



National Postal Mail Handlers Union

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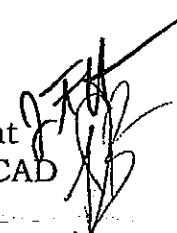
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Vice President
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DATE: October 28, 2013

TO: All Local Officers
National/Regional CAD

FROM: John F. Hegarty, National President
Thomas J. Branch, Jr., Manager, CAD 

RE: Health Insurance For Mail Handler Assistants

We are attaching to this memorandum a copy of correspondence recently received from the Postal Service, confirming that effective in January 2014, all Mail Handler Assistants (MHAs) are eligible for health insurance coverage under a new USPS Non-Career Employee Health Benefits Plan (USPS Plan).

You will recall that the Fishgold Arbitration Award issued in February 2013 contained the following provision about health insurance for MHAs:

C. Health Insurance

After an initial appointment for a 360-day term and upon reappointment to another 360-day term, any eligible noncareer MHA who wants to pay health premiums to participate in the Federal Employees Health (FEHB) Program on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. The total cost of health insurance is the responsibility of the noncareer MHA except as provided below.

Beginning in Plan Year 2014, the Postal Service will make a bi-weekly contribution to the total premium for any MHA who wishes to participate in the USPS Noncareer Health Care Plan (USPS Plan) equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only. The MHA is fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. Any MHA employee wishing to make their health care contribution on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. All MHAs will be eligible for

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the USPS Plan within a reasonable period from the date of hire and entry into a pay status, consistent with the requirements established under the Patient Protection and Affordable Care Act.

If for any reason the USPS Plan is not available to a MHA, the Postal Service will make a bi-weekly contribution for any eligible MHA who selects the Mail Handler Benefit Plan (MHBP) Value Plan or any other plan offered by the FEHB Program, which is equal to or lower in cost to the Postal Service than the MHBP Value Plan for self-only coverage. This contribution for any eligible MHA shall be equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only.

As reflected in the second paragraph of the provision quoted above, all MHAs effective in January 2014 are eligible for health insurance under the USPS Plan. Coverage is subsidized by the Postal Service through an employer contribution of \$125 per pay period. Thus, for the 2014 Plan Year, self-only coverage for an MHA will require an employee contribution of \$50 per pay period. The additional costs for family coverage are charged to the MHA, and thus the subsidized rate for family coverage during the 2014 Plan Year will be \$260 per pay period.

In accordance with the first paragraph of the arbitration provision quoted above, an MHA reappointed to a second 360-day term is alternatively eligible for coverage under the Federal Employees Health Benefits Program, but the full cost of such coverage would be the responsibility of the MHA.

Additional information about the USPS Plan for MHAs will be circulated during the next few weeks.

Should you have any questions, please contact your Regional or National CAD Representatives.

Cc: Mark A. Gardner, National Secretary-Treasurer
National Executive Board

DOUG A. TULLINO
VICE PRESIDENT, LABOR RELATIONS



October 25, 2013

Mr. John F. Hegarty, National President
National Postal Mail Handlers Union
1101 Connecticut Avenue, NW, Suite 500
Washington, DC 20036-4304

Dear Mr. Hegarty:

We are writing to provide an update on health benefits for mail handler assistants (MHAs).

We are prepared to comply with our contractual obligations regarding health benefits for MHAs. The Postal Service has developed and will offer the USPS Non-Career Employee Health Benefits Plan for these employees for Plan Year 2014. The plan will be operated through a contract with United Healthcare. For Plan Year 2014 MHAs will receive a Postal Service premium contribution of \$125 per pay period for either Self Only or Self and Family coverage. This will bring the employee's premium contribution down to \$50 for Self Only coverage and \$260 for Self and Family coverage per pay period.

MHAs may elect USPS Non-Career Employee Health Benefits Plan coverage using the *PostalEASE* self service enrollment system. The open season dates are the same as for Federal Employees Health Benefits (FEHB), from November 11–December 10, 2013, 5 p.m. Central Time. For open season elections, the effective date of coverage is also the same as FEHB (January 11, 2014). Newly hired MHAs will be able to elect USPS Non-Career Employee Health Benefits Plan coverage within 90 days of their hiring date.

Since the USPS Non-Career Employee Health Benefits Plan is being made available to MHAs, the MHBP Value Plan is considered as one option among the available FEHB plans.

We recognize that MHAs who have been employed for one year, disregarding breaks in service of more than five days, are eligible for FEHB plans. However, MHAs selecting FEHB coverage will not receive a Postal Service contribution. Additionally, MHAs cannot simultaneously enroll in an FEHB plan and in the USPS Non-Career Employee Health Benefits Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug A. Tullino".

Doug A. Tullino