

Postal Regulatory Commission

Postal Regulatory Commission
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Press Release

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PRC Report Finds \$50 Billion Discrepancy

Washington, DC – The Postal Regulatory Commission today submitted to Congress, the Office of Personnel Management (OPM) and the United States Postal Service, an independent actuarial report on the allocation of the Civil Service Retirement System (CSRS) benefits paid to former Post Office Department employees.

The Postal Service asked for an independent review of current allocations. The Commission report finds that an adjustment of \$50-\$55 billion in favor of the Postal Service would be equitable.

“The Commission is pleased to provide this expert and timely perspective to assist Congress and OPM as they work to resolve an issue that has far-reaching consequences for the financial health and viability of the Nation’s universal mail system,” said Chairman Ruth Y. Goldway.

By law, OPM, which is responsible for calculating the Postal Service’s CSRS pension liability, must now reconsider its calculation of the Postal Service’s pension assets in light of this report, and submit the results of its reconsideration to the Commission, the Postal Service, and Congress.

The Commission finds that the report, prepared by The Segal Company, provides a persuasive statement of how generally accepted accounting principles should be used to develop the current postal pension assets.

The Commission suggests that Congress may wish to alter the schedule established in the Postal Accountability and Enhancement Act (PAEA) for potential transfers from the Postal Service Retirement Fund to its Retiree Health Benefit Fund. Currently, such transfers may not take place before September 30, 2015.

The full report, *Civil Service Retirement System Cost and Benefit Allocation Principles*, is available on the Commission web site, www.prc.gov.

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The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Goldway, the other Commissioners are Vice Chairman Tony Hammond, Dan Blair, Nanci Langley, and Mark Acton.