

Public Law 117–108  
117th Congress

An Act

To provide stability to and enhance the services of the United States Postal Service,  
and for other purposes.

Apr. 6, 2022  
[H.R. 3076]

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

Postal Service  
Reform Act of  
2022.

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

39 USC 101 note.

(a) **SHORT TITLE.**—This Act may be cited as the “Postal Service Reform Act of 2022”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

**TITLE I—POSTAL SERVICE FINANCIAL REFORMS**

- Sec. 101. Postal Service Health Benefits Program.
- Sec. 102. USPS Fairness Act.
- Sec. 103. Nonpostal services.

**TITLE II—POSTAL SERVICE OPERATIONAL REFORMS**

- Sec. 201. Performance targets and transparency.
- Sec. 202. Integrated delivery network.
- Sec. 203. Review of Postal Service cost attribution guidelines.
- Sec. 204. Rural newspaper sustainability.
- Sec. 205. Funding of Postal Regulatory Commission.
- Sec. 206. Flats operations study and reform.
- Sec. 207. Reporting requirements.
- Sec. 208. Postal Service transportation selection policy revisions.
- Sec. 209. USPS Inspector General oversight of Postal Regulatory Commission.

**TITLE III—SEVERABILITY**

- Sec. 301. Severability.

**SEC. 2. DEFINITIONS.**

39 USC 501 note.

(a) **COMMISSION.**—In this Act, the term “Commission” means the Postal Regulatory Commission.

(b) **TERMS DEFINED IN TITLE 39, UNITED STATES CODE.**—In this Act, the terms “competitive product”, “market-dominant product”, and “Postal Service” have the meanings given those terms in section 102 of title 39, United States Code.

**TITLE I—POSTAL SERVICE FINANCIAL  
REFORMS**

**SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903b the following:

5 USC 8903c.

**“§ 8903c. Postal Service Health Benefits Program**

“(a) DEFINITIONS.—In this section—

“(1) the term ‘covered Medicare individual’ means an individual who is entitled to benefits under Medicare part A, but excluding an individual who is eligible to enroll under such part under section 1818 or 1818A of the Social Security Act (42 U.S.C. 1395i–2, 1395i–2a);

“(2) the term ‘initial contract year’ means the contract year beginning in January of 2025;

“(3) the term ‘initial participating carrier’ means a carrier that enters into a contract with the Office to participate in the Program during the initial contract year;

“(4) the term ‘Medicare part A’ means part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

“(5) the term ‘Medicare part B’ means part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.);

“(6) the term ‘Office’ means the Office of Personnel Management;

“(7) the term ‘Postal Service’ means the United States Postal Service;

“(8) the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under this chapter whose Government contribution is required to be paid under section 8906(g)(2);

“(9) the term ‘Postal Service employee’ means an employee of the Postal Service enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service;

“(10) the term ‘Postal Service Medicare covered annuitant’ means an individual who—

“(A) is a Postal Service annuitant; and

“(B) is a covered Medicare individual;

“(11) the term ‘Program’ means the Postal Service Health Benefits Program established under subsection (c) within the Federal Employees Health Benefits Program;

“(12) the term ‘Program plan’ means a health benefits plan offered under the Program; and

“(13) the definitions set forth in section 8901 shall apply, and for the purposes of applying such definitions in carrying out this section, a Postal Service employee and Postal Service annuitant shall be treated in the same manner as an employee and an annuitant (as those terms are defined in paragraphs (1) and (3), respectively, of section 8901), consistent with the requirements of this section.

“(b) APPLICATION.—The requirements under this section shall—

“(1) apply to the initial contract year and each contract year thereafter; and

“(2) supersede any other provision of this chapter inconsistent with such requirements, as determined by the Office.

“(c) ESTABLISHMENT OF THE POSTAL SERVICE HEALTH BENEFITS PROGRAM.—

“(1) IN GENERAL.—

“(A) ESTABLISHMENT.—The Office shall establish the Postal Service Health Benefits Program within the Federal Employees Health Benefits Program under this chapter, under which the Office may contract with carriers to offer health benefits plans as described under this section.

“(B) APPLICABILITY OF CHAPTER REQUIREMENTS TO CONTRACTS.—Except as otherwise provided in this section, any contract described in subparagraph (A) shall be consistent with the requirements of this chapter for contracts under section 8902 with carriers to offer health benefits plans other than under this section.

“(C) PROGRAM PLANS AND PARTICIPATION.—The Program shall—

“(i) to the greatest extent practicable—

“(I) with respect to each plan provided by a carrier under this subchapter in which the total enrollment includes, in the contract year beginning in January 2023, 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants, include a plan offered by that carrier with equivalent benefits and cost-sharing requirements as provided under paragraph (2), except that the Director of the Office may exempt any comprehensive medical plan from this requirement; and

Effective date.

“(II) include plans offered by any other carrier determined appropriate by the Office;

“(ii) provide for enrollment in Program plans of Postal Service employees and Postal Service annuitants, in accordance with subsection (d);

“(iii) provide for enrollment in a Program plan as an individual, for self plus one, or for self and family; and

“(iv) not provide for enrollment in a Program plan of an individual who is not a Postal Service employee or Postal Service annuitant (except as a member of family of such an employee or annuitant or as provided under paragraph (4)).

“(2) COVERAGE WITH EQUIVALENT BENEFITS AND COST-SHARING.—In the initial contract year, the Office shall ensure that each carrier participating in the Program provides under the Program plans offered by the carrier benefits and cost-sharing requirements that are equivalent to the benefits and cost-sharing requirements under the health benefits plans offered by the carrier under this chapter that are not Program plans, except that prescription drug benefits and cost-sharing requirements may differ between the Program plans and other health benefits plans offered by the carrier under this chapter to the extent needed to integrate the Medicare part D prescription drug benefits coverage required under subsection (h)(2).

“(3) APPLICABILITY OF FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM REQUIREMENTS.—Except as otherwise set forth in this section, the provisions of this chapter applicable to health benefits plans offered by carriers under section 8903 or 8903a shall apply to plans offered under the Program.

“(4) APPLICATION OF CONTINUATION COVERAGE.—In accordance with rules established by the Office, section 8905a shall apply to health benefits plans offered under this section in the same manner as such section applies to other health benefits plans offered under this chapter.

“(d) ELECTION OF COVERAGE.—Each Postal Service employee and Postal Service annuitant who elects to receive health benefits coverage under this chapter—

“(1) shall be subject to the requirements of this section; and

“(2) may not enroll in any other health benefits plan offered under any other section of this chapter.

“(e) REQUIREMENT OF MEDICARE ENROLLMENT FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEMBERS.—

“(1) MEDICARE COVERED ANNUITANTS.—Except as provided under paragraph (3), a Postal Service Medicare covered annuitant may not enroll in a Program plan unless the annuitant is entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(2) MEDICARE COVERED FAMILY MEMBERS.—Except as provided under paragraph (3), in the case of a Postal Service annuitant who is entitled to benefits under Medicare part A and required under this subsection to enroll in Medicare part B to enroll under the Program, if a member of family of such Postal Service annuitant is a covered Medicare individual, that member of family may not enroll under the Program as a member of family of the Postal Service annuitant unless that member of family is entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(3) EXCEPTIONS.—

“(A) IN GENERAL.—The requirements under paragraphs (1) and (2), as applicable, shall not apply with respect to an individual in the following cases:

“(i) CURRENT POSTAL SERVICE ANNUITANTS.—The individual, as of January 1, 2025, is a Postal Service annuitant who is not both entitled to benefits under Medicare part A and enrolled in Medicare part B.

“(ii) CURRENT EMPLOYEES AGED 64 AND OVER.—The individual, as of January 1, 2025, is a Postal Service employee and is at least 64 years of age.

“(iii) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS RESIDING ABROAD.—For any contract year with respect to which the individual is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant and resides outside the United States (which includes the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands), provided that the individual demonstrates such residency to the Postal Service in accordance with regulations issued by the Postal Service.

“(iv) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS ENROLLED UNDER VA COVERAGE.—The individual—

“(I) is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant; and

“(II) is enrolled in health care benefits provided by the Department of Veterans Affairs under subchapter II of chapter 17 of title 38, United States Code.

“(v) POSTAL SERVICE MEDICARE COVERED ANNUITANTS AND FAMILY MEMBERS ELIGIBLE FOR IHS HEALTH SERVICES.—The individual—

Effective date.

“(I) is a Postal Service Medicare covered annuitant or a member of family of a Postal Service Medicare covered annuitant; and

“(II) is eligible for health services from the Indian Health Service.

“(B) REGULATIONS FOR VA AND IHS EXCEPTIONS.—Not later than 1 year after the date of enactment of this section, the Office shall, in consultation with the Secretary of Veterans Affairs, the Secretary of Health and Human Services, and the Postmaster General, promulgate any regulations necessary to implement clauses (iv) and (v) of subparagraph (A).

Deadline.  
Consultation.

“(C) LIST OF INDIVIDUALS RESIDING ABROAD.—The Postal Service shall provide a list of individuals who satisfy the exception under subparagraph (A)(iii) to the Office.

“(4) PROCESS FOR INFORMATION COLLECTION AND DISSEMINATION.—The Postal Service and the Office, in consultation with the Social Security Administration and the Centers for Medicare & Medicaid Services, shall establish a process that will enable the Postal Service to timely inform Postal Service employees, Postal Service annuitants, and members of family of such employees and annuitants of the requirements described in paragraphs (1) and (2) in order to be eligible to enroll in Program plans under this section.

Consultation.

“(f) TRANSITIONAL OPEN SEASON.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘current option’, with respect to an individual, means the option under a plan under this chapter in which the individual is enrolled during the contract year preceding the initial contract year; and

“(B) the term ‘current plan’, with respect to an individual, means the plan under this chapter in which the individual is enrolled during the contract year preceding the initial contract year.

“(2) AUTOMATIC ENROLLMENT.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the case of an individual who is a Postal Service employee or Postal Service annuitant eligible to enroll in a Program plan under subsection (d), who is enrolled in a current plan, and who does not enroll in a Program plan during the open season that immediately precedes the initial contract year, the Office shall automatically enroll the individual, as of the start of the initial contract year, in a Program plan offered by the carrier of the individual’s current plan.

“(B) CARRIERS OFFERING MULTIPLE PROGRAM PLANS OR OPTIONS.—If the carrier of the current plan of an individual described in subparagraph (A) offers more than 1 Program plan or option, the Office, in carrying out subparagraph (A), shall automatically enroll the individual in the plan and option that provide coverage with equivalent benefits and cost sharing, as described in subsection (c)(2), to the individual’s current plan and current option.

“(C) CARRIERS NOT OFFERING PROGRAM PLANS.—If the carrier of the current plan of an individual described in subparagraph (A) does not offer a Program plan, the Office, in carrying out subparagraph (A), shall automatically enroll

the individual in the lowest-cost nationwide plan option within the Program that is not a high deductible health plan and does not charge an association or membership fee.

Deadline.

“(g) OPM REGULATIONS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Director of the Office shall issue regulations to carry out this section.

“(2) CONSULTATION.—In issuing regulations under paragraph (1), the Director of the Office shall consult, as necessary, with the Secretary of Health and Human Services, the Secretary of Veterans Affairs, the Commissioner of Social Security, and the Postmaster General.

“(3) CONTENTS.—The regulations issued under paragraph (1) shall include—

“(A) any provisions necessary to implement this section;

“(B) a process under which Postal Service annuitants and affected family members are timely informed of the enrollment requirements and may request, in writing, any additional enrollment information;

“(C) provisions under which a Postal Service employee or Postal Service annuitant enrolled under the Program may request a belated change of plan and may be prospectively enrolled in the plan of the employee’s or annuitant’s choice; and

“(D) provisions for individuals to cancel coverage under the Program in writing to the Postal Service because the individuals choose not to enroll in, or to disenroll from, Medicare part B.

Requirements.

“(h) MEDICARE COORDINATION.—

“(1) IN GENERAL.—The Office shall require each Program plan to provide benefits for covered Medicare individuals pursuant to a coordination of benefits method approved by the Office.

“(2) MEDICARE PART D PRESCRIPTION DRUG BENEFITS.—The Office shall require each Program plan to provide prescription drug benefits to any Postal Service annuitant and member of family of such annuitant who is a part D eligible individual (as defined in section 1860D-1(a)(3)(A) of the Social Security Act) through employment-based retiree health coverage (as defined in section 1860D-22(c)(1) of such Act) through—

“(A) a prescription drug plan (as defined in section 1860D-41(a)(14) of such Act); or

Contracts.

“(B) contracts between such a Program plan and PDP sponsor, as defined in section 1860D-41(a)(13) of such Act, of such a prescription drug plan.

“(i) POSTAL SERVICE CONTRIBUTION.—

Applicability.

“(1) IN GENERAL.—Subject to subsection (k), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraphs (2) and (3).

Deadline.  
Effective date.  
Determination.

“(2) WEIGHTED AVERAGE CALCULATION.—Not later than October 1 of each year (beginning with 2024), the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for Program plans that will be in effect during the following contract year with respect to—

“(A) enrollments for self only;

“(B) enrollments for self plus one; and

“(C) enrollments for self and family.

“(3) WEIGHTING IN COMPUTING RATES FOR INITIAL CONTRACT YEAR.—In determining such weighted average of the rates for the initial contract year, the Office shall take into account (for purposes of section 8906(a)(2)) the enrollment of Postal Service employees and annuitants in the health benefits plans offered by the initial participating carriers as of March 31, 2023.

Effective date.

“(4) PAYMENT OF LATE ENROLLMENT PENALTIES.—The Postal Service may direct the Office to pay the amounts required by an agreement between the United States Postal Service and the Secretary of the Department of Health and Human Services under section 1839(e)(1) of the Social Security Act (42 U.S.C. 1395r(e)(1)) from the Postal Service Retiree Health Benefits Fund established under section 8909a until depleted and thereafter shall pay such amounts from the Postal Service Fund established under section 2003 of title 39.

“(j) RESERVES.—

“(1) SEPARATE RESERVES.—

“(A) IN GENERAL.—The Office shall ensure that each Program plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the Program plan in accordance with section 8909.

“(B) APPLICABILITY OF SECTION 8909 TO CONTINGENCY RESERVES.—All provisions of section 8909 relating to contingency reserves shall apply to contingency reserves of Program plans in the same manner as to the contingency reserves of other plans under this chapter, except to the extent that such provisions are inconsistent with the requirements of this subsection.

“(C) REFERENCES.—For purposes of the Program, each reference to ‘the Government’ in section 8909 shall be deemed to be a reference to the Postal Service.

“(D) AMOUNTS TO BE CREDITED.—The reserves (including the separate contingency reserve) maintained for each Program plan shall be credited with a proportionate amount of the funds in the reserves for health benefits plans offered by the carrier.

“(2) DISCONTINUATION OF PROGRAM PLAN.—In applying section 8909(e) relating to a Program plan that is discontinued, the Office shall credit the separate Postal Service contingency reserve maintained under paragraph (1) for that plan only to the separate Postal Service contingency reserves of the Program plans continuing under this chapter.

Applicability.

“(k) NO EFFECT ON EXISTING LAW.—Nothing in this section shall be construed as affecting section 1005(f) of title 39 regarding variations, additions, or substitutions to the provisions of this chapter.

“(l) HEALTH BENEFITS EDUCATION PROGRAM.—

“(1) DEFINITION.—In this subsection, the term ‘navigator’ means an employee of the Postal Service or of a contractor of the Postal Service who is designated by the Postal Service or contractor to carry out activities under paragraph (5).

“(2) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this section, the Postal Service shall establish a Health Benefits Education Program.

Deadline.

“(3) REQUIREMENTS.—In carrying out the Health Benefits Education Program established under paragraph (2), the Postal Service shall—

Notification.

“(A) notify Postal Service annuitants and Postal Service employees about the Postal Service Health Benefits Program established under subsection (c)(1);

“(B) provide information regarding the Postal Service Health Benefits Program and the requirements of this section to Postal Service annuitants and Postal Service employees, including—

“(i) a description of the health care options available under such Program;

“(ii) the enrollment provisions of subsection (d); and

“(iii) the requirement that Postal Service annuitants and their family members be enrolled in Medicare under subsection (e);

Consultation.

“(C) respond and provide answers to any inquiry from such employees and annuitants about the Postal Service Health Benefits Program, in consultation with the Office as necessary;

Consultation.

“(D) in consultation with the Centers for Medicare & Medicaid Services and the Social Security Administration, provide information to individuals about enrollment under the Medicare program under title XVIII of the Social Security Act, and refer individuals to the Centers for Medicare & Medicaid Services and the Social Security Administration as necessary for additional enrollment information; and

“(E) carry out, or provide for through contract or other arrangement, the activities described in paragraph (5).

“(4) INFORMATION.—

“(A) INFORMATION FROM OPM.—The Office shall timely provide the Postal Service with such information as necessary to conduct the Health Benefits Education Program.

Consultation.

“(B) COORDINATION WITH OPM.—The Postal Service shall coordinate with the Office, in consultation with the Centers for Medicare & Medicaid Services and the Social Security Administration, to obtain and confirm the accuracy of information as the Postal Service determines to be necessary to conduct the Health Benefits Education Program.

“(5) NAVIGATOR ACTIVITIES.—

“(A) ACTIVITIES.—The activities described in this paragraph, with respect to Program plans and the health care options available under the Program, are the following:

“(i) Educational activities for annuitants and employees of the Postal Service to raise awareness of the availability of Program plans and requirements for enrolling in such plans, including requirements to be entitled to Medicare part A and enroll in Medicare part B.

“(ii) Distribution of fair and impartial information concerning enrollment in such plans.

“(iii) Facilitation of enrollment in such plans.

“(iv) Provision of information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the Program plans.



## “(B) STANDARDS.—

“(i) IN GENERAL.—The Postal Service shall establish standards for navigators carrying out the activities under this paragraph to—

“(I) engage in the navigator activities described in subparagraph (A); and

“(II) avoid conflicts of interest.

“(ii) CONTENTS.—The standards established under clause (i) shall provide that a navigator may not—

“(I) be a health insurance carrier; or

“(II) receive any consideration directly or indirectly from any health insurance carrier in connection with the enrollment of any individual in a Program plan.

“(C) FAIR AND IMPARTIAL INFORMATION AND SERVICES.—The Postal Service, in consultation as necessary with the Office and the Centers for Medicare & Medicaid Services, shall develop standards to ensure that information made available by navigators under this paragraph is fair, accurate, and impartial.

Consultation.

## “(6) REGULATIONS.—

“(A) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Postmaster General shall issue regulations to establish the Health Benefits Education Program required under this subsection.

Deadline.

“(B) CONTENTS.—The regulations issued under subparagraph (A) shall include—

Notifications.

“(i) provisions for the notification of Postal Service annuitants and Postal Service employees about the Program, including a description of the available health benefits options, including a process for notifying Postal Service employees who become eligible for Medicare part B and Postal Service Medicare covered annuitants about their choices;

“(ii) provisions for notifying Postal Service annuitants, Postal Service employees, and their family members of the requirements under subsection (e) to enroll in Medicare as a condition of eligibility to enroll in the Program; and

“(iii) a process, developed in consultation with the Social Security Administration, the Centers for Medicare & Medicaid Services, and the Office, for addressing any inquiry from Postal Service annuitants and Postal Service employees about the Program or Medicare enrollment.”.

Consultation.

## (2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) SERVICE BENEFIT PLANS.—Section 8903(1) of title 5, United States Code, is amended by striking “two levels of benefits” and inserting “at least 2 levels of benefits for enrollees under this chapter generally and at least 2 levels of benefits for enrollees under the Postal Service Health Benefits Program established under section 8903c”.

(B) TABLE OF SECTIONS.—The table of sections for chapter 89 of title 5, United States Code, is amended by inserting after the item relating to section 8903b the following:

5 USC 8901 prec.

“8903c. Postal Service Health Benefits Program.”.

(C) APPLICATION TO CERTAIN POSTAL SERVICE ANNUITANTS OR FAMILY MEMBERS.—Section 1862(b)(1)(E) of the Social Security Act (42 U.S.C. 1395y(b)(1)(E)) is amended by adding at the end the following:

“(iv) APPLICATION TO CERTAIN POSTAL SERVICE ANNUITANTS OR FAMILY MEMBERS.—Nothing in this paragraph shall prohibit a group health plan from determining an individual’s eligibility to enroll in a health benefits plan offered under the Postal Service Health Benefits Program under section 8903c of title 5, United States Code, in accordance with subsection (e) of such section.”.

(b) COORDINATION WITH MEDICARE.—

(1) PART B SPECIAL ENROLLMENT PERIOD.—Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

“(o)(1) In the case of an individual who—

Effective date.

“(A) as of January 1, 2024, is—

“(i) a Postal Service annuitant who is entitled to benefits under part A of title XVIII of the Social Security Act, but excluding an individual who is eligible to enroll under such part under section 1818 of such Act or 1818A of such Act (42 U.S.C. 1395i-2, 1395i-2a); or

“(ii) a member of family (as defined in section 8901(5) of title 5, United States Code) of a Postal Service annuitant and is entitled to benefits under part A of title XVIII of the Social Security Act, but excluding an individual who is eligible to enroll under such part under section 1818 of such Act or 1818A of such Act (42 U.S.C. 1395i-2, 1395i-2a); and

Time period.

“(B) is not enrolled under this part, the individual may elect to be enrolled under this part during a special enrollment period during the 6-month period beginning on April 1, 2024.

Definition.

“(2) In this subsection, the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under chapter 89 of title 5, United States Code, whose Government contribution is required to be paid under section 8906(g)(2) of such title.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) PART A ENROLLMENT.—Section 1818(c) of the Social Security Act (42 U.S.C. 1395i-2(c)) is amended, in the matter preceding paragraph (1), by striking “(except subsection (f) thereof)” and inserting “(except subsections (f) and (o) thereof)”.

(B) COVERAGE PERIOD UNDER PART B.—Section 1838 of the Social Security Act (42 U.S.C. 1395q) is amended by adding at the end the following:

Effective date.

“(i) Notwithstanding subsection (a), in the case of an individual who enrolls during the special enrollment period pursuant to section 1837(o), the coverage period shall begin on January 1, 2025.”.

(3) TREATMENT OF PART B LATE ENROLLMENT PENALTY FOR INDIVIDUALS ENROLLING DURING SPECIAL ENROLLMENT PERIOD.—Section 1839(e) of the Social Security Act (42 U.S.C. 1395r(e)) is amended—

Contracts.

(A) in paragraph (1), by striking “(as defined in paragraph (3)(A))” and by inserting “(as defined in paragraph (3)(A)(i)). The Secretary shall enter into an agreement with the United States Postal Service under which the United

States Postal Service agrees to pay on a quarterly or other periodic basis to the Secretary (to be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund) an amount equal to the amount of the part B late enrollment premium increases with respect to the premiums for eligible individuals (as defined in paragraph (3)(A)(ii)).”;

(B) by amending paragraph (3)(A) to read as follows:

“(A) The term ‘eligible individual’ means an individual who is enrolled under this part B and who—

Definition.

“(i) in the case of an agreement entered into under the first sentence of paragraph (1), is within a class of individuals specified in such agreement; and

“(ii) in the case of an agreement entered into under the second sentence of paragraph (1), is so enrolled under this part pursuant to the special enrollment period under section 1837(o)”.

(4) PART D EGWP CONTRACTING CONFORMING AMENDMENT.—Section 1860D–22(b) of the Social Security Act (42 U.S.C. 1395w–132(b)) is amended by inserting before the period at the end the following: “, and shall be applied in a manner to facilitate the offering of prescription drug benefits under a Program plan under section 8903c of title 5, United States Code, as required under subsection (h)(2) of such section, through employment-based retiree health coverage through—

Applicability.

“(1) a prescription drug plan; or

“(2) contracts between such a Program plan and the PDP sponsor of such a prescription drug plan.”.

(c) INFORMATION SHARING AND DISSEMINATION REQUIRED FOR SPECIAL ENROLLMENT PERIOD AND ENFORCEMENT OF PART B ENROLLMENT REQUIREMENTS.—

5 USC 8903c note.

(1) DEFINITIONS.—In this subsection, the terms “Medicare part A”, “Medicare part B”, “Office”, “Postal Service”, and “Postal Service annuitant” have the meanings given those terms in section 8903c of title 5, United States Code, as added by subsection (a).

(2) INFORMATION SHARING BY OPM.—The Office shall, by regulation, establish a process for providing such information as is necessary to the Social Security Administration regarding Postal Service annuitants (and the family members of such annuitants) who may be eligible to enroll under Medicare part B during the special enrollment period described in subsection (o) of section 1837 of the Social Security Act (42 U.S.C. 1395p), as added by subsection (b), or who may be subject to the enrollment requirements described in paragraphs (1) and (2) of section 8903c(e) of title 5, United States Code, as added by subsection (a).

Regulations.

(3) INFORMATION SHARING BY SSA.—The Social Security Administration shall provide to the Office and the Postal Service information regarding whether a Postal Service annuitant, or a family member of such an annuitant, is entitled to benefits under Medicare part A and enrolled under Medicare part B, to assist the Office and the Postal Service in determining—

Determination.

(A) which Postal Service annuitants, and family members of such annuitants, may be eligible to enroll under

Medicare part B during the special enrollment period described in paragraph (2); and

(B) whether Postal Service annuitants, and family members of such annuitants, satisfy the enrollment requirements described in paragraphs (1) and (2) of section 8903c(e) of title 5, United States Code, as added by subsection (a).

(d) FUNDING.—

(1) CMS APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Centers for Medicare & Medicaid Services—Program Management Account, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$7,500,000, to remain available until expended, for the purposes of carrying out this section, including the amendments made by this section.

(2) SSA APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Social Security Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$16,000,000, to remain available until expended, for the purposes of carrying out this section (with the exception of the purposes set forth in subsection (c)(3)(B)), including the amendments made by this section.

(3) OPM APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Personnel Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$70,500,000, to remain available until expended, for the purposes of carrying out this section, including the amendments made by this section.

Time period.

(4) FUNDS CREDITED BY POSTAL SERVICE.—The United States Postal Service shall deposit an amount equal to the sum of the amounts appropriated under paragraphs (1), (2), and (3) into the Treasury as a miscellaneous receipt from the Postal Service Fund in fiscal year 2022.

5 USC 8903c note. Contracts.

(5) REIMBURSEMENT FOR PERIODIC SSA DATA SHARING.—

(A) INTER-AGENCY AGREEMENT.—The Commissioner of Social Security shall enter into an agreement with the Director of the Office under which the Director pays the Commissioner from the Postal Service administrative reserve the full costs (including systems and administrative costs) of providing the information described in subsection (c)(3) for the purpose set forth in subsection (c)(3)(B).

(B) REPORT TO CONGRESS.—The Director of the Office—

(i) shall report the amount paid under subparagraph (A) annually to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Reform of the House of Representatives; and

(ii) may satisfy the requirement under clause (i) by including the amount paid under subparagraph (A) in any other annual report submitted to Congress.

USPS Fairness Act. 5 USC 101 note.

**SEC. 102. USPS FAIRNESS ACT.**

(a) SHORT TITLE.—This section may be cited as the “USPS Fairness Act”.

(b) RATIONAL BENEFITS FUNDING AND ACCOUNTING.—

(1) IN GENERAL.—Section 8909a of title 5, United States Code, is amended by striking subsection (d) and inserting the following:

“(d)(1) Not later than June 30, 2026, and by June 30 of each succeeding year, the Office shall compute, for the most recently concluded fiscal year, the amount (if any) that Government contributions required to be paid from the Fund under section 8906(g)(2)(A) exceeded the estimated net claims costs under the enrollment of the individuals described in section 8906(g)(2)(A).” Deadlines.

“(2) Not later than September 30 of each year in which the Office makes a computation under paragraph (1), the United States Postal Service shall pay into the Fund the amount (if any) of the excess computed under such paragraph.” Payment.

“(e) Any computation required under section 3654(b) of title 39 shall be based on—

“(1) the net present value of the future net claims costs with respect to—

“(A) current annuitants of the United States Postal Service as of the end of the fiscal year ending on September 30 of the relevant reporting year; and

“(B) current employees of the United States Postal Service who would, as of September 30 of that year—

“(i) be eligible to become annuitants pursuant to section 8901(3)(A)(i) or (ii); and

“(ii) if they were retired as of that date, meet the criteria for coverage of annuitants under section 8905(b);

“(2) economic and actuarial methods and assumptions consistent with the methods and assumptions used in determining the Postal surplus or supplemental liability under section 8348(h); and

“(3) any other methods and assumptions, including a health care cost trend rate, that the Director of the Office determines to be appropriate.” Determination.

“(f) After consultation with the United States Postal Service, the Office shall promulgate any regulations the Office determines necessary under this subsection.” Consultation.  
Regulations.

“(g) For purposes of this section, the term ‘estimated net claims costs’ shall mean the difference between— Definition.

“(1) the sum of—

“(A) the estimated costs incurred by a carrier in providing health services to, paying for health services provided to, or reimbursing expenses for health services provided to, annuitants of the United States Postal Service and any other persons covered under the enrollment of such annuitants; and

“(B) an amount of indirect expenses reasonably allocable to the provision, payment, or reimbursement described in subparagraph (A), as determined by the Office; and

“(2) the amount withheld from the annuity of or paid by annuitants of the United States Postal Service under section 8906.”.

(2) CLERICAL AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking “Benefit” and inserting “Benefits”.

(c) APPLICATION.—

5 USC 8909a  
note.

(1) CANCELLATION OF PAYMENTS.—Any payment required from the Postal Service under section 8909a of title 5, United States Code, as in effect on the day before the date of enactment of this Act that remains unpaid as of such date of enactment is canceled.

(2) EFFECT OF THIS ACT.—In any determination relating to the future liability for retiree health benefits of the United States Postal Service or the Postal Service Retiree Health Benefits Fund, the Office of Personnel Management shall take into account the actual and reasonably expected effects of this Act.

(d) USE OF FUNDS FROM SALE OF REAL PROPERTY FOR CERTAIN PAYMENTS.—

(1) IN GENERAL.—Chapter 29 of title 39, United States Code, is amended by adding at the end the following:

39 USC 2903.

**“§ 2903. Use of funds from sale of property**

“In the event that the Postal Service permanently ceases operations, any funds derived from the sale of any real property owned by the Postal Service shall be used to pay any outstanding liability with respect to the salaries and expenses of any Postal Service employee. The balance of any remaining funds shall be deposited into the Postal Service Retiree Health Benefits Fund established under section 8909a of title 5.”

39 USC 2901  
prec.

(2) CLERICAL AMENDMENT.—The table of sections of such chapter is amended by adding after the item relating to section 2902 the following new item:

“2903. Use of funds from sale of property.”.

**SEC. 103. NONPOSTAL SERVICES.**

(a) NONPOSTAL SERVICES.—

(1) IN GENERAL.—Part IV of title 39, United States Code, is amended by adding after chapter 36 the following:

39 USC 3701  
prec.

**“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service program for State governments.

“3704. Postal Service program for other Government agencies.

“3705. Transparency and accountability for nonpostal services.

39 USC 3701.

**“§ 3701. Purpose**

“The purpose of this chapter is to enable the Postal Service to increase its net revenues through specific nonpostal products and services that are expressly authorized by this chapter.

39 USC 3702.

**“§ 3702. Definitions**

“In this chapter—

“(1) the term ‘nonpostal services’ is limited to services offered by the Postal Service that are expressly authorized by this chapter and are not postal products or services;

“(2) the term ‘costs attributable’ has the meaning given such term in section 3631;

“(3) the term ‘year’ means a fiscal year;

“(4) the term ‘local government’ means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, or regional or interstate government entity;