It is time, Mr. President

Brian L. Renfroe

For more than a decade, NALC has urged three presidential administrations to stop the raid on postal pension funds. For 52 years, a glaring misallocation of pension liabilities has persisted, resulting in at least $90 billion in unjust financial obligations to USPS.

The accounting problem was first revealed in a study by the USPS Office of Inspector General in the late 2000s, then further came to light in 2010 when the Postal Regulatory Commission released the results of an independent audit conducted by The Segal Group. It is now commonly referred to as the "Segal Report." The audit examined the Postal Service's assets and liabilities within the Civil Service Retirement System (CSRS) and found that the methodology used by the Office of Personnel Management (OPM) in its valuation of postal CSRS pensions did not meet the standard of "fair, equitable, or preferred [private-sector] methodology."

The report recommended immediate reforms. Almost 15 years later, the problem persists, and inaction has continued to harm postal finances. The Postal Service has been paying more than its fair share into CSRS pensions for half a century, and it is well past time to correct the issue.

NALC members fought hard for the successful passage of the Postal Service Reform Act of 2021. This reform bill was a positive step for the future of USPS. Legislation such as this reform can often take years to enact, whereas the misallocation of USPS's pension costs can be addressed through executive action by the administration. The president has full legal authority to fix the problem and direct OPM to reallocate USPS's pension liabilities.

Unfortunately, both the Obama and Trump administrations sidestepped the issue and avoided our repeated requests to remedy this problem. In a 2020 NALC candidate questionnaire, then-candidate Biden expressed support for rectifying the misallocation of CSRS pension costs. Now, he has a unique opportunity to deliver for letter carriers exactly when we need it.

President Biden is frequently referred to as the "most pro-labor president in history." He stood on the picket line with our union siblings at the United Auto Workers and has repeatedly voiced support for collective-bargaining rights and unions. Now is his chance to show his commitment to postal union workers by directing the OPM to implement the much-needed reforms recommended by the Segal Report.

The task is simple, but the result would be a huge step forward in strengthening the Postal Service's short- and long-term financial position. If done now, implementing the action recommended in the Segal Report can save USPS $3.2 billion this year by eliminating any CSRS amortization payment in FY 2024. It also would allow tens of billions of dollars to be transferred into the Postal Service Retiree Health Benefits Fund in FY 2025. The next transfer can't be made until 2035, under current law. The time for this administration to act is now.

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As we get closer to the end of our collective-bargaining process with the Postal Service, implementation of the Segal Report would have an immediate and positive impact on our efforts. NALC is calling on the administration to stand with the hardworking, dedicated members of NALC by directing OPM to accurately value the Postal Service's pension assets and liabilities.

I encourage you to join us and make the ask at nalc.org/action. There, you can send a message to White House officials explaining why this issue matters to letter carriers and why action is needed now.

Postal pension fairness is the next step toward securing the financial future of the Postal Service. Letter carriers deliver to every community in this country every day. Now, it's time for the administration to deliver on its promise to letter carriers.