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U.S. Postal Service Institutes Cash Conservation Plan *Payment to FERS suspended*

WASHINGTON — The U.S. Postal Service has informed the Office of Personnel Management (OPM) of its intention to suspend its employer's contributions for the defined benefit portion of the Federal Employees Retirement System (FERS) to conserve cash and preserve liquidity. The Postal Service has a FERS account surplus valued at \$6.9 billion.

"We will continue to transmit to OPM employees' contributions to FERS and also will continue to transmit employer automatic and matching contributions and employee contributions to the Thrift Savings Plan," said Anthony Vegliante, chief human resources officer and executive vice president.

The Postal Service pays about \$115 million every other week to OPM for the FERS annuity. Suspension of payments, effective June 24, will free about \$800 million in the current fiscal year.

The Postal Service continues to cut costs significantly with initiatives to reduce the size of its labor force, the number of mail processing facilities and administrative overhead. Over the last four fiscal years, the Postal Service has reduced its size by 110,000 career positions and saved \$12 billion in costs.

The Postal Service also is generating new revenue by opening cost-effective new retail locations in places where people already shop, including grocery stores, drug stores and office supply stores, and introducing other new product and pricing initiatives.

Despite significant cost reductions in areas within its control, and even with this emergency action, the Postal Service needs Congress to enact legislation that would do the following to return the Postal Service to financial stability:

- Eliminate the current mandates requiring retiree health benefit pre-payments.
- Allow the Postal Service to access Civil Service Retirement System and FERS overpayments.
- Give the Postal Service the authority to determine the frequency of mail delivery.

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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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, www.usps.com, the Postal Service has annual revenue of more than \$67 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 29th in the 2010 Fortune 500. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.