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## **U.S. Postal Service Testifies Before Congress Urging Elimination of Unfunded Liabilities**

WASHINGTON — Today, Chief Human Resources Officer and Executive Vice President Jeffrey Williamson testified before the United States House of Representatives Subcommittee on Federal Workforce, U.S. Postal Service and the Census during a hearing titled “At a Crossroads: The Postal Service’s \$100 Billion in Unfunded Liabilities.”

### **What follows are highlights of Williamson’s testimony.**

“The enactment of comprehensive postal reform legislation cannot wait. The Postal Service has exhausted its borrowing authority, faces unnecessary and artificial costs that it cannot afford, and is constrained by law from correcting the problem...

We cannot get there by our actions alone. There exists no scenario where the Postal Service returns to financial stability without enactment of postal reform legislation. Now is the time for bold and sweeping action, which will allow us to move forward with solutions that will last for years to come, instead of piecemeal efforts that will only bring the Postal Service back here again, pursuing legislative reform in a few years.

Our proposals and legislative requirements address our key liabilities.

- Retiree health benefits – full Medicare integration would reduce the unfunded liability by almost \$44 billion, almost to zero.
- FERS overfunding – utilizing Postal Service specific demographic and salary growth assumptions would result in approximately \$6 billion in overfunding which should be returned to the Postal Service. This would minimize the likelihood that FERS would become overfunded in the future.
- Long-term pension liabilities – creating a defined contribution plan for future employees would provide a retirement system that better matches benefits with long-term employees’ needs, while ensuring the system’s financial viability.
- Worker’s compensation reform that would require recipients who reach retirement age to transition

from workers' compensation to a retirement program would be cost effective, and create a more equitable system that would also reduce the Postal Service's unfunded liability. In addition, legislation that would allow the Postal Service to settle workers' compensation claims would be beneficial for both the Postal Service and those employees who are unable to return to postal employment."

Williamson's full written testimony is available at: <http://about.usps.com/news/testimony-speeches/welcome.htm>

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The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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