

# COMPARING POSTAL REFORM BILLS: NALC'S PRIORITIES

## H.R. 5714

## S. 2051

	H.R. 5714	S. 2051
Prefunding	<ul style="list-style-type: none"> <li>Amortizes USPS' unfunded liability over 40 years with 100% funding target.</li> </ul>	<ul style="list-style-type: none"> <li>Amortizes USPS' unfunded liability over 40 years with 80% funding target.</li> </ul>
FEHBP	<ul style="list-style-type: none"> <li>Creates separate risk pool for postal employees and annuitants.</li> <li>Mandatory enrollment in Medicare Parts A (hospital insurance) and B (medical insurance) of the Medicare program (except for those covered by FEHBP plans with fewer than 1,500 postal participants).</li> <li>Provides access to low-cost prescription drugs provided indirectly to postal FEHBP plans by Medicare Part D.</li> <li>Late enrollment penalty for Part B waived; includes Medicare Transition Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Creates separate risk pool for postal employees and annuitants.</li> <li>Mandatory enrollment in Medicare Parts A (hospital insurance) and B (medical insurance) of the Medicare program (except for those covered by FEHBP plans with fewer than 5,000 postal participants)</li> <li>Provides access to low-cost prescription drugs provided indirectly to postal FEHBP plans by Medicare Part D.</li> <li>Late enrollment penalty for Part B waived during one-time open season.</li> </ul>
PSRHBF	<ul style="list-style-type: none"> <li>Companion legislation (H.R. 5707) allows 25-30% of RHBF to be invested in private-sector stocks and bonds through TSP-like account and establishes Investment Committee to advise the Secretary of the Treasury on investments.</li> </ul>	<ul style="list-style-type: none"> <li>Allows USPS to invest amortization payments for up to 10 years in TSP-like account, investing in higher interest bearing account or existing low-interest RHBF. After 10 years, investment income would pay remaining liability and then other obligations.</li> </ul>
Calculating Liabilities	<ul style="list-style-type: none"> <li>Directs OPM to use postal-specific assumptions for retiree liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Directs OPM to use postal-specific assumptions for retiree liabilities.</li> </ul>
Exigent Rate	<ul style="list-style-type: none"> <li>Restores half of the expired exigent rate increase, or 2.15% of the 4.3% surcharge.</li> </ul>	<ul style="list-style-type: none"> <li>Restores the full 4.3% expired exigent rate increase and freezes rates until January 2018.</li> </ul>
Non-Postal Services	<ul style="list-style-type: none"> <li>Authorizes USPS to provide non-commercial, non-postal services to state, local and federal agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Authorizes USPS to deliver beer/wine, offer new non-postal products using its existing network which improve finances.</li> </ul>
Workers Compensation		<ul style="list-style-type: none"> <li>Reduces FECA benefits for injured workers, lowers spousal/dependent benefits and reduces lost wage compensation at age 65.</li> </ul>
FERS Surplus	<ul style="list-style-type: none"> <li>Authorizes amortized refund of projected FERS surpluses on the same schedule as the amortization of a projected shortfall.</li> </ul>	<ul style="list-style-type: none"> <li>Authorizes refund of FERS overpayments up to \$6 billion in first year, two-thirds of or remaining surplus in second year, and remaining surplus to be paid in installments.</li> </ul>
Delivery Conversion	<ul style="list-style-type: none"> <li>Requires USPS to identify delivery points suitable for centralized or curbside delivery. Mandates the conversion of identified business addresses in 5 years. Encourages voluntary residential conversion.</li> </ul>	<ul style="list-style-type: none"> <li>Encourages voluntary conversion to curbside or centralized delivery to business and residential customers. Requires customer consent.</li> </ul>
Service Standards & Closures/Consolidations		<ul style="list-style-type: none"> <li>Freezes current service standards for 5 years.</li> <li>Delays closures or consolidations for two years of any plant or facility currently in operation.</li> </ul>