

Union Calendar No. 672

114TH CONGRESS
2^D SESSION

H. R. 5707

[Report No. 114–859, Part I]

To amend title 5, United States Code, to provide for certain index fund investments from the Postal Service Retiree Health Benefits Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2016

Mr. LYNCH (for himself and Mr. MCKINLEY) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

DECEMBER 8, 2016

Reported and referred to the Committee on the Budget for a period ending not later than December 8, 2016, for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(d) of rule X

DECEMBER 8, 2016

The Committee on the Budget discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend title 5, United States Code, to provide for certain index fund investments from the Postal Service Retiree Health Benefits Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Service Finan-
 5 cial Improvement Act of 2016”.

6 **SEC. 2. INVESTMENT OF THE POSTAL SERVICE RETIREE**
 7 **HEALTH BENEFITS FUND.**

8 Section 8909a(c) of title 5, United States Code, is
 9 amended—

10 (1) by striking “(c) The Secretary” and insert-
 11 ing “(c)(1) Subject to paragraph (2), the Sec-
 12 retary”; and

13 (2) by adding at the end the following:

14 “(2)(A) The Secretary of the Treasury shall imme-
 15 diately invest a specified percentage of the Fund, using
 16 one or more qualified professional asset managers, in
 17 index funds modeled after those established under sub-
 18 paragraphs (B), (C), (D) and (E) of section 8438(b)(1).
 19 The Secretary shall ensure, to the maximum extent prac-
 20 ticable, that the investment replicates the performance of
 21 the longest-term target date asset allocation investment
 22 fund established by the Federal Retirement Thrift Invest-
 23 ment Board. Funds invested pursuant to this paragraph
 24 shall be considered a means of financing.

1 “(B) In exercising authority under subparagraph (A),
2 including in the selection of specific qualified professional
3 asset managers and in the development of specific invest-
4 ment guidelines to meet the requirement of such subpara-
5 graph, the Secretary shall consult with the Postal Service
6 Retiree Health Benefits Fund Investment Committee.

7 “(C)(i) There is established a Postal Service Retiree
8 Health Benefits Fund Investment Committee that shall
9 consist of—

10 “(I) the Secretary;

11 “(II) the Chairman of the Board of Gov-
12 ernors of the United States Postal Service;

13 “(III) the Chairman of the Federal Retire-
14 ment Thrift Investment Board; and

15 “(IV) 2 members to represent the interests
16 of Postal Service employees and annuitants
17 who—

18 “(aa) are appointed by the President;

19 “(bb) have experience and expertise in
20 the management of financial investments
21 and Postal Service employee benefits; and

22 “(cc) shall serve for a term of 3 years.

23 “(ii) The Postal Service Retiree Health Benefits
24 Fund Investment Committee and each member of such
25 Committee shall be subject to the requirements of sub-

1 sections (b)(1) and (c)(2) of section 8477, in the same
2 manner as applied to a fiduciary with respect to the Thrift
3 Savings Fund under such subsections.

4 “(D)(i) The Secretary shall annually engage an inde-
5 pendent qualified public accountant to audit the financial
6 statements of the investments made pursuant to subpara-
7 graph (A).

8 “(ii) The Secretary shall submit an annual manage-
9 ment report to the Congress not later than 180 days after
10 the end of the each fiscal year that includes—

11 “(I) a statement of financial position;

12 “(II) a statement of operations;

13 “(III) a statement of cash flows;

14 “(IV) a statement on internal accounting and
15 administrative control systems;

16 “(V) the report resulting from an audit of the
17 financial statements of the investments conducted
18 under clause (i); and

19 “(VI) any other comments and information nec-
20 essary to inform the Congress about the operations
21 and financial condition of the investments.

22 “(E) In this paragraph—

23 “(i) ‘specified percentage’ means 25 percent of
24 the currently available portions of the Fund as are
25 not immediately required for payments from the

1 Fund, except that the Postal Service Retiree Health
2 Benefits Fund Investment Committee may specify a
3 higher percentage, not to exceed 30 percent, not ear-
4 lier than 5 years after the date of enactment of the
5 Postal Service Financial Improvement Act of 2016,
6 and as appropriate thereafter; and

7 “(ii) ‘qualified professional asset manager’ has
8 the meaning given that term in section 8438(a).”.

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