

# MOVE Update Enforcement



Effective January 2010, the USPS will continue to test and evaluate mailers MOVE update compliance (as they have been) and additional postage costs may be applied at the time of mailing for failing to meet minimum standards.



2029 Hollister-Whitney Parkway • P.O. Box 2 • Quincy, IL 62306  
(217) 222-5145 • FAX (217) 222-5149 • [www.jkcreative.com](http://www.jkcreative.com)

# MOVE Update Enforcement



Here are the essentials of the Verification Threshold and Additional Postage Calculations effective January 2010:

- All customers are required to have a process in place that meets the MOVE update standard and applied
- A sampling will be pulled from the customer's mailing and tested via the USPS Merlin testing system and evaluated in the following manner, with additional charges assessed accordingly:



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Note: all rules below and additional postage calculations will be based on the findings of the *representative sample* taken from the mailing and run through the Merlin process for testing and evaluation.

- Rule #1: A mailing with 5 or fewer pieces with a COA file that were not updated by the mailer will pass the verification regardless of the passing percentage.
- Rule #2: A mailing with a passing score of 70% or higher (failure rate of 30% or less) will pass verification
- Rule #3: A mailing with a passing score of below 70% will fail if there are also more than 5 pieces with COAs that have not been updated by the mailer.
- Rule #4: The passing score will be calculated using the total number of pieces with a changes of address on file divided into the number of pieces updated by the mailer (within the date range 95 days through 18 months out).



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## Example 1:

From the sample, a total of 15 pieces with addresses were found in the sample to have COAs on file; the mailer has updated 10 of those addresses on file, leaving 5 with updates. Dividing the 5 not updated into the 15 (total with COAs on file) makes a score of 66.7%.

Would this mailing pass the COA verification test?



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Answer: Yes

Rule #1 As long as the total unchanged COA pieces does not exceed 5, the mailing passes, regardless of the passing percentage.



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Example 2:

From the sample taken, a total of 20 pieces with COAs are found in the sample. 13 of the 20 COAs have been updated by the mailer. 13 divided by 20 equals a score of 65%.

Would this mailing pass the COA verification test?



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Answer: No

Since the score fell below 70% and the number of pieces not updated exceeds 5, the mailing fails

Now, how does the USPS compute the additional postage required for a mailing that fails?



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Both First Class and Standard Mail mailings that fail the verification threshold will be assessed as follows:

Rule #1: The number of assessed pieces will be calculated based only on the percentage of failed pieces in excess of the tolerance (30%) multiplied by the total pieces in the mailing.

Rule #2: The assessment will be 7 cents per assessed piece



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Assessment example:

A mailing with a score of 60% and more than 5 pieces that were not updated will be assessed 7 cents per piece for the 10% of the pieces in the mailing.

(40% of the mailing not updated less 30% tolerance = 10% percentage subject to assessment).

20,000 piece mailing X 10% = 2000 pieces subject to assessment.

2000 pieces X \$.07 = \$140.00 additional cost for mailing.



# More news you can use



- Standard Mail mailings that have not performed MOVE Update are *not eligible* for Standard Mail prices and must be mailed at a price that does not require MOVE Update e.g. First Class Mail single piece rate.
- First-Class Mail mailings that have not performed MOVE Update are *not eligible* for First-Class Mail presort prices and must be mailed at a price that does not require MOVE Update e.g. First Class Mail single piece rate.



# News you can use.



- The USPS is still offering, as part of the Economic Stimulus Package, accelerated depreciation, allowing the customer to deduct 50% of the purchase price (leases don't count) from their 2009 Federal Income Tax.

## Example:

Equipment cost: \$44,000

X 50% depreciation = \$22,000

A company in the 40% effective tax rate would enjoy \$8800 in Federal Income Tax Savings!



Questions???



Feel free to contact us for more information



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