



NALC Fact Sheet

Department of Legislative and Political Affairs — National Association of Letter Carriers, AFL-CIO
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About Us: NALC and Our Members

The National Association of Letter Carriers (NALC) represents 296,000 active and retired letter carriers who live or work in virtually every community in the country. We serve as the exclusive collective bargaining representative for the 206,000 active city letter carriers employed by the U.S. Postal Service (USPS) and champion the interests of some 90,000 retired members. NALC is also dedicated to ensuring the Constitutionally-mandated Postal Service remains the most trusted and efficient provider of universal mail service in the world.

We are hard workers: Letter carriers are more productive than ever before. With delivery points increasing by about 1.3 million per year and fewer letter carriers than in years past, letter carriers must work hard and efficiently. In 2020, letter carriers delivered more than 424.9 million pieces of mail and packages each day to more than 161.4 million delivery points nationwide. This means that USPS processes and delivers nearly half (43 percent) of the world's mail.

We are veterans: Letter carriers are dedicated citizens, many of whom have traded a military uniform for a letter carrier uniform. The Postal Service is one of the largest employers of veterans in America – along with other employers, including the Department of Defense, Lockheed Martin and IBM. Indeed, some 73,000 postal employees and nearly a quarter of all letter carriers have served in the U.S. Military. These retired servicemen and women worked hard to protect this country, and they work just as hard to ensure the mail is safe and secure and delivered efficiently.

We are diverse: Letter carriers are as diverse as the communities we serve. For example, women comprise nearly 33 percent of the letter carrier workforce; African-Americans, 23 percent; Latinos, 11 percent; Asian-American/Pacific Islanders; 7 percent. The average age of letter carriers is 48, and the average job tenure of our members is almost 16 years.

We are community leaders: Each year, countless letter carriers donate time and effort to innumerable causes, partnering with community allies to strengthen the neighborhoods we serve. Along with the Postal Service, NALC holds the annual “Stamp Out Hunger” Food Drive, the nation's largest single-day drive. Since the collection began in 1992, NALC has collected more than 1.76 billion pounds of food. In the 1950s, NALC became the first national sponsor of the Muscular Dystrophy Association and remains a top fundraiser for the organization.

We are neighbors: No one knows America's neighborhoods like letter carriers do because the Postal Service's unique delivery networks rely on letter carriers' ability to reach every residential and commercial address six, and often seven, days a week. As a result, letter carriers are often first on the scene when something is wrong: coming to the rescue or spotting fires, injuries, and thefts along their delivery routes. Often the only source of daily contact for homebound Americans, thousands of letter carriers participate in the Carrier Alert program, a voluntary community service effort to help monitor the well-being of elderly and disabled mail patrons.

*Letter carriers are the public face of the most popular agency of the Federal government—
88 percent of Americans hold a favorable view of the Postal Service (Pew Research Center, 2018).*



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Door delivery (H. Res. 109)

More than 36 million American businesses and households receive mail directly to their doors six—and increasingly, seven—days a week. The ability to receive packages, letters, bills, and medications at your door is a service that is highly preferred by the public and vital to the economic success of not only the U.S. Postal Service (USPS), but also the broader \$1.58 trillion mailing industry that employs more than 7.3 million Americans.

Customers prefer door delivery

The alternative to receiving paychecks, bills, medications, and packages regularly and reliably at your door is for them to be delivered to centrally-located cluster boxes. But customers clearly prefer door delivery, according to surveys by the USPS Office of Inspector General (OIG) -- over two thirds of respondents said that they would be willing to pay more money to maintain delivery to their doors.

Door delivery is more secure than cluster boxes. Every year, USPS receives thousands of reports about theft, arson, and vandalism of cluster boxes. Package deliveries are at an all-time high and continue to skyrocket. Increased delivery to less-secure cluster boxes may mean more vandalism and theft.

Door delivery supports America's businesses

Business mailers, large and small alike, prefer door delivery because their customers prefer it. Such delivery generates higher response rates compared to other delivery methods. According to the USPS OIG, mail delivered to cluster boxes not only is retrieved far less frequently than that which is delivered straight to your door, but also is more likely to be discarded without being read, lowering its marketing value.

Door delivery is a sustainable source of revenue

The Postal Service's unmatched network, with tens of millions of door-delivery addresses, attracts businesses that wish to market themselves through the mail, thereby generating revenue for USPS. More than half of all mail volume is advertising mail (over 64 billion pieces), which generated \$13.9 billion in revenue for USPS in FY20. This revenue is derived in large part because letter carriers deliver six or seven days a week straight to the door.

The eyes and ears of our communities

Because letter carriers are delivering mail to our communities every day, no one knows our neighborhoods better. As a result, letter carriers are often first on the scene when something is wrong: coming to the rescue or spotting fires, injuries, and thefts along their delivery routes. Often the only source of daily contact for homebound Americans, this human connection is possible because of door delivery.

Door delivery should be expanded, not restricted or eliminated. Cutting it would undermine the Postal Service's 'last mile' advantage, and likely reduce revenues by more than any cost savings.

**NALC supports H. Res. 109, which maintains door delivery for all business and residential customers.
Sponsored by Reps. Stephanie Murphy (D-FL) and David Joyce (R-OH)**



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Oppose Postal Privatization (H. Res. 47)

Nearly 425 million pieces of mail are delivered to over 161.4 million addresses six days a week by the U.S. Postal Service. USPS's service obligation allows communities large and small to benefit from the same level of service, regardless of wealth. It also allows USPS to partner with private shippers, which would be unable and unwilling to service much of the country without help.

With founding principles in the U.S. Constitution, USPS has remained a national treasure since its formation in 1792. This self-sustaining, independent establishment of the federal government does not receive any taxpayer funding and relies solely on revenue derived from the sale of postal services and products.

The Postal Service is the core of U.S. mailing industry

- With 644,000 employees, USPS is at the center of the \$1.58 trillion mailing industry that employs over 7.3 million Americans (4.6 percent of all jobs nationwide).
- USPS's universal network plays a crucial role in the function of private shippers such as UPS, FedEx, and Amazon, which partner with USPS because it provides unique 'last-mile delivery' to every business and residential customer in the country six or seven days a week. This reliable, efficient service is too costly for private shippers to maintain alone.
- USPS's massive infrastructure guarantees that no matter where you are in the country—urban, suburban, or rural—USPS will deliver to you.
- USPS delivers more than half of all business-to-consumer and consumer-to-consumer packages each year.

International impacts of privatization.

- Throughout the European Union, postal privatization and profit maximization efforts resulted in disinvestment, lower service quality, and higher prices (despite more competition) as well as drastic cuts to both employment and wages.
- Privately-owned post offices only operate in areas deemed lucrative, resulting in large sections of unserved rural, suburban, and even low-income urban areas.
- Between 2010 and 2013, only a few years after the EU began the process of postal privatization, prices in France increased by 13 percent, in Italy by 17 percent, and in the UK by 50 percent.

- Despite job gain predictions, postal privatization led the Royal Mail (UK) to shed 33 percent of its jobs and the Portuguese post to cut over 26 percent. Employment in the wider postal sector is down 26 percent in France and 31 percent in Belgium.

Privatizing the Postal Service would have far-reaching negative consequences nationwide.

- Privatization would jeopardize the jobs of 644,000 postal employees, over 25 percent of which are military veterans, and impact the 7.3 million Americans in the mailing industry.
- Service could cease for America's rural and low-income communities, negatively impacting nearly all 50 states in some form, but especially large, less-populous regions.

Financial losses are due to Congress, not USPS

- In 2006, Congress passed the Postal Accountability and Enhancement Act, a postal reform measure that included a mandate on USPS to "pre-fund" tens of billions of dollars for retiree health benefits decades in advance -- a crushing financial burden that no other enterprise in America faces.
- This pre-funding burden, which continues to cost USPS billions annually, accounts for 84 percent of losses since 2007 and 100 percent of losses between 2013 and 2018.

USPS is much more than a delivery service

Letter carriers provide far more than the delivery of mail. They are members of the community, the eyes and ears of their neighborhoods, and often the only source of daily contact for the elderly and disabled. They often serve as first responders for lost children and the victims of crimes, accidents and fires. And they provide the first sense of normalcy after hurricanes, floods and other natural disasters.

USPS is one of the nations' largest employers of U.S. military veterans and remains the most popular government entity in the U.S. (with a 91 percent approval rating).

Postal privatization imperils far more than its supporters reveal. It is not the answer to the USPS's manufactured financial crisis and it would not benefit the American public.

NALC opposes postal privatization in all forms and supports H. Res. 47, which calls on Congress to ensure that the Postal Service remains an independent establishment and not subject to privatization.



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Repeal Social Security's WEP and GPO provisions (H.R. 82 and S. 1302)

Many retired letter carriers worked both for the Postal Service and for private sector employers over their working years, paying into both the federal pension programs (CSRS or FERS for their federal service) and into Social Security (for their private sector employment).

FERS retirees receive full benefits from both their federal pension plan and Social Security for their federal service since they paid into both systems while employed by the Postal Service. Although retired CSRS letter carriers naturally don't expect to receive Social Security benefits for their service for the Postal Service (for which they paid no FICA tax), most are shocked to find out that their Social Security benefits for their private sector work—or for the private sector work of their spouses—are usually reduced by provisions in the Social Security law enacted several decades ago.

These provisions—the Windfall Benefit Reduction (WEP) and the Government Pension Offset (GPO)—were adopted by Congress in the late 1970s and early 1980s to address the false perception that federal retirees were somehow “double dipping.” In fact, these provisions are grossly unfair. The Social Security benefits of retired private sector workers are not reduced if such retirees receive benefits from private pension plans. CSRS retirees earned their full Social Security benefits and should receive them.

NALC has been working for decades to reform or repeal the WEP and GPO provisions. We are trying to do so once again in the current Congress, though budget rules that require tax increases or other spending cuts to pay for such legislation continue to be obstacles.

This fact sheet outlines how the two provisions work and the legislation before Congress to fix their unfairness.

Windfall Elimination Provision (WEP)

The WEP (enacted in 1982) reduces the Social Security benefits of retired public employees (federal, state and local) who also worked in Social Security-covered private sector employment—if they receive a government annuity for their non-Social Security-covered government employment. This provision hits CSRS retirees directly (but not FERS retirees). In all, nearly two million Americans have been adversely affected by the WEP provision—a number that will grow as more CSRS employees retire.

The WEP affects the determination of a new retiree's monthly Social Security benefit (the *Primary Insurance Amount*)—which involves a three-part calculation applied to a worker's *Average Indexed Monthly Earnings* (AIME) from Social Security covered employment. A worker's top 35 years of earnings are indexed to wage inflation to express earnings from years ago in today's dollars and then converted into a monthly average—or AIME. In 2021, the first \$996 of a worker's AIME is multiplied by 90%, the next \$5,006 of his or her AIME is multiplied by 32% and then any AIME more than \$6,002 is multiplied by 15%. This formula insures that lower-income workers get a higher relative benefit.

That's how the calculation works for private sector workers and/or FERS workers (whose federal service is covered by Social Security). But for CSRS retirees, the first bracket of the calculation is different. The Social Security Administration multiplies the first \$996 of their AIME (from private sector jobs) by 40% instead of 90%—reducing the benefit by \$498 per month (\$5,976 annually). This is grossly unfair—private workers with private pensions face no similar reduction in Social Security benefits.

The impact of the WEP can be reduced if CSRS workers have at least 21 years of substantial earnings from Social Security-covered employment (in private sector jobs before and after their CSRS employment—or through second jobs during their federal service). The 40% multiplier is increased to 45% for a worker with 21 years of substantial Social Security earnings—and by 5% for each additional year of such earnings—until it reaches the normal 90% multiplier for those with 30 years of such earnings. (See <https://www.ssa.gov/pubs/EN-05-10045.pdf> for a full explanation of the WEP from the Social Security Administration.)

Government Pension Offset

Normally, survivors and spouses of Social Security benefits qualify for spousal and survivor benefits based on the earnings and benefits of their spouses—unless they qualify for greater benefits based on their own Social Security earnings history. For CSRS letter carriers with little or no private sector work experience, such spousal and survivor benefits from Social Security could be significant—since their own Social Security would benefits would be minimal.

Unfortunately, the GPO (adopted in 1977) typically eliminates most, if not all, of the otherwise payable spousal and survivor benefits for retirees who receive a government annuity for non-Social Security work. That's because the GPO reduces Social Security spousal and survivor benefits by two dollars for every three dollars paid in CSRS annuity benefits to affected retirees.

For example, if a CSRS retiree's spouse receives \$2,000 in Social Security retirement benefits, the 50% spousal benefit would normally be \$1,000 per month. But if the annuitant receives \$3,000 in CSRS benefits, his spousal benefit would be totally eliminated. The same grossly unfair impact

is seen with Social Security survivor benefits. Again, Social Security recipients who receive private pensions see no reduction in the Social Security's spousal or survivor benefits.

The Social Security Fairness Act of 2021 (H.R. 82 and S. 1302) would eliminate the GPO and the WEP titles of the Social Security Act for benefits payable for months after December 2021. By repealing the GPO and the WEP, the bill would change the current law that reduces Social Security benefits for individuals who receive other benefits. NALC fully supports H.R. 82 and S. 1302 and urges Congress to cosponsor and pass into law this important legislation.

NALC supports H.R. 82/S. 1302, which would eliminate the GPO and the WEP titles of the Social Security Act for benefits payable for months after December 2021.

Sponsored by Reps. Rodney Davis (R-IL) and Abigail Spanberger (D-VA) and Sens. Sherrod Brown (D-OH) and Susan Collins (R-ME).



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Federal Retirement Fairness Act (H.R. 4268)

Many federal employees, including Postal Service employees, begin their federal/postal service in non-career positions before transitioning to career status. These employees, including letter carriers who were employed as casuals, transitional employees (TEs) or city carrier assistants (CCAs), do not receive retirement credit for their time spent in these positions. Because years employed as a non-career employee are not creditable under the Federal Employees Retirement System (FERS), employees who started in non-career positions and transition to career status must work longer to reach the required years of employment to receive full retirement benefits.

The Federal Retirement Fairness Act (H.R. 4268), sponsored by Reps. Derek Kilmer (D-WA) and Tom Cole (R-OK), would modify what is considered creditable federal civilian service under FERS. This bill would allow these employees to make catch-up retirement contributions for time spent as non-career employees after Dec. 31, 1988, making such time creditable service under the FERS, and for other purposes.

This legislation would allow letter carriers and other affected employees the opportunity to purchase retirement credit for the time they spent in these non-career positions, providing greater retirement security.

NALC supports H.R. 4268, which would allow certain federal employees to make catch-up retirement contributions for time spent as non-career employees after Dec. 31, 1988, thus making such time creditable service under FERS.

Sponsored by Reps. Derek Kilmer (D-WA) and Tom Cole (R-OK).