

Maturity Income—still paying 4.5 percent



**Myra
Warren**

Are you looking for steady growth in your retirement portfolio? Would you like to receive 4.5 percent interest on your retirement funds? Does the security of an association with a sound investment strategy that has been in operation for more than 120 years appeal to you? If you answered yes to any of these questions, then you should consider investing in one of your United States Letter Carriers Mutual Benefit Association's (USLC-MBA) Maturity Income plans.

MBA adjusted its interest crediting rate to 4.5 percent on our Maturity Income plans effective Oct. 1, 2012. MBA's interest rate is subject to review each year by the board of

trustees prior to fiscal year ending on Sept. 30.

It's easy to participate in the Maturity Income plan. Members may choose an amount that they want to pay into their plan with a minimum contribution as little as \$15 per pay period (\$32.50 for monthly-paying members). Spouses are eligible to participate in the Maturity Income plan.

“By investing in our Maturity Income plan now, members can be certain that their retirement lifestyle will be as comfortable as they would like it to be.”

Maturity Income offer letter carriers three ways to build a more solid financial future:

- Make one lump-sum investment now—and never put in another penny.
- Make a lump-sum investment now and choose to make regular contributions.
- Make payroll deductible contributions for as little as \$15 per pay period and add funds whenever it is feasible to do so.

The amount that is contributed into the plan can be increased or decreased. Payments also can be stopped or started at any time with written notification to the MBA office.

Knowing that financial stability is important to our members, we invest our assets conservatively—only in high-quality bonds. We do not invest in junk bonds, real estate or derivatives.

By investing in our Maturity Income plan now, members can be certain that their retirement lifestyle will be as comfortable as they would like it to be. The earlier a member signs up and starts premium payments, the sooner he or she will begin to build a sizeable retirement nest egg.

Our Maturity Income plans are offered as a Traditional IRA, a Roth IRA and as a Non-Qualified Deferred Annuity. All three plans accumulate the same interest crediting rate of 4.5 percent and guarantee that the interest rate will never fall lower than 3.5 percent.

With the Traditional IRA, your yearly contributions can be deducted from your federal taxes. The earnings accumulate tax-free until the time of withdrawal. As of 2013, the maximum annual contribution per individual under age 50 is \$5,500 (\$6,500 for those 50 and older before the end of 2013). There is a modified adjustable gross income eligibility limited for a single tax filer of \$59,000 and \$95,000 for married couples filing jointly.

The Roth IRA contributions are not tax-deductible, but earnings accumulate tax-free. As of 2013, a Roth IRA generally allows you to contribute a maximum of \$5,500 per person each tax year (\$6,500 for those 50 and older before the end of 2013), if your modified adjustable gross income does not exceed \$112,000 for single filers or \$178,000 for a married couple filing jointly. The deadline to contribute to a Roth IRA or Traditional IRA for the 2012 tax year is April 15 of this year. Please indicate the tax year to which you would like to apply your contribution. Before electing an IRA provision, members should consult their tax advisor to ensure that an IRA is beneficial to them.

Finally, the Maturity Income plan established as a Non-Qualified Annuity has no age or income limits for eligibility, no limits on annual contributions to the plan, and no requirement to begin taking mandatory distributions at a certain age. The Non-Qualified Annuity is not an IRA, but a deferred investment contract that makes regular payments upon “annuitization.” When a member receives a cash distribution from a Maturity Income plan before he or she reaches age 59.5, the member may be subject to a 10 percent penalty in addition to taxes on his or her interest earnings. Also, MBA levies a minimal surrender charge on all plans for withdrawals during the first six years.

Please note that city carrier assistants who join NALC are eligible to apply for any MBA plans.

To apply for one of the Maturity Income plans, please complete and return the insert in this issue of *The Postal Record*. For more information, members may call the MBA toll-free at 800-424-5184 on Tuesdays and Thursdays from 8 a.m. to 3:30 p.m., or call 202-638-4318 Monday through Friday from 8 a.m. to 3:30 p.m. Eastern Standard Time.