United States Postal Service
FY 2003 Workers' Compensation Expense
(dollars in millions)
Note: Excludes Post Office Department Claims

	Fiscal Year Computation
July 1 - June 30 Expense	1,367
Plus Current 4th Quarter	275
Less Prior 4th Quarter	(230)
Subtotal	1,412
2003 Expense before Administrative Charge	1,412
Plus FY 2003 DOL Administrative Charge	45
Total FY 2003 Workers' Compensation Expense	1,457
Long-Term Accrual at 09/30/2002	5,685
Plus 2003 Workers' Compensation Expense	1,412
Less Current Billing for Active Claims	(823)
Plus Credits Applied	1
Less Change to Portion Treated as Short-Term	(49)
Long-Term Accrual at 09/30/2003	6,226

United States Postal Service
FY 2003 Workers' Compensation Expense
(dollars in millions)

	Fourth Quarter Calculation
Total Cost of New Claims	914
Estimated Percentage of New Claims Arriving in the Fourth Quarter	25.0%
New Claims Portion of Fourth Quarter Expense	229
One Quarter Inflation on Medical Liability @ 4.63% Annualized	20
One Quarter Inflation of Compensation Liability @ 2.11% Annualized	26
Total FY 2003 Fourth Quarter Expense	275

ESTIMATING RUN FOR 2003ANC

22: EST. TOT. INCURRED ($000)

AGE	CLASS 1	2	3	4	5	6	7		
0	307,194	0	210,353	105,285	0	0	5,527		
1	260,204	0	158,670	95,422	0	0	3,138		
2	252,720	0	134,854	91,966	0	0	1,966		
3	230,143	0	107,636	79,008	0	0	3,691		
4	190,527	0	85,769	61,131	0	0	3,386		
5	141,570	0	86,549	55,382	0	0	4,241		
6	114,327	0	86,629	56,105	0	0	2,210		
7	104,915	0	71,222	51,412	0	0	3,537		
8	79,715	0	69,520	44,484	0	0	1,411		
9	69,199	0	61,750	54,510	0	0	2,792		
10	55,217	0	54,213	53,755	0	0	2,119		
11	57,176	0	51,507	47,427	0	0	4,914		
12	51,563	0	50,009	52,682	0	0	1,668		
13	58,638	0	45,537	48,903	0	0	2,382		
14	44,352	0	40,063	50,079	0	0	1,261		
15	44,500	0	39,592	42,075	0	0	2,336		
16	38,688	0	26,971	39,277	0	0	4,517		
17	29,943	0	23,545	32,679	0	0	1,496		
18	31,191	0	21,662	33,362	0	0	2,599		
19	25,815	0	23,206	28,531	0	0	2,243		
20	17,210	0	12,592	23,524	0	0	1,077		
21	12,358	0	17,285	14,980	0	0	1,841		
22	15,138	0	13,153	16,522	0	0	1,274		
23	12,552	0	16,250	23,136	0	0	2,696		
24	12,568	0	13,232	27,054	0	0	2,367		
25+ USPS								519,222	
25+ DOL								0	
TOTAL	%2,257,421	0	%1,521,768	%1,228,694	0	0	66,688		5

23: SUMMARY REPORT FROM ESTIMATING RUN FOR 2003ANC RUN ON 07-30-2003

PARAMETERS: SMOOTHING FACTOR = 10%, DISCOUNT RATE = 3%
INFLATION RATE = 0%, LIFE ANNUITY =2000ANC, YEARS DATA = 25

	2003ANC CURRENT COST	ESTIMATED TOTAL REMAINING LIABILITY	TOTAL COST INCURRED
CLASS 1	192,400,700	2,065,021,000	2,257,421,000
CLASS 2	0	0	0
CLASS 3	136,167,100	1,385,601,000	1,521,768,000
CLASS 4	113,228,900	1,115,465,000	1,228,694,000
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	4,109,138	62,579,320	66,688,460
AGE 25+	56,545,990	462,676,100	519,222,000
TOTAL	502,451,818	5,091,341,752	5,593,793,608

ESTIMATING RUN FOR 2003ANM

22: EST. TOT. INCURRED ($000)

AGE	CLASS 1	2	3	4	5	6	7	
0	142,493	0	84,281	58,526	0	0	179	
1	138,257	0	69,758	51,303	0	0	35	
2	131,595	0	52,247	45,387	0	0	0	
3	113,421	0	42,981	39,606	0	0	0	
4	90,257	0	33,693	31,327	0	0	48	
5	67,087	0	30,449	27,575	0	0	0	
6	53,140	0	26,853	25,039	0	0	0	
7	44,764	0	24,574	24,439	0	0	0	
8	36,278	0	20,240	20,892	0	0	0	
9	28,260	0	19,334	22,717	0	0	0	
10	23,542	0	15,981	19,506	0	0	0	
11	23,921	0	14,068	17,309	0	0	0	
12	20,089	0	14,229	17,831	0	0	0	
13	19,568	0	11,658	15,521	0	0	0	
14	14,936	0	9,676	15,731	0	0	0	
15	13,657	0	8,111	11,324	0	0	0	
16	12,235	0	7,007	10,593	0	0	0	
17	9,151	0	4,562	9,416	0	0	0	
18	7,908	0	3,295	7,455	0	0	0	
19	6,293	0	4,487	5,872	0	0	0	
20	3,803	0	2,711	4,488	0	0	0	
21	3,116	0	2,604	2,481	0	0	0	
22	3,616	0	2,278	2,285	0	0	0	
23	2,188	0	2,124	4,146	0	0	0	
24	2,101	0	1,712	3,585	0	0	0	
25+ USPS								56,990
25+ DOL								0
TOTAL	%1,011,676	0	508,913	494,355	0	0	262	56,990

23: SUMMARY REPORT FROM ESTIMATING RUN FOR 2003ANM RUN ON 07-30-2003

PARAMETERS: SMOOTHING FACTOR = 10%, DISCOUNT RATE = 1.4%
INFLATION RATE = 0%, LIFE ANNUITY =2000ANC, YEARS DATA = 25

	2003ANM CURRENT COST	ESTIMATED TOTAL REMAINING LIABILITY	TOTAL COST INCURRED
CLASS 1	167,120,000	844,555,400	1,011,676,000
CLASS 2	0	0	0
CLASS 3	86,109,320	422,803,400	508,912,800
CLASS 4	71,219,660	423,135,400	494,355,000
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	226,075	35,634	261,709
AGE 25+	5,000,346	51,989,990	56,990,340
TOTAL	329,675,437	1,742,519,802	2,072,195,309