



# **NRLCA FACT SHEET**

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## **H.R. 5389**

### **Federal Retirement Fairness Act of 2018**

We have a classification of Rural Letter Carriers called Rural Carrier Associates (RCA). RCAs are part-time carriers who do not earn health or retirement benefits until they acquire full time career status. The majority of rural carriers start out as an RCA and on average it takes about six years for them to become a Regular Carrier, but it is not uncommon for it to take 10-plus years to become a Regular career employee. Until 1989, RCA employees were able to make "catch up" retirement contributions to allow for an on-time retirement, but that authorization has since expired.

The current retention rate of RCA employees is low. This results in the Postal Service spending millions of dollars for the training/hiring process. Retention of RCAs would benefit the Postal Service by reducing overtime payments to RCAs and Regular Carriers attributed to the lack of RCAs.

If amended to include postal workers, H.R. 5389 will give RCAs who achieve career status as well as regular Rural Carriers the ability to have their years of part-time service credited towards retirement. It would require them to contribute to the government 1.3% percent of their base pay, corresponding interest and the government's share, as calculated by the Director of the Office of Personnel Management, for each year worked as a RCA employee to qualify for full retirement benefits. This cost would be borne solely by the Rural Carrier. This would be an incentive for RCAs to continue their career with the United States Postal Service.

#### **NRLCA Position:**

**NRLCA believes H.R. 5389 could be beneficial in the retention rate of new employees. An increase in the retention rate would reduce the Postal Service's costs in training and processing of newly hired employees. However, currently as drafted, OPM believes postal employees would not be able to take advantage of H.R. 5389. The NRLCA would like to see the bill amended to include postal employees.**

Contact Paul Swartz at [pswartz@nrlca.org](mailto:pswartz@nrlca.org) if you have any questions or would like more information