

Make the most of your investments in the TSP



Whether you're a new employee or a seasoned carrier looking forward to retirement, the ending of a year and the beginning of a new one is a good time to take stock of your finances. As a letter carrier, that means considering how the Thrift Savings Plan (TSP) can play a valuable role in your retirement strategy.

The TSP is an essential component of the Federal Employees Retirement System (FERS), the retirement program that covers most USPS employees. Like many of the 401(k) savings plans offered by private-sector employers, the TSP allows federal employees to save pre-tax dollars each month in an investment account—giving letter carriers who participate the chance to save for retirement quickly and easily. TSP participants choose how the money in their account is invested.

The Postal Service automatically enrolls new career carriers in TSP. City carrier assistants (CCAs) converted to career, or career letter carriers hired on or after July 31, 2010, have been automatically enrolled. Five percent of the base pay of new enrollees is automatically deducted and deposited in a TSP account each pay period, though participants may choose to eliminate, increase or decrease their level of contributions.

The Postal Service deposits matching contributions up to 4 percent of basic pay, as well as automatic agency contributions equal to 1 percent of basic pay. Career letter carriers hired before July 31, 2010, and covered by FERS were automatically enrolled in a TSP account with 1 percent contributions from the Postal Service, but with no automatic employee deductions. Instead, the deductions must be set

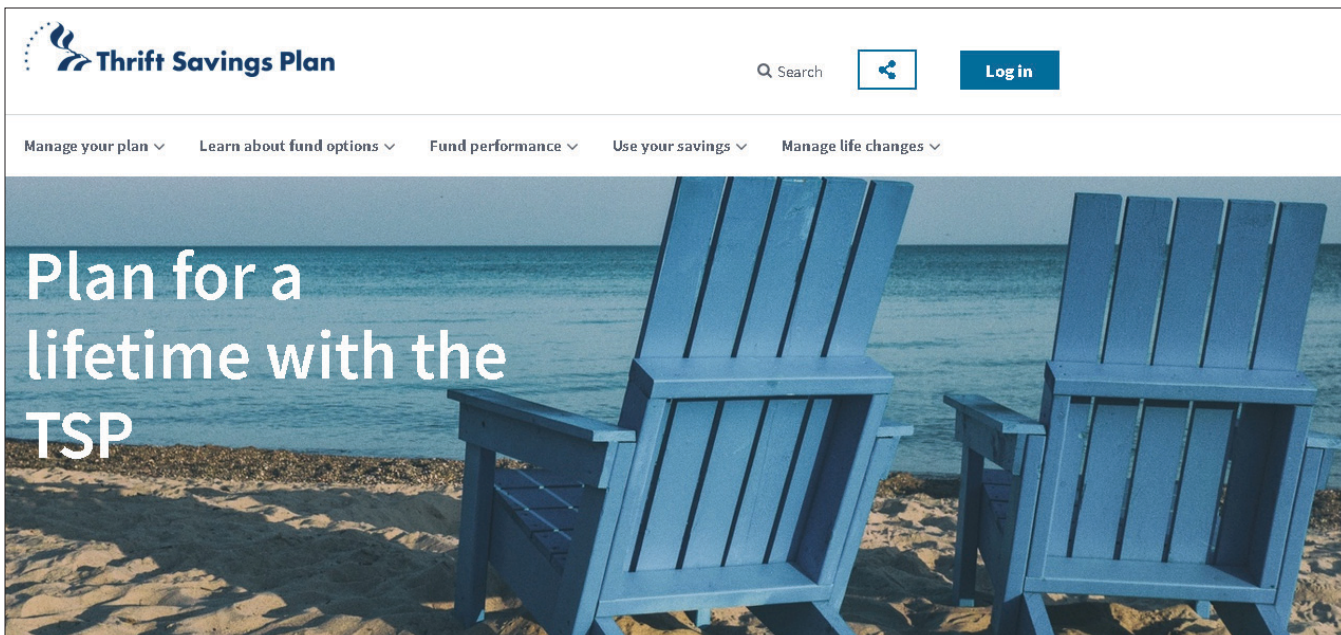
up by the employee. USPS will match a portion of the first 5 percent of FERS employee contributions. The first 3 percent is matched dollar for dollar; the next 2 percent, 50 cents per dollar. This is in addition to USPS's automatic 1 percent contribution, for a total USPS contribution of 5 percent of the letter carrier's base pay when the carrier elects to contribute 5 percent or more.

For CCAs who have not yet converted to career letter carriers, NALC's Mutual Benefit Association offers a CCA Retirement Savings Plan, where traditional IRA funds can be rolled into the TSP once the CCA becomes a career letter carrier.

Unlike with some other employee benefits, there is no open season for enrollment in TSP. Carriers can use LiteBlue to enroll in the TSP or make changes to their deductions or investments at any time of the year. The benefits of easy, tax-deferred savings through TSP are amplified by the Postal Service's matching contributions to your account.

Participating employees can also make unmatched contributions (above the 5 percent level), but the IRS annual limit for total contributions to the TSP and other such retirement savings plans is \$20,500 in 2022. Participants may be eligible to make additional "catch-up" contributions to boost their savings, beginning the year they turn 50. These catch-up contributions are not matched by USPS and are limited to \$6,500 in 2022.

Carriers covered by the Civil Service Retirement System also may join TSP, but they do not receive matching contributions from USPS. Nevertheless, like their FERS counterparts, they can keep more of what they save because



of the tax savings and the TSP's minimal administrative costs. Indeed, such costs are much lower than those of similar plans. In 2021, the TSP charged participants a net administrative expense of no more than 59 cents per \$1,000 invested for each investment fund, or .059 percent. That is much lower than the .25 to 1 percent that financial advisors typically charge.

TSP accounts do not expire when letter carriers separate from federal service. Letter carriers still can change their investment mix while their account continues to accumulate earnings; they can even transfer IRAs or eligible employer plans such as 401(k)s into a TSP account.

This summer, TSP introduced a new interface to make transactions on letter carriers' mobile devices easier—including a smartphone app—as well as new ways to invest.

The TSP Mobile App allows letter carriers to monitor their TSP accounts and complete transactions from anywhere. Users can check their account balance, track fund performance, make transaction requests, submit documents, manage payment information, scan checks and more.

Over the same period, TSP upgraded the record-keeping system that is available on the TSP website. The transition, which required TSP participants to re-register their accounts, was a bit rocky for some, but ultimately was successful. Under the new system, letter carriers' account summaries display their investments clearly, and the navigation menu makes it easier for them to find and use account management tools.

In addition to investing in TSP funds, letter carriers who meet certain eligibility requirements have the op-

tion to invest some of their TSP savings in a mutual fund window. The mutual fund window is designed for TSP participants who are interested in greater investment flexibility. However, there are fees for these transactions.

Since enactment of the TSP Modernization Act in September 2019, letter carriers have gained a greater number of flexible withdrawal options when they leave federal service, such as multiple single withdrawals and the ability to change the frequency and the amount of installment payments at any time during the year. Explore these options and more in the booklet *Withdrawing from Your TSP Account for Separated and Beneficiary Participants*, available at tsp.gov.

Visit tsp.gov or call TSP-YOU-FRST (877-968-3778) to check out planning tools and calculators designed to assist with retirement decisions. **PR**

City carriers to receive 1.3% general wage increase

Effective Nov. 19, all career city carriers will receive a 1.3 percent general wage increase. City carrier assistants (CCAs) will receive a 2.3 percent general wage increase effective the same date. These are the fourth and final general wage increases of the 2019-2023 National Agreement.

In addition, a new top step will be added to Tables 1 and 2 on Nov. 19. The

new career Step P will be \$444 annually greater than Step O. Carriers with at least 46 weeks in Step O on Nov. 19 will advance to Step P. Those with fewer than 46 weeks will advance to Step P upon reaching 46 weeks in Step O. The updated pay chart is published on page 10.

The four general wage increases have added 8.8 percent to CCAs' pay and 4.8 percent to career city carriers'

pay. When coupled with the six cost-of-living adjustments (COLAs) already received from this National Agreement, these increases have resulted in a total pay increase for each step in the career pay schedules of at least 14.8 percent. The seventh and final COLA from this National Agreement will be based on the January 2023 consumer price index, and will be announced in February. **PR**

Letter Carrier Pay Schedule

City Carrier Wage Schedule: Effective Nov. 19, 2022

(Nov. 19, 2022
general wage increase)

The following salary and rate schedule is for all NALC-represented employees.

Career city letter carrier increases

Effective Date	Type of Increase	Amount
Nov. 23, 2019	General wage increase	1.1%
Feb. 29, 2020	January COLA	\$166
Aug. 29, 2020	July COLA	\$188
Nov. 21, 2020	General wage increase	1.1%
Feb. 27, 2021	January COLA	\$416
Aug. 28, 2021*	July COLA	\$1,934
Nov. 20, 2021	General wage increase	1.3%
Feb. 26, 2022*	January COLA	\$1,331
Aug. 27, 2022*	July COLA	\$2,455
Nov. 19, 2022	General wage increase	1.3%
TBA*	January COLA	TBD

City carrier assistant increases

Date	Type of Increase	Amount
Nov. 23, 2019	General wage increase	2.1%
Nov. 21, 2020	General wage increase	2.1%
Nov. 20, 2021	General wage increase	2.3%
Nov. 19, 2022	General wage increase	2.3%

NOTE: Upon conversion to Full-Time, Part-Time Flexible employees in Table Two will be slotted into the Full-Time Step commensurate with their number of weeks as a PTF, and retain their time credit toward the next step.

NOTE: Effective Nov. 19, 2022, Table One and Table Two will be modified to include an additional Step P that is \$444 more than Step O of the basic salary schedule in Tables One and Two.

NOTE: Carrier Technicians receive additional compensation equivalent to 2.1% of the employee's applicable hourly rate for all paid hours.

NOTE: The full COLAs will be added to the salaries of all steps in Table 1 and Step O of Table 2, with proportionate application of the COLA to Steps A-N of Table 2.

* NOTE: In accordance with Article 9.3.B, COLAs become effective the second full pay period after the release of the January and July Consumer Price Index for Urban Wage Earners and Clerical Workers.

Table 1: City Carrier Schedule

RSC Q (NALC)

This schedule applies to all carriers with a career appointment date prior to Jan. 12, 2013.

	Basic Annual Salaries																MOST PREV. STEP
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
City Carrier (Grade 2)	61,870	66,309	66,411	69,588	70,048	70,512	70,969	71,425	71,889	72,338	72,804	73,266	73,722	74,192	74,647	75,091	464
Carrier Technician**	63,169	67,701	67,806	71,049	71,519	71,993	72,459	72,925	73,399	73,857	74,333	74,805	75,270	75,750	76,215	76,668	474
Part-Time Flexible Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	31.06	33.29	33.34	34.93	35.16	35.40	35.63	35.86	36.09	36.31	36.55	36.78	37.01	37.25	37.47	37.70	
Carrier Technician**	31.71	33.99	34.04	35.67	35.90	36.14	36.38	36.61	36.85	37.08	37.32	37.55	37.79	38.03	38.26	38.49	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	29.75	31.88	31.93	33.46	33.68	33.90	34.12	34.34	34.56	34.78	35.00	35.22	35.44	35.67	35.89	36.10	
Carrier Technician**	30.37	32.55	32.60	34.16	34.38	34.61	34.84	35.06	35.29	35.51	35.74	35.96	36.19	36.42	36.64	36.86	
Step Increase Waiting Periods (In Weeks)																	
Steps (From-To)	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	YRS.	
	96	96	44	44	44	44	44	44	44	34	34	26	26	24	46	13.3	

** Carrier Technicians receive an additional 2.1%

Table 2: City Carrier Schedule

RSC Q7 (NALC)

This schedule applies to all carriers with a career appointment date on or after Jan. 12, 2013.

	Basic Annual Salaries																MOST PREV. STEP
	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
City Carrier (Grade 2)	45,911	47,961	50,014	52,067	54,121	56,171	58,226	60,281	62,332	64,384	66,438	68,489	70,545	72,595	74,647	75,091	2050
Carrier Technician**	46,875	48,968	51,064	53,160	55,258	57,351	59,449	61,547	63,641	65,736	67,833	69,927	72,026	74,119	76,215	76,668	2098
Part-Time Flexible Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	22.18***	23.05	24.08	25.11	26.14	27.17	28.20	29.23	30.26	31.29	32.32	33.35	34.38	35.41	36.44	37.47	37.70
Carrier Technician**	22.64***	23.53	24.58	25.63	26.69	27.74	28.79	29.84	30.90	31.95	33.00	34.05	35.10	36.16	37.21	38.26	38.49
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																	
City Carrier (Grade 2)	22.07	23.06	24.05	25.03	26.02	27.01	27.99	28.98	29.97	30.95	31.94	32.93	33.92	34.90	35.89	36.10	
Carrier Technician**	22.54	23.54	24.55	25.56	26.57	27.57	28.58	29.59	30.60	31.60	32.61	33.62	34.63	35.63	36.64	36.86	
Percent Step O																	
	61.14%	63.87%	66.60%	69.34%	72.07%	74.80%	77.54%	80.28%	83.01%	85.74%	88.48%	91.21%	93.95%	96.68%	99.41%	100.00%	
Step Increase Waiting Periods (In Weeks)																	
Steps (From-To)	AA-A	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	YRS.
	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	13.3

** Carrier Technicians receive an additional 2.1%

***The PTF Step AA pay dispute was settled April 20, 2022 (M-01980). The correct rates and retroactive pay adjustments will be implemented as soon as administratively practicable.

Table 3: City Carrier Assistant Schedule

Hourly Rates

RSC Q4 (NALC)

This schedule applies to CCA Hires with no previous TE service.

This schedule applies to CCA Hires with previous TE service after Sept. 29, 2007, who were on the rolls as of Jan. 10, 2013.

	BB	AA	BB	AA
City Carrier (Grade 2)	19.33	19.83	20.88	21.38
Carrier Technician (add 2.1%)	19.74	20.25	21.32	21.83
Steps (From BB to AA) in weeks	52		52	

NOTE: Effective June 19, 2021, the Step CC pay rate in Table Three was eliminated. All CCAs at step CC as of that date were moved into step BB, receiving a 50 cent per hour raise. Step BB and its pay rate are the new entry step for new CCA hires. The new waiting period from Step BB to Step AA is 52 weeks. CCAs who were in step CC on June 19, 2021, will maintain their time-in-step credit toward step AA and will receive their next step increase to step AA after 52 weeks of service. CCAs that were in step BB as of June 19 will have 12 weeks added to their current time-in-step credit toward step AA. This will ensure all CCAs will reach step AA after 52 weeks of service.