

Do You Qualify for Periodicals Class?

If so, you may save money and get your magazines delivered faster

By Jason Kiefer

The U.S. Postal Service, for all its idiosyncrasy and red tape, does one thing reliably: It rewards predictable volume. The Periodicals Class rate structure is a good example. Publishers who produce and mail a repeat, editorial-based publication to an established list of known readers are rewarded with postal discounts and preferential delivery treatment not given to sporadic or advertising-based publications.

The savings can be substantial. If you're currently mailing at for-profit Marketing Mail rates, you could save anywhere from 15 to 35 percent in postage by converting to Periodicals status. Delivery can be up to five days faster.

The catch? In exchange for these perks, the USPS requires a detailed, onerous (and not inexpensive) application process and, once approved, ongoing adherence to complex requirements around circulation data, advertising limits, and record keeping.

For many publishers, the benefits outweigh the challenges. Here's how to find out if this includes you — and, if so, how to proceed.

Step 1: Determine whether you qualify

Before you go through the process of applying for Periodicals status, make sure the magazine in question meets all of these requirements:

- Your publishing office is located in the United States.
- Magazine is published at least four times per year, at the same time every year.
- More than 50 percent of the circulated copies are either paid or requested (explanation per category, at right). If below 60 percent, expect a yearly audit.
- At least 25 percent of the content, in at least half of the published issues, is editorial (additional restrictions per category, at right).
- Magazine issues contain an Identification Statement (tinyurl.com/IDstatement).
- All advertising is permanently attached and not on loose enclosures.
- No references to the publication or its enclosures use the term "catalog."

- No magazine section has a First-Class Mail, Marketing Mail, Parcel Select, or Package Services permit imprint (aka indicia).
- Magazine does not have an ISBN (International Standard Book Number).
- Magazine does not contain any components that have an ISSN (International Standard Serial Number) different from that of the host publication.

There are five categories of publications that can be considered for Periodicals status, but the three most commonly applicable are *General* (paid subscriptions), *Requestor* (mostly free for requestors or subscribers), and *Publications of Institutions and Societies*. Each category includes the following additional requirements:

General:

- At least 50 percent of magazine's distribution must be to individuals who have paid above a nominal price — half or more of the basic subscription price.
- Magazine cannot contain more than 75 percent advertising in more than half of the issues published during any 12-month period.

Requestor:

- Paid copies count.
- Free copies count if you have signed and dated proof of request from the requestor (see tinyurl.com/ProofRequest for validating phone and Internet requests).
- Each issue must contain at least 24 pages.
- Magazine may contain more than 75 percent advertising in less than 25 percent of the issues published during any 12-month period.

Publications of Institutions and Societies:

- In some cases, advertising is limited to the publisher's own advertising (tinyurl.com/AssocAdv).
- Subscriptions may be paid with dues or contributions as long as they are clearly indicated in by-laws or membership applications. For example, "Annual membership dues of \$X includes \$X for a 1-year subscription to [Publication Title]."

The USPS considers advertising to be any material that "calls attention to something in order to get people to buy it, sell it, seek



it, or support it,” as well as a “periodical’s advertisement of its own services or issues, or any other business of the publisher, whether in display advertising or reading matter.”

Step 2: Apply

If you meet these requirements, the next step is to apply. Bring the following completed items to your Origin Entry Office:

- **Form 3500:** Application for Periodicals Mailing Privileges (tinyurl.com/Form3500)
- Two copies of the issue published nearest to the date of application
 - ✓ Copies must include a complete “Identification Statement” or a statement showing how one will appear in future issues.
 - ✓ Copies must be marked to show the advertising content.
 - ✓ The first page of each marked copy must show the total units and percentage of space devoted to advertising and non-advertising therein.
- Application fee for Form 3500, currently \$685, non-refundable
- **Form 3510:** Application for Reentry for Periodicals Publication (aka Additional Entry, tinyurl.com/Form3510), if applicable. This enables publishers to mail approved Periodicals at mail offices in addition to their Origin Entry Office.

TIP: Request a copy of your signed, stamped forms and proof of payment from the postal clerk who accepts your application.

Step 3: Wait ... and maintain records

Be patient. The approval process can take anywhere from 45 days to one year. However, once the USPS signs and stamps your application,

the mailing office will assign you a “Periodicals Pending” number enabling you to mail with pending status. This means you will continue to pay Marketing Mail rates until your status is approved, at which time the USPS will reimburse the difference between what you paid and what you would have paid with Periodicals status, retroactive to the issue cited in your application or the first issue that qualifies given your records.

You are required to maintain detailed records, including print orders, dated and signed subscription cards, payment records, sales receipts, and deposits related to payments. Starting with the issue cited in your application, be sure to track these so you can be prepared for an eligibility audit and to meet the following ongoing requirements:

- Once approved, you will need to file a Statement of Ownership, Management, and Circulation (**Form 3526** for General, tinyurl.com/Form3526; **Form 3526-R** for Requestor, tinyurl.com/Form3526r) with your Original Entry Office by October 1 of each year. You must then print the Statement of Ownership in your next published issue or risk losing your eligibility.
- You will also need to provide the USPS with the percentages of advertising and non-advertising content in each issue (along with marked copies) using **Form 3541:** Periodicals Postage Statement Form (tinyurl.com/Form3541).

TIP: Sign up for the online USPS Business Customer Gateway, where you can obtain mailing records useful for completing documentation.

Need more information? The USPS has created a detailed handbook to help you apply for and maintain Periodicals status: tinyurl.com/handbookDM204. And, of course, contact me any time for assistance.

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