USPS 2002 Total Compensation

Source: USPS Annual Report, FY 2002
Benefit Overview

- USPS employees receive a comprehensive benefits package that includes:
  - Retirement
  - Health care
  - Life insurance
  - Sick, annual, and holiday leave

- USPS employees currently realize a significant benefits premium compared to the private sector.
- This premium is evident no matter how benefit values are measured.
Employer Benefit Cost as $$/Hour

Total Value of USPS Benefits Compared to the Private Sector

Source: 2002 Hay Benefits Report
Benefit Overview

- Two key areas account for the Benefit Premium
  - Retirement Benefits
  - Health Insurance Benefits
**Retirement**

- **Key Factors**
  - Unlimited COLA
  - Early Retirement
Components of Defined Benefit Plans

- Early Retirement
- COLA
- Basic Retirement

Source: HayGroup 2002 Value Study
Source: Mercer National Survey of Employer-Sponsored Health Plans 2002
Health Benefits for Retirees

- Lifetime coverage for retirees and survivors
- Contributions the same as active Federal employees
- Current annual cost to USPS = $1 Billion
- Health benefits for retirees in the private sector has been eliminated or reduced in the last 10 years
Options for consideration:

- Stay within the Federal benefit systems, but seek authority to modify benefit provisions and contribution levels
- Provide separate benefit programs

Either approach is likely to require legislation