

uspsnewsbreak

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FERS SUSPENSION LIFTED

Earlier this year, USPS suspended the employer contribution to the annuity portion of the Federal Employee Retirement System (FERS) to conserve cash and preserve liquidity — in large part to ensure that the Postal Service could continue honoring its commitment to meet employee payroll. The suspension freed \$900 million in USPS funds during fiscal year 2011.

USPS now has decided that, subject to further legislative developments, it will pay suspended employer contributions and resume biweekly payments of the employer contributions with the Dec. 9, 2011 pay date. Pending legislation in both Houses of Congress would, if enacted, make the surplus FERS funding available to the Postal Service.

The suspension didn't affect employee contributions. The Postal Service continued to transfer employee contributions to the three components of FERS — the annuity, Social Security and the Thrift Savings Plan (TSP). USPS also has continued meeting its Social Security obligations and transmitting its automatic and matching employee TSP contributions for FERS employees. USPS suspended its biweekly payment toward the annuity that FERS employees receive when they retire.

USPS also concluded the suspension would not affect the continued accrual of service credit by FERS employees. This conclusion recently was confirmed by the U.S. Department of Justice.

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