

## First-Class Mail and Marketing Mail Growth Incentives – FAQs

Updated October 16, 2023

On September 27, 2023, the Postal Regulatory Commission (PRC) approved the Postal Service request to make Mail Classification Schedule (MCS) changes to establish two distinct Mail growth incentives — a First Class Mail Growth Incentive and a Marketing Mail Growth Incentive. The incentives will run concurrently from Jan. 1, 2024 through Dec. 31, 2024. The following are some frequently asked questions and answers on these incentives.

### General

**1. What are these incentives called?**

First-Class Mail Growth Incentive and Marketing Mail Growth Incentive. These are two distinct incentives which will run concurrently and cannot be combined.

**2. What are the First-Class Mail and Marketing Mail Growth Incentives?**

The First-Class Mail and Marketing Mail Growth Incentives are being offered to Mail Owners to incent them to grow mail volume in Calendar Year 2024 (CY 2024). The Postal Service will be issuing postage credits to Mail Owners who grow qualifying First-Class Mail or Marketing Mail volumes in CY 2024 compared to volume in Fiscal Year 2023 (FY 2023) and meets all other requirements for these incentives.

Qualifying volumes for the First-Class Mail Growth Incentive include:

- Presort Letters
- Presort Cards
- Presort Flats

Qualifying volumes for the Marketing Mail Growth Incentive include:

- Marketing Mail Saturation Letters and Flats
- Marketing Mail High Density Letters and Flats
- Marketing Mail Letters and Flats
- Marketing Mail Carrier Route
- Marketing Mail Parcels and Saturation Parcels

**3. When discussing Fiscal Year is USPS referring to its Fiscal Year or the Mail Owner's Fiscal Year?**

USPS's Fiscal Year (October 1 – September 30).

**4. Who are the incentives intended for? Is there an incentive as an MSP?**

Only Mail Owners are eligible to participate in these Incentives. Mail Service Providers (MSPs) are eligible if they are also Mail Owners. MSPs that believe they should qualify for participation in the Mail Growth Incentive Program should reach out to the program office to discuss their unique situation to determine eligibility. These will be reviewed on a case-by-case basis.

**5. On some incentives mailers have to log into the system to get the postage credit. Just wanted to make sure they didn't have to provide something with each mailing.**

Once a Mail Owner is registered for a Mail Growth Incentive, they should tender mail as they normally do. Neither of the two Mail Growth Incentives needs anything extra to be submitted with

any mail or mail documentation for the purposes of the Mail Growth Incentive. Postage credit redemption information will come later and MSPs will have to provide By/For information on the postage statements for the volume of the Mail Owners they are mailing for to be eligible for postage credits.

**6. Will this go to a promotions user group or somewhere where Industry can participate on the technical requirements?**

As the Postal Service develops requirements it is consulting with the mailing industry in a number of ways.

**7. Can mailings claiming promotional pricing (Personalized Color Transpromo; Tactile, Sensory and Interactive; Emerging and Advanced Technology; Reply Mail IMbA; Informed Delivery; Retargeting) in 2024 still participate in the Mail Growth incentives? If so, where do the incentive calculations occur in the order of precedence?**

Yes. First-Class Mail and Marketing Mail Growth Incentive postage credit calculations will be based on the average actual price paid for included volume over the entire incentive period. Therefore, Mail Growth Incentive postage credits will be the final calculation after all other incentive and promotional discounts.

**8. Do Folded Self Mailers (FSM) qualify?**

Folded Self Mailers are considered letters and therefore qualify as long as they are qualifying commercial volume.

**9. Will EDDM mailings qualify for these incentives?**

The Marketing Mail Growth Incentive will apply to EDDM Commercial mail but will not apply to EDDM Retail mail.

## Registration/Participation

**10. How do I participate in the Mail Growth incentives?**

A Mail Owner must first register for one or both mail growth incentives via steps to be announced. Registration for each mail growth incentive is expected to occur through the Product Management Portal, which will be made available through the Business Customer Gateway. As part of registration, USPS will provide the Mail Owner with their corresponding baseline volume. The Mail Owner must record their agreement with this baseline volume, and other conditions for participating in the incentive plan, in order to start receiving postage credits for incremental volume growth in CY 2024 vs FY 2023 subject to a minimum mailing volume of one million qualifying pieces in CY 2024. Incremental volume will be measured as the volume above the larger of (a) baseline and (b) one million pieces. Postage credits will be issued to qualified Mail Owners after six, nine and twelve months from the start of CY 2024.

**11. When can I register for the growth incentives?**

USPS anticipates registration will open in Nov. 2023 and run through June 2024.

**12. Can I participate in both the First-Class Mail and Marketing Mail growth incentives?**

Yes. Registration for each mail class will occur separately, and the corresponding postage credits will be calculated separately, but any Mail Owner who expects to grow volume and have at least one million pieces in CY 2024 will be eligible for the postage credits if they register for these incentives.

**13. What if my FY 2023 volume was less than a million pieces? Can I still participate?**

Yes. You will need to grow your FY 2023 First-Class Mail or Marketing Mail volumes to at least a million pieces in CY 2024 to be eligible for postage credits for the respective incentive. Postage credits would then begin to accrue after reaching one million pieces. Therefore, Mail Owners with less than a million pieces in FY 2023 are welcome to participate.

**14. What if my FY 2023 volume was zero because I mailed under someone else's CRID? Is there anything I need to do?**

Yes. The Postal Service reserves the right to require additional information from Mail Owners who request to register with no FY 2023 qualifying mail volume as a baseline, or who dispute the baseline volume provided by the Postal Service, or for any other reason. All Mail Owner registrants must agree to the Mail Growth Incentive Terms & Conditions to provide such additional information as is requested by the Postal Service before a final decision is made by the Postal Service regarding participation in a Mail Growth Incentive. Mailers with no FY 2023 baseline who want to register should be prepared to provide any additional information requested by USPS. Such information would include proof of mailer volume submitted under another mailer's CRID (such as an MSP), so that a mailer baseline can be created. If a baseline can be agreed to, then the Mail Owner will be able to register for a Mail Growth Incentive with the CRID issued to them when they registered with the Business Customer Gateway (BCG), and the agreed-to baseline would be used to track performance in the Incentive.

**15. What if I register and do not agree with the baseline volumes the Postal Service gives me for the incentive?**

There will be a process for Mail Owners who disagree with the baseline volumes when registering. The Mail Owner will be able to present evidence on what they believe their baseline for an incentive should be and the Postal Service will investigate any difference. There must be an agreed-upon baseline for a Mail Owner to receive postage credits.

**16. If a Mail Owner has multiple locations and CRIDs, is the baseline mail volume for the incentive based on all CRIDs or just the CRIDs for a certain location?**

All Mail Owner CRIDs.

**17. What process should a Mail Owner follow if they believe a subsidiary or other grouping of their CRIDs deserves to have its own baseline and separate participation in either Mail Growth Incentive from the parent Mail Owner?**

On a case-by-case basis, subsidiaries or business units will be considered for registration in the Mail Growth Incentives if a business case is provided by the Mail Owner and agreed to by the Postal Service.

**18. If customers co-mingle Marketing Mail how would the baseline for the incentive be calculated?**

For co-mingled mail, the baseline is determined by the Mail Owner CRID and will take into account By/For designations. Mail Owners will be responsible for identifying any mail volume in the baseline period which they developed and entered into the postal network but is not associated with them and/or their CRID(s) in the postal data systems. For example, volume an MSP entered without By/For information on behalf of the Mail Owner.

## Receiving Postage Credits

### **19. How much of a postage credit will be issued if I grow my mail volume?**

The Postal Service will issue a 30% postage credit based on the incremental volume in CY 2024 (vs. the higher of (a) baseline FY 2023 volume and (b) one million pieces) times the average actual price paid per mail piece for qualifying mail for the entire incentive period. There are three conditions that exist for a Mail Owner to receive these postage credits.

1. The Mail Owner must mail at least one million mail pieces in CY 2024 in the mail class relevant to the incentive in question (First-Class Mail or Marketing Mail).
2. The Mail Owner's CY 2024 volume must exceed their volume in FY 2023.
3. The mailer must meet registration requirements for these incentives, which include accepting a baseline volume for each incentive determined by the Postal Service.

At the end of the incentive period, postage credits issued will be adjusted to ensure total postage credits issued are based upon final average price paid per piece for the entire incentive period.

### **20. Can I combine my CY 2024 First-Class Mail volumes with my Marketing Mail volumes to reach the million pieces necessary to receive postage credits?**

No. The growth incentives for First-Class Mail and Marketing Mail are two independent incentives and neither volumes nor postage credits can be combined.

### **21. Do I have to wait until after CY 2024 to receive my postage credits? For example, what if I exceed my FY 2023 volumes in May?**

No. Postage credits will be issued in July 2024 and Oct. 2024 for Mail Owners who earn postage credits prior to the end of the calendar year.

### **22. Is there a limit to the amount of mailing postage credits I can earn?**

No.

### **23. If I have 800,000 mail pieces in FY 2023 and grow my volume to 1,100,000 pieces in CY 2024, will I receive postage credits for the 300,000 pieces that grew from FY 2023?**

No. A Mail Owner with fewer than one million pieces in FY 2023 will only receive postage credits on their CY 2024 volume that exceeds one million pieces. In this case the Mail Owner would receive postage credits on 100,000 pieces.

### **24. Are postage credits determined based on same period last year (SPLY) for Quarter 2 and Quarter 3 calculations?**

No. Postage credit calculations at any time during the incentive period are always relative to total FY23 volume.

### **25. If a Mail Owner has multiple CRIDs and permits, how will the postage credits be allocated?**

The Mail Owner will identify a single permit associated with one of their registered CRIDs in order to receive the initial postage credit. Mail Owners will have flexibility to move the postage credit between permits associated with registered CRIDs.

## Permits

### **26. Does the Mail Owner need a permit in order to receive postage credit?**

TBD - Still in development.

### **27. Can a Mail Owner assign earned postage credits to their MSP's permit?**

TBD - Still in development.

**28. Does the Mail Owner have to use their own permit to pay for mailings in order for the volume to count toward the Incentives?**

No, as long as the Mail Owner CRID is used on the mailing statement (By/For used as necessary) any permit can be used for payment.

**29. Can a permit that is NOT linked to an EPS be used to get the postage credits?**

Yes, as long as the permit identified to receive postage credits is associated with a registered Mail Owner CRID. EPS Accounts are not required at the current time.

**30. Can Mail Owners create a permit to receive the postage credits but mail with the MSP's permit?**

Yes.

**31. Is there a cost for the permit? If so, how much?**

As of September 14, 2023, the Annual Mailing Fee (per 12-month period) for First-Class Mail Presort (per office of mailing) and for Marketing Mail is \$310, and the Permit Imprint Application is also \$310. For the latest information go to -> [Notice 123 | Postal Explorer \(usps.com\)](#).

## Using Postage Credits

**32. Is the incentive a postage credit or a refund? You can only use the postage credits toward future mailings, correct?**

The Postal Service will issue postage credit. The postage credits can only be used for future mailings

**33. Can I use the postage credits obtained from the First-Class Mail Growth Incentive on Marketing Mail and vice-versa?**

No. The postage credits obtained from the First-Class Mail Growth Incentive can only be used for future qualifying First-Class Mail mailings and the postage credits obtained from the Marketing Mail Growth Incentive can only be used for future qualifying Marketing Mail mailings.

**34. If I obtain the postage credits in First-Class Mail, can I use the postage credits on non-qualifying First-Class Mail pieces such as First-Class Mail Parcels or Single-Piece First-Class Mail?**

No. The postage credits can only be used on products that qualify for the incentives. They do not need to be used on the exact same products that earned the postage credits or in the same proportion that the postage credits were earned, but they must be used on qualifying products for the mail class in which they were earned.

**35. How much time do I have to use these postage credits?**

The postage credits can be used until Dec. 31, 2025.

**36. If I earn postage credits in July 2024, can I use them during CY 2024 to earn more postage credits?**

Yes. Postage credits will be available for use immediately after they are issued and do not expire until Dec. 31, 2025.

**37. Can you choose how much postage credit to apply to a job (e.g., for a \$1,000 postage credit can the Mail Owner choose to use \$500 on one mailing and the rest later)?**

Postage credits will be applied in total if the credit does not exceed the amount due for that postage statement. However, if the available postage credit exceeds the total due, then the remainder will be available for use on a future postage statement as long as it is used by December 31, 2025.

## MSPs

**38. As an MSP, can I participate in these Incentives?**

Only Mail Owners are eligible to participate in these Incentives. Mail Service Providers (MSPs) are eligible if they are also Mail Owners. MSPs that believe they should qualify for participation in the Mail Growth Incentive Program should reach out to the program office to discuss their unique situation to determine eligibility. These will be reviewed on a case-by-case basis.

**39. How do MSPs track a Mail Owner's volume to qualify for the incentives?**

Qualifying volume is determined by Mail Owner CRID. MSPs must use the By/For entry on the mailing statement to identify the Mail Owner CRID for the appropriate volume.

**40. Do Mail Owners get postage credit for volume when using a co-mingler's permit?**

Yes, when the Mail Owner CRID is identified using By/For designations. The assignment of Mail Growth Incentive baseline volume, qualifying performance period volume, and any resulting postage credits will take into account such By/For designations made on postage statements so that the Mail Owner receives earned postage credits.

**41. Can MSPs register Mail Owners (who mail using the MSP's permit) for the incentives? How?**

Currently, MSPs cannot register their clients using the Mailing Promotions Portal. Mail Owners are always responsible for agreeing with and following all Mail Growth Incentive Terms and Conditions.

**42. How does an MSP use a postage credit issued to a Mail Owner's permit?**

Mail Owners will receive postage credit on their designated permit and can allow an MSP to pay for postage using this permit.

**43. Should an MSP have each client sign up for the Mail Growth Incentive or will they be counted toward the MSP baseline?**

Only Mail Owners are eligible to participate in these Incentives. MSPs that believe they should qualify for participation in the Mail Growth Incentive Program should reach out to the program office to discuss their unique situation to determine eligibility. These will be reviewed on a case-by-case basis.

**44. Will there be future direction on how MSPs should navigate PostalOne! to apply postage credits against mailing costs?**

Any modifications to the current payment process will be communicated to the industry.

## Reporting

**45. Will there be reports available for the Mail Growth Incentive, e.g., to track credit usage and balance?**

Yes. Reports are being developed. Information will be provided.

## Definitions

Mail Owner = the business entity, organization, or individual who makes business decisions regarding the mail piece content, directly benefits from the mailing, and ultimately pays for the postage on the mail piece

Mail Service Provider = a business entity, organization, or individual acting on behalf of one or more Mail Owners by providing mailing services for which the Mail Owners compensate the Mail Service Provider. A business entity, organization, or individual whose services define it as a Mail Service Provider may also be considered a Mail Owner, but only for its own mail or the mail of its subsidiaries.

Registration = the process by which a Mail Owner reaches agreement with the USPS to participate in either of the Mail Growth Incentives – to include agreement with the Terms and Conditions of participation and agreement on the baseline volume.

CRID = Customer Registration Identification Number. CRIDs are issued to individual Mail Owners when registering on the Business Customer Gateway (BCG) and individual Mail Owners may have more than one CRID. CRIDs are unique numbers that identify Mail Owners by name (and location (city, state)) on Postage Statements when they submit mail, and in PostalOne! as the statement is processed, finalized and paid for.