Compensation, Benefits, and Bonus Authority in Calendar Year 2025

AUDIT REPORT

Report Number 26-075-R26 | September 18, 2026

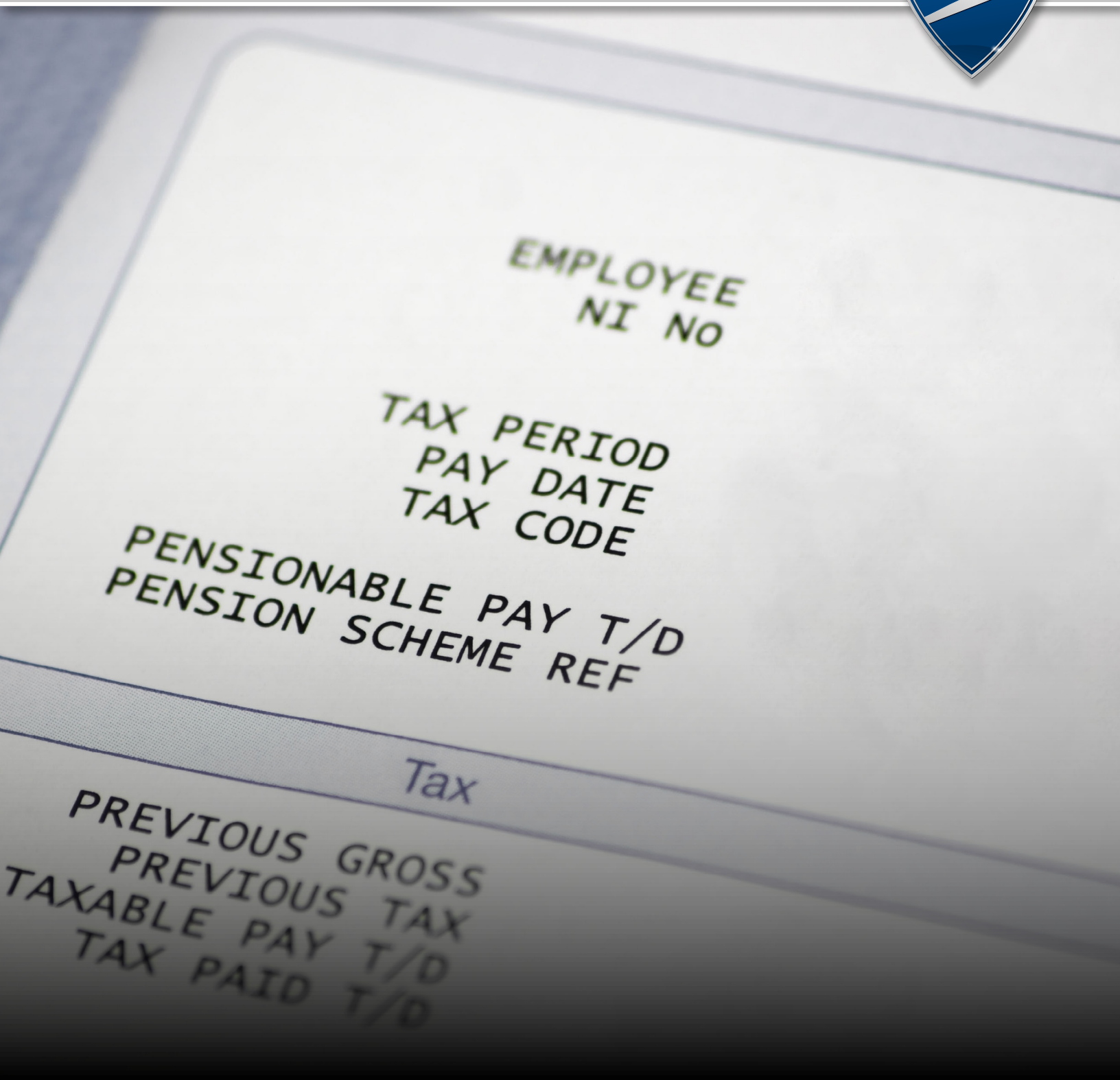

Table of Contents

Cover
Highlights 1
- Background 1
- What We Did 1
- What We Found 1
- Recommendations and Management's Comments 1

Transmittal Letter 2
Results 3
- Introduction/Objective 3
- Background 3
- Finding #1: Postal Service Complied With Statutory Compensation Provisions 5

Appendices 6
- Appendix A: Additional Information 7
  - Scope and Methodology 7
  - Prior Audit Coverage 8

Contact Information 9

Highlights

Background

Each year, the U.S. Postal Service is required to report on compensation in the annual *Comprehensive Statement of Postal Operations*. For calendar year (CY) 2025, the annual salary of each Postal Service employee was limited to $250,600. Two exceptions granted under the Postal Accountability and Enhancement Act of 2006 (PAEA) allow the Postal Service to exceed this limit. The first exception provides for bonuses or other rewards such that the employee's total compensation does not exceed the salary of the U.S. Vice President ($289,400). The second exception allows the Postal Service to exceed the salary of the U.S. Vice President by 20 percent ($347,280) for up to 12 critical senior executives or equivalent positions.

What We Did

Our objective was to determine whether the Postal Service complied with applicable maximum total compensation provisions of the PAEA and related Postal Service policies and guidelines for CY 2025. We reviewed the relevant provisions of PAEA; Postal Service policies, procedures, and guidelines regarding compensation, benefits, and bonuses; payroll, bonus, and award information from Postal Service systems; and employment agreements applicable to the compensation limits for the project scope. We also conducted interviews with Postal Service employees.

What We Found

The Postal Service complied with the applicable compensation provisions of the PAEA and its policies and guidelines related to benefits, bonuses, and awards to employees in CY 2025. We reviewed the CY 2025 compensation of 158 Postal Service officers and executives and found it did not exceed the PAEA limits. In addition, Postal Service management monitors employee compensation to ensure compliance with the statutory limits.

Recommendations and Management's Comments

Based on the audit results, we did not make any recommendations. The Postal Service declined to provide comments on this report.

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 18, 2026

MEMORANDUM FOR: DOUGLAS A. TULINO
DEPUTY POSTMASTER GENERAL, CHIEF OPERATING OFFICER
AND CHIEF HUMAN RESOURCES OFFICER

FROM: Kelly Thesher
Deputy Assistant Inspector General
for Finance, Pricing, & Human Capital

SUBJECT: Audit Report – Compensation, Benefits, and Bonus Authority in Calendar Year 2025 (Report Number 26-075-R26)

This report presents the results of our audit of Compensation, Benefits, and Bonus Authority in Calendar Year 2025. The Postal Service declined to provide comments on this report.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Christa Owens, Director, Finance and Pricing, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service's calendar year (CY) 2025 compensation, benefits, and bonus authority granted through the Postal Accountability and Enhancement Act of 2006 (PAEA) (Project Number 26-075). Our objective was to determine whether the Postal Service complied with applicable maximum total compensation provisions of the PAEA and related Postal Service policies and guidelines for CY 2025. See Appendix A for additional information about this audit.

Background

The PAEA amended portions of Title 39 of the U.S. Code (U.S.C.) regarding maximum salary and total compensation limits for employees, executives, and officers of the Postal Service. An annual Executive Order, *Adjustments of Certain Rates of Pay*, establishes salary limits for the Executive Schedule and Vice President of the U.S.[1] Table 1 explains the authority and salary limits for CY 2025.

Table 1. Statutory Salary Limits for CY 2025

Limit	Description (Authority)	Eligibility/Conditions	Amount for CY 2025
Basic Annual Salary Limit	No officer or employee may be paid compensation at a rate in excess of the rate for Executive Schedule Level 1 (39 U.S.C. § 1003(a)).	Every officer and employee.	$250,600
Bonus Exception	The Postal Service may establish a program to award an officer or employee in senior executive or equivalent positions a bonus or other reward up to the total annual compensation payable to the Vice President of the U.S. (39 U.S.C. § 3686(a) and (b)).	Any officer or employee in a senior executive or equivalent position. ■ The Board of Governors (Board) must approve and certify for the annual period that the bonus and reward program makes meaningful distinctions based on relative performance. (However, the bonus or reward itself may be for purposes other than performance, such as recruitment or retention.[2]) ■ Recipient's name, amount of bonus or reward, and amount over limit as a result of the bonus or reward must be included in the annual *Comprehensive Statement of Postal Operations* (Comprehensive Statement) (39 U.S.C. § 3686(d)).	$289,400
Critical Positions Exception	The Board may allow up to 12 officers or employees of the Postal Service in critical senior executive or equivalent positions to be paid total annual compensation up to 120 percent of the total annual compensation for the Vice President of the U.S. (39 U.S.C. § 3686(c)).	Any officer or employee in one of no more than 12 critical senior executive or equivalent positions. ■ Recipient's name, amount of bonus or reward, and amount over limit as a result of the bonus or reward must be included in the annual Comprehensive Statement (39 U.S.C. § 3686(d)). ■ Recipient's name, nature of duties, and basis for payment must be reported to the Office of Personnel Management and Congress within 30 days of payment.	$347,280

Source: 39 U.S.C. §1003(a) and 3686 and Executive Order No. 14132.

1 Executive Order No. 14132 established the limits effective the first day of the first applicable pay period beginning on or after January 1, 2025.
2 Per guidance from the U.S Department of Justice, Office of Legal Counsel, dated May 15, 2013.

For purposes of the basic annual salary limit noted in Table 1, compensation includes the cumulative portion of annual compensation received during the year that is attributable to salary plus any federal annuity received. For the limits established under the two exceptions above, compensation also includes merit lump sum, incentive and recruitment bonuses, and executive detail bonus payments; as well as the value of non-cash awards, such as gift certificates or stamp yearbooks.

Excluded from total compensation is the value of grievance payments, overtime, and premium pay; and the cash value of benefits like health benefits, life insurance, increased annual leave exchange hours, free financial counseling, wellness benefits, parking, and other perquisites not subject to PAEA compensation guidelines. In addition, certain elements of total compensation for officers take the form of deferred compensation. When compensation cannot be paid because of statutory limits, these payments are deferred until a year in which they would not cause total annual compensation to exceed the limit.[3] The deferred compensation balances are interest-bearing accounts. Table 2 provides the amount of compensation, including interest deferred during CY 2025, for those employees who had a deferred account balance as of December 31, 2025.

Table 2. CY 2025 Deferred Compensation and Interest

Officer	Deferred Amount in CY 2025*	Deferred Account Balance*
Joseph Corbett	$34,464.32**	$538,887.66
Joshua Colin	$708.30**	$13,798.64
Isaac Cronkhite	$1,274.13**	$24,821.83
Douglas Tulino	$198,650.00	$515,462.18
[redacted]	$1,833.36**	$54,049.85
[redacted]	$15,000.00	$15,000.00
David Steiner	$86,695.00	$86,695.00

Source: Eagan Accounts Payable System.
* These amounts are reported on a calendar year basis, whereas the published Form 10-K is reported on a fiscal year basis.
** Only interest incurred in the deferred account.

The Board designated these 11 positions as critical, senior executive or equivalent positions for CY 2025:

1. Postmaster General and Chief Executive Officer
2. Deputy Postmaster General, Chief Operating Officer, and Chief Human Resources Officer
3. Chief Retail and Delivery Officer and Executive Vice President (VP)
4. Chief Logistics and Infrastructure Officer and Executive VP
5. Chief Processing and Distribution Operations Officer and Executive VP
6. Chief Performance Officer and Executive VP
7. Chief Technology Officer and Executive VP
8. Chief Information Officer and Executive VP
9. Chief Customer and Marketing Officer and Executive VP
10. Chief Financial Officer and Executive VP
11. General Counsel and Executive VP

In addition to the limits established in Title 39 of the U.S.C., the Postal Service has internal policies and procedures regarding compensation, benefits, and bonuses.

3 PMG, DPMG & Other Officer Pay policy, dated August 2023.

Finding #1: Postal Service Complied With Statutory Compensation Provisions

The Postal Service complied with the applicable compensation provisions of the PAEA and its policies and guidelines related to benefits, bonuses, and awards to employees in CY 2025. We reviewed the CY 2025 compensation of 158 Postal Service officers and executives and found:

- Basic annual salary for 147 of these employees (those not designated as critical) did not exceed the Executive Schedule Level 1 salary of $250,600. In addition, their total compensation did not exceed the U.S. Vice President's total annual compensation of $289,400.
- Total compensation for the 11 employees designated as critical did not exceed 120 percent of the U.S. Vice President's compensation or $347,280.

Based on the audit results, we did not make any recommendations.

Appendices

Appendix A: Additional Information 7
Scope and Methodology 7
Prior Audit Coverage 8

Appendix A: Additional Information

Scope and Methodology

The scope of this audit was total annual compensation paid to Postal Service employees in CY 2025. The three statutory limits established by PAEA include one or more of the following in determining an individual's compensation: basic annual salary, federal annuity, merit lump sum payments, incentive and recruitment payments, executive detail bonus payments, other cash awards, and the value of non-cash awards distributed to the individual during the CY.

Our scope excluded certain additional payments, such as grievance payments, overtime, premium pay, or the cash value of benefits like free financial counseling, parking, life insurance, health benefits, Postal Career Executive Service wellness benefits, increased annual leave exchange hours, and other perquisites that are not subject to the compensation guidelines defined in the PAEA.

Although the Postal Service provides the payroll processing function for these organizations, we excluded the USPS Office of Inspector General and the Postal Regulatory Commission employees from our analysis. Compensation of the Office of Inspector General is designated under the Inspector General Act of 1978, while the Postal Regulatory Commission is an independent establishment of the executive branch of the U.S. government.[4] Postal Regulatory Commission employees are not considered to be Postal Service employees or subject to the same statutory compensation caps, and do not participate in Postal Service award and bonus programs.

To accomplish our audit objective, we:

- Reviewed payroll information from Postal Service systems.
- Determined whether the employees exceeded compensation limits defined by PAEA.
- Reviewed employment agreements related to compensation, such as recruitment and retention awards.
- Reviewed Postal Service policies, procedures, and guidelines regarding compensation, benefits, and bonuses.
- Interviewed Postal Service personnel in the Compensation and Benefits area.

We conducted this performance audit from March through September 2026 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 29, 2026, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the internal control structure for compensation, benefit, and bonus authority to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Environment
- Control Activities
- Monitoring

4 39 U.S.C. §501 and 39 Code of Federal Regulations §3000.110.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we did not identify any internal control deficiencies that were significant within the context of our objectives.

We assessed the reliability of Eagan Accounts Payable System[5] data by tracing payment amounts to payroll data. We assessed the reliability of payroll data by tracing a sample of payroll journals[6] to source documents and performing logical tests of the data. We assessed the reliability of eAwards[7] data by agreeing award amounts to the amounts coded as incentive awards in the payroll journal data and performing logical tests of the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Compensation, Benefit, and Bonus Authority in Calendar Year 2022	Determine whether the Postal Service complied with applicable maximum total compensation provisions of the PAEA and related Postal Service policies and guidelines for CY 2022.	23-084-R23	8/7/2023	None
Compensation, Benefit, and Bonus Authority in Calendar Year 2021	Determine whether the Postal Service complied with applicable maximum total compensation provisions of the PAEA and related Postal Service policies and guidelines for CY 2021.	22-126-R22	9/29/2022	None
Compensation, Benefit, and Bonus Authority in Calendar Year 2020	Determine whether the Postal Service complied with applicable maximum total compensation provisions of the PAEA and related Postal Service policies and guidelines in CY 2020.	21-183-R21	9/23/2021	$5,833

5 The Eagan Accounts Payable System provides the capability of making non-traditional accounts payable payments.
6 The Payroll Journal shows the details of payments, deductions, and adjustments applicable to Postal Service employees each pay period.
7 eAwards is an application that supports the submission, approval, and processing of awards.

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100

This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.