

Letter from US Postal Service worker

28 June 2011

A US Postal Service worker sent the following letter in response to “US Postal Service halts payments to retirement fund,” published June 24, 2011.

I agree totally with Toby Reese’s article and would like to add some of my observations.

First, a slight correction: the bill Obama signed in 2009 was to reduce only that year’s retiree health benefits payment. The United States Postal Service still seeks a permanent reduction in its contribution—in other words, a permanent underfunding of its retiree health plan.

Second, this is the first time in its 40-year history that the USPS has violated its legally mandated contribution into the retirement fund. The character of its decision—to unilaterally and illegally impose the burden of its crisis on its current and future retirees—bears some consideration. Despite their repeated assertions that, “This will have no effect on employees,” the 30-year decline of wages, benefits and working conditions belie those guarantees. Also, the ongoing assault on retirement and other benefits for government and private workers nationwide, most recently in New Jersey, gives postal workers reason to view this decision with some anxiety.

In contrast, on May 16, Timothy Geithner, secretary of the US Treasury, notified Congress of his decision to suspend payments into federal retirement and disability funds—as a response to the federal government hitting the debt ceiling—and prominently cited the legal statutes permitting him to do so.

(It is perhaps significant that the USPS takes this unlawful action shortly after President Obama has himself rejected the application of the War Powers Act, requiring congressional approval after 60 days, to the US military involvement in Libya.)

While the USPS claims that its ability to suspend payments derives from having “satisfied its current funding obligation” due to a FERS surplus of \$6.9

billion, the Office of Personnel Management (OPM), which administers federal retirement plans, will submit a request for a legal opinion to the Office of Legal Counsel at the Department of Justice. While the dubious legality of this decision is writ large, the practical consequence—will the payments be waived in some form, will they be reinstated, etc.—is, as yet, unknown. The OPM’s attitude regarding the suspended payments is one of, as it states, “sympathy.”

Whatever the determination of the Justice Department, the Postal Service has fired a very tangible shot across the bow of its employee’s right to a decent retirement. Its other assertion that allowing it to access the overfunding of both retirement accounts, the Civil Service Retirement System and the FERS, would resolve the financial crisis, does not in the slightest mean that the attacks on wages, benefits and working conditions will cease. One merely has to look at Canadian postal workers; who were just forced into a strike although Canada Post earned a surplus. On the contrary, sacrificing these retirement funds to the Postal Service will only open postal workers up to even greater attacks.

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