



Contact: Mark Strong
President, National League of Postmasters
mstrong@postmasters.org
(703) 329-4550
embargoed for 2:00 pm release 9/6/2011

Press Release

National League of Postmasters Calls on Congress to Stop Closing Post Offices and to Let USPS Pension Overpayments Prefund Retiree Health Benefits.

USPS Pension and Retiree Health Benefits Payments Should be Realigned; USPS Should Not Withdraw from the Federal Retiree Health Benefit Plan.

ALEXANDRIA, VIRGINIA – “Enough is enough. Congress must act. The time to act is now and the action to take is to allow the Postal Service’s pension overpayments to be transferred to its retiree health benefit fund,” said LEAGUE President Mark Strong in a statement submitted today to the Senate hearing on the Postal Service crisis. “This would allow the Postal Service to stop closing rural post offices and stop devastating thousands of small rural communities,” he added.

Today’s hearing, chaired by Senator Joseph Lieberman (CT), was before the Senate Committee on Homeland Security and Governmental Affairs. Entitled “U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown,” today’s hearing focused on the current conditions of the Postal Service and the fact that Congress will not let it use its pension overpayments to prefund its retiree health benefit obligations.

“Allowing the Postal Service to use those overpayments, calculated by actuaries to be as much as \$75 billion, to prefund the retiree health benefit obligation would relieve the Postal Service’s current financial stress and allow it to calmly refocus on the future,” said Strong. “It would also help the economy and help prevent a double-dip recession,” added Strong. “Ideas such as withdrawing from the Federal Employee Health Plan are terrible ideas, should not be taken seriously, and simply reflect the frustration that top Postal Service management feels,” he concluded.

Because of the way the law is written, the Postal Service must make more than \$8 billion per year in pension and retiree health benefit payments, despite pension overpayments of up to \$75 billion. While the Postal Service has been losing billions of dollars each year since the recession started, if the overpayments were officially recognized and credited towards the retiree health benefit obligation, and current payments stopped, it would be running in the black,” said Robert Brinkmann, the LEAGUE’s Legislative Counsel. This “crisis” is a crisis that, while precipitated by the recession, has been created by Congress, and it is a crisis that only Congress can resolve.

The National League of Postmasters has been representing active and retired postmasters throughout the country since the later part of the 19th Century.