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(Original Signature of Member)

114TH CONGRESS  
2D SESSION

**H. R. 5707**

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

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

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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 2016”.

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

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

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

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

9 “(2)(A) The Secretary of the Treasury shall imme-  
10 diately invest a specified percentage of the Fund, using  
11 1 or more qualified professional asset managers, in index  
12 funds modeled after those established under subpara-  
13 graphs (B), (C), (D) and (E) of section 8438(b)(1). The  
14 Secretary shall ensure, to the maximum extent practicable,  
15 that the investment replicates the performance of the long-  
16 est-term target date asset allocation investment fund es-  
17 tablished by the Federal Retirement Thrift Investment  
18 Board. Funds invested pursuant to this paragraph shall  
19 be considered a means of financing.

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

1           “(C)(i) There is established a Postal Service Retiree  
2 Health Benefits Fund Investment Committee that shall  
3 consist of—

4                   “(I) the Secretary;

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

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

9                   “(IV) 2 members to represent the interests  
10 of Postal Service employees and annuitants  
11 who—

12                           “(aa) are appointed by the President;

13                           “(bb) have experience and expertise in  
14 the management of financial investments  
15 and Postal Service employee benefits; and

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

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

23           “(D)(i) The Secretary shall annually engage an inde-  
24 pendent qualified public accountant to audit the financial

1 statements of the investments made pursuant to subpara-  
2 graph (A).

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

6 “(I) a statement of financial position;

7 “(II) a statement of operations;

8 “(III) a statement of cash flows;

9 “(IV) a statement on internal accounting and  
10 administrative control systems;

11 “(V) the report resulting from an audit of the  
12 financial statements of the investments conducted  
13 under clause (i); and

14 “(VI) any other comments and information nec-  
15 essary to inform the Congress about the operations  
16 and financial condition of the investments.

17 “(E) In this paragraph—

18 “(i) ‘specified percentage’ means 25 percent of  
19 the currently available portions of the Fund as are  
20 not immediately required for payments from the  
21 Fund, except that the Postal Service Retiree Health  
22 Benefits Fund Investment Committee may specify a  
23 higher percentage, not to exceed 30 percent, not ear-  
24 lier than 5 years after the date of enactment of the

1       Postal Service Financial Improvement Act of 2016,  
2       and as appropriate thereafter; and  
3               “(ii) ‘qualified professional asset manager’ has  
4       the meaning given that term in section 8438(a).”.