Current postal employees would be placed in a postal-only risk pool within the FEHBP, called the

Postal Service Health Benefits Program. The postal-only plans in FEHBP will be regulated and run in the same way current FEHBP plans are. Major plans now available will still be offered in this postal-only version of FEHBP plans. While the benefits would remain the same, the premiums would be significantly reduced because postal participants would be placed in a separate risk pool with new rules related to Medicare enrollment.

Active employees under the age of 64 as of January 1, 2025, when both retired and at least age 65, are required to enroll in Medicare Parts B and D, apart from a few exceptions (those enrolled in TRICARE or Indian Health Services, or those living abroad). Currently, around 80% of postal annuitants enroll in Medicare and postal employees have contributed over \$34 billion into Medicare since 1983.

Current postal annuitants, and those who retire before January 1, 2025, would not be forced into Medicare if they do not want it. Additionally, active postal employees over the age of 65 can

elect to stay in the postal-only FEHBP. Annuitants who had opted not to enroll in Medicare when eligible, but have since changed their mind, are able to enroll and will not be held to the late enrollment fee.

Along with these changes to retiree healthcare, the PSRA will also repeal the 2006 mandate for the Postal Service to prefund its retiree healthcare costs. As NPMHU members are aware, for the past sixteen years, the USPS has been required to pay these upfront costs that amount to \$5 billion in annual losses over the last decade. By repealing this mandate, the Postal Service will return to a pay-as-you-go means of funding retiree healthcare costs.

Upon passage of the PSRA in the Senate, NPMHU National President Paul V. Hogrogian stated, “This bill does not fix every problem with the Postal Service. But it shows the dedicated work of elected officials, recognizing the value of the Postal Service and its workforce, and the need to provide financial stability.”

NPMHU COMMITTEE ON THE FUTURE HOLDS ANNUAL MEETING

The NPMHU’s Committee on the Future was established to engage in long-term strategic planning on issues that are confronting the Union over the coming months and years. The Committee most recently met in March 2022 to discuss several important issues facing mail handlers today and into the future.

The membership of the Committee on the Future is comprised of all members of the National Executive Board — including President Paul Hogrogian, NST Michael Hora, and Vice Presidents John Gibson, June Harris, Lawrence Sapp, Don Sneesby and Dave Wilkin — as well as various Local Union Presidents, currently including Kevin Tabarus of Local 300, Danny St. Marie of Local 301, Tony Coleman of Local 302, Pervous (Andy B) Badilishamwalimu of Local 310, James (J.C.) Morris of Local 317, Nick Mosezar of Local 318, Kelly Dickey of Local 322, Jeff Larsen of Local 323, and John (J.R.) Macon of Local 329. Also in attendance were Katie Maddocks, Political and Legislative Director; Teresa Harmon, CAD Manager; Nina Gallauresi, Executive Director MHBP; and Bruce Lerner, General Counsel. The Committee focuses on five key issues facing the NPMHU: USPS privatization; the legislative relations program; USPS automation and other technological changes; financial planning, especially for the Locals; and membership recruitment.

The Committee began with a review of local and national finances with an analysis of various DOL filings on assets vs. revenue, with quarterly, annual, and long-range finance reviews and projections for the entire NPMHU. The Committee also discussed implications of forthcoming proposals to amend the Constitution that will be introduced during the upcoming Quadrennial Convention in August 2022.

President Hogrogian next led Committee discussions on the financial status of the Postal Service, volume trends and financial implications of recent and future

Cost of Living Allowance increases and operational impact of pandemic related business trends.

The Committee analyzed the USPS network operations and previously paused plans to close or consolidate approximately 40 mail processing facilities that employ mail handlers. The Union is taking steps to prepare for a reinvigoration of the Postal Service’s consolidation efforts. The Committee reviewed the USPS Ten-Year Plan with a noted focus on improving parcel transit and handling methods and increased parcel volume, with a significant shift to ground transportation.

The Committee also reviewed mail handler complement and membership trends with discussions on areas of possible improvement. The USPS has converted nearly 32,000 Mail Handler Assistants (MHAs) to fulltime regular (FTR) since Arbitrator Fishgold mandated the new employment category in 2013. However, employee turnover continues to be a primary concern. The Committee also discussed national bargaining preparation and progress, concerns and priorities derived in part from the recent meetings of the NPMHU Field Negotiating Committee.

The Committee also focused on the progress made by the 117th Congress, with a comprehensive review and update to the Legislative Agenda. President Hogrogian also led discussions with Legislative and Political Director Maddocks on the recently passed Postal Service Reform Act of 2022, which repeals the burdensome 2006 mandate for the USPS to prefund its retiree healthcare benefits and will lower premiums for NPMHU members and our fellow postal employees while safeguarding benefits. The legislation provides badly needed financial relief for the USPS.

A full report from the Committee will be included in the upcoming issue of the Spring edition of the Mail Handler Magazine.



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