

115TH CONGRESS  
1ST SESSION

# H. R. 760

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.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2017

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

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## 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 2017”.

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—

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

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

5           “(2)(A) The Secretary of the Treasury shall imme-  
6           diately invest a specified percentage of the Fund, using  
7           one or more qualified professional asset managers, in  
8           index funds modeled after those established under sub-  
9           paragraphs (B), (C), (D), and (E) of section 8438(b)(1).  
10          The Secretary shall ensure, to the maximum extent prac-  
11          ticable, that the investment replicates the performance of  
12          the longest-term target date asset allocation investment  
13          fund established by the Federal Retirement Thrift Invest-  
14          ment Board.

15          “(B) In exercising authority under subparagraph (A),  
16          including in the selection of specific qualified professional  
17          asset managers and in the development of specific invest-  
18          ment guidelines to meet the requirement of such subpara-  
19          graph, the Secretary shall consult with the Postal Service  
20          Retiree Health Benefits Fund Investment Committee.

21          “(C)(i) There is established a Postal Service Retiree  
22          Health Benefits Fund Investment Committee that shall  
23          consist of—

24                  “(I) the Secretary;

1           “(II) the Chair of the Board of Governors of  
2 the United States Postal Service;

3           “(III) the Chairman of the Federal Retirement  
4 Thrift Investment Board; and

5           “(IV) 2 members to represent the interests of  
6 Postal Service employees and annuitants who—

7                 “(aa) are appointed by the President;

8                 “(bb) have experience and expertise in the  
9 management of financial investments and Post-  
10 al Service employee benefits; and

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

12           “(ii) The Postal Service Retiree Health Benefits  
13 Fund Investment Committee and each member of such  
14 Committee shall be subject to the requirements of sub-  
15 sections (b)(1) and (c)(2) of section 8477, in the same  
16 manner as applied to a fiduciary with respect to the Thrift  
17 Savings Fund under such subsections.

18           “(D)(i) The Secretary shall annually engage an inde-  
19 pendent qualified public accountant to audit the financial  
20 statements of the investments made pursuant to subpara-  
21 graph (A).

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

25                 “(I) a statement of financial position;

1           “(II) a statement of operations;

2           “(III) a statement of cash flows;

3           “(IV) a statement on internal accounting and  
4 administrative control systems;

5           “(V) the report resulting from an audit of the  
6 financial statements of the investments conducted  
7 under clause (i); and

8           “(VI) any other comments and information nec-  
9 essary to inform the Congress about the operations  
10 and financial condition of the investments.

11          “(E) In this paragraph—

12           “(i) ‘specified percentage’ means 25 percent of  
13 the currently available portions of the Fund as are  
14 not immediately required for payments from the  
15 Fund, except that the Postal Service Retiree Health  
16 Benefits Fund Investment Committee may specify a  
17 higher percentage, not to exceed 30 percent, not ear-  
18 lier than 5 years after the date of enactment of the  
19 Postal Service Financial Improvement Act of 2017,  
20 and as appropriate thereafter; and

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

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