

## PRESIDENT BIDEN SIGNS POSTAL REFORM INTO LAW

*Prefunding Mandate Scrapped; Law Provides Billions in Postal Relief*

On Wednesday, April 6, President Joe Biden signed the *Postal Service Reform Act* into law at a White House ceremony. President Mark Dimondstein and Legislative and Political Director Judy Beard were invited to witness the signing ceremony and represent the APWU.

“This is a historic achievement for our union,” said President Dimondstein. “Congratulations to every postal worker who has organized for over a decade to ensure this long-needed postal reform legislation became law. The Postal Service Reform Act marks a tremendous victory for our union, for all postal workers, our families, and for the people of the country who depend on robust, reliable and sustainable universal postal services.”

The *Postal Service Reform Act* (PSRA) contains many key elements that have long been a priority for the APWU. First is the elimination of the congressional mandate that USPS prefund future retiree health benefits. This mandate required the Postal Service to set billions of dollars aside each year to prefund retiree health benefits 75 years into the future.

The prefunding mandate alone is responsible for 84% of USPS’s losses since 2007. Lifting of the mandate is expected to save the USPS roughly \$27 billion over the next 10 years and immediately eliminates \$53 billion of past due prepayments on the USPS books.

Three important service-related features are included in the new law. The PSRA increases transparency of USPS management, allowing the public, Congress and regulators better insight into USPS service issues. It also mandates that USPS continue to provide a six-day-per-week, integrated delivery network – packages and letter mail moving together – long into the future. Finally, the PSRA allows USPS to enter into agreements with State, local and tribal governments to provide a whole range of new products and services.

Another major element of the bill is in the integration of future postal retirees into the Medicare system. While USPS and postal employees have contributed to Medicare for decades, roughly a quarter of retirees do not fully enroll in Medicare. Starting in 2025, all postal retirees will have Medicare as their primary payer and a postal-only FEHBP plan as a secondary payer. These changes are expected to save postal retirees money by eliminating out-of-pocket medical expenses and by mitigating future premium increases, while saving USPS \$22 billion over the next ten years.

The PSRA passed both chambers of Congress earlier this year after more than a decade of debate and consensus-building among the postal unions, congressional leaders, mailers and postal management. It garnered broad, bipartisan support, passing the House in February by a vote of 342-92 and passing the Senate in March with a vote of 79-19.

“The APWU applauds every member of Congress who has worked alongside our union to achieve this critical legislation,” said Legislative and Political Director Beard. “We especially recognize the leadership of Chairwoman Maloney and Ranking Member Comer in the House and Chairman Peters and Ranking Member Portman in the Senate for their steadfast, bipartisan resolve in crafting this bill. Postal workers fought hard for this bill and Congress heard our voices loud and clear.”

“The path to winning this legislation was long and hard-fought,” said Dimondstein. “We should all take heart in this tremendous victory and remember that together, our union is a force to be reckoned with. Now, the struggle continues to defend the public Postal Service, to protect good jobs, and to win improved and expanded postal services and justice for all workers.”

