

New postal workers would no longer earn a pension under preliminary business plan.

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The U.S. Postal Service, facing pressure from Congress to propose initiatives to ensure the agency's long-term viability, is floating a business plan that would include significant cuts to employees' take-home pay and benefits.

USPS included a hike to the employee contribution level for pensions in a first draft of a 10-year business plan presented to lawmakers and stakeholders, according to multiple people who were briefed on it, as well as phasing out pensions altogether for new hires in favor of a defined-contribution system only. The Postal Service is looking to cut the amount of paid time off employees receive by merging annual and sick leave and pitched a popular proposal with demonstrated bipartisan backing to require all postal retirees to enroll in Medicare as their primary insurance provider.

The mailing agency suggested it resume closures of mail processing plants, according to those briefed by management, a controversial practice it has used to reduce its vast physical footprint and shed workers. USPS [stopped](#) closing the facilities amid congressional pushback and intensifying talks for a legislative overhaul to the agency. Last year, the Postal Service inspector general [found](#) the agency realized just 5% of its projected savings from the consolidation plan.

USPS told those briefed on its plan that it was still subject to change. At a hearing in April, lawmakers grilled Postmaster General Megan Brennan on why the agency had failed to produce a 10-year business plan and indicated they would not move forward on legislative reforms USPS has said it desperately needs without first viewing the document. The details of the business plan were first reported by [HuffPost](#).

Rep. Elijah Cummings, D-Md., who chairs the House Oversight and Reform Committee and helped usher an overhaul bill through the panel in the last Congress, said he planned to set a July deadline for the business plan and Brennan promised to meet it.

The Postal Service also discussed at its meetings a controversial proposal to end Saturday mail delivery. Brennan conceded at the April hearing that the plan will include a proposal to reduce mail delivery to five days per week, rather than the current six-day requirement. Rep. Mark Meadows, R-N.C., told the postmaster general to "quit wasting our time," noting Congress has repeatedly [blocked](#) any effort to cut delivery frequency.

USPS also told stakeholders it would look to further cut hours at post offices and continue to build its cadre of non-career employees who earn less pay and fewer benefits. The agency's non-career staff grew more than 60% between fiscal years 2010 and 2017.

USPS said its board of governors, of which Brennan is a part, is pursuing its business plan as part of its "fiduciary responsibility."

"Our plan is currently being finalized and reviewed through third-party analysis, and may change as part of this process," said Dave Parteneimer, an agency spokesman. "In the coming months, the Postal Service will engage with the relevant stakeholders as appropriate to build support for the plan, which essentially focuses on the key public policy questions of what universal services the organization should provide, and how to pay for those services."

Mark Dimondstein, president of the American Postal Workers Union, called the potential business plan a "cut, slash and burn approach."

Postal management is "trying to balance these false books, which resulted from a crisis created by Congress, on the backs of the workers and the backs of the postal customers as well," Dimondstein said.

Dimondstein suggested USPS look for ways to create sources of revenue through new business lines, such as further integrating with brick and mortar stores and offering financial services. He criticized the agency, and the lawmakers who pressured it, for pursuing its business plan before Congress takes the legislative steps nearly all stakeholders agree are necessary. Members of both parties, unions and large-scale mailers have largely agreed that postal reform should include requiring all USPS retirees to enroll in Medicare while reamortizing existing liabilities for their health care, adjusting the pricing structure for the mailing agency's services and allowing USPS to dabble in new lines of business.

"We think the whole thing is backwards. The cart is before the horse," Dimondstein said, suggesting Congress address the immediate issues and then ask for a business plan after the agency knows "what playing field we're on." His union is currently working on its own set of proposals to counter the Postal Service's plan once it is released.