



MBA has you covered



The Mutual Benefit Association offers insurance for your family's needs

NALC was created in 1889 for the mutual benefit of letter carriers, and only two years later it established the U.S. Letter Carriers Mutual Benefit Association (MBA) to offer insurance and savings plans to keep letter carriers and their families financially secure in the case of illness or death.

“MBA is one of NALC’s best-kept secrets, but every letter carrier needs to know about it,” NALC President Fredric Rolando said. “MBA has great products, designed just for us, that every letter carrier at any stage of life should consider.”

At its second national convention in Detroit in 1891, the union created the MBA to offer life insurance coverage to letter carriers. Today, the MBA still gives many letter carriers and their families a way to secure their financial futures with insurance and savings plans provided by an organization that is focused not on profit but on the welfare of its members.

Unlike many insurance companies and other financial institutions, the MBA is a not-for-profit organization, which means that every penny it receives goes toward serving its members. This allows the MBA to provide lower premiums and higher dividends than many private insurance companies can.

“The MBA doesn’t have shareholders pushing for profits or agents pushing its products for a commission,” NALC Director of Life Insurance Jim Yates said. Yates, a member of Long Island Merged, NY Branch 6000, has overseen the MBA since 2018. “All of the MBA’s financial resources and all of the efforts of the letter carriers and staff who work to make it successful go into serving its members and their financial needs.”



The organization has come a long way since its humble origins, and it has secured the financial future of countless letter carriers and their families.

A long history, a firm financial foundation

While other labor groups also established similar mutual benefit societies throughout their histories to provide insurance, including the American Federation of Labor (its plan was later spun off to a private company), MBA may be one of the oldest still in existence.

As with other unions, for the letter carriers of 1891 a mutual benefit organization filled a serious need. The federal government offered no death benefit or workers’ compensation to postal employees, and at a time when letter carriers were men and when women rarely worked outside the home, the death or disability of a letter carrier could leave a wife and children with no source of income.

The next year, the MBA was chartered, headquartered in Tennessee and offered its first death benefit policies: \$3,000 (nearly \$80,000 in today’s

dollars when adjusted for inflation) or \$1,500. The premiums ranged from \$1 a year for a \$3,000 policy for a carrier under age 25, to \$2.12 for a carrier at age 55.

“The officers of the Mutual Benefit Association earnestly request the hearty cooperation of every carrier who has the welfare of the association at heart,” stated the first report of the MBA at the NALC’s third national convention in Indianapolis in 1892, “that this grand feature of our organization may attain the membership predicted by its friends; that we shall soon be able to pay the limit of a policy, viz., \$3,000.”

MBA had no difficulty attracting participants. By August 1893, 336 carriers from 37 branches had signed up for policies, and the MBA had built up its financial reserves enough to pay benefits to the families of 16 carriers who had died in the previous 12 months.

Nashville letter carrier Wilmot Dunn, who had helped create MBA, became its first “collector,” a job he held until 1915 (the position eventually was renamed “director of life insurance.”) Dunn was instrumental in establishing a solid financial foundation for MBA. A board of trustees—three letter carriers elected in the same way as national officers—provided oversight and made reports. Branches named their own local collectors to take applications and premium payments from branch members who signed up for insurance.

In 1905, the NALC added a benefit for sick carriers who couldn’t work due to accident or illness through a new National Sick Benefit Association (NSBA) administered by MBA. Premiums were between 50 and 80 cents a month, with benefits averaging \$8 a week for up to 20 weeks. The NSBA



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Director of Life Insurance Jim Yates

later branched out to cover health and hospitalization expenses, which led to the creation of the NALC Health Benefit Plan.

The MBA weathered the Great Depression and helped many letter carriers' families survive the tough economic times of the 1930s whenever carriers died or became disabled. At a time when a safety net of government and employer benefits was just beginning, the MBA and the healthy cash reserves it had built for several decades made letter carriers feel confident about the future.

In 1953, MBA moved from Tennessee to Washington, DC, to occupy space in the NALC's new Headquarters building, and it remains there today. In this new space, MBA expanded and modernized. Security of financial records was enhanced, and the system of branch collectors was transformed. Collectors became "MBA representatives," elected by their branches and trained to explain to members the details of the MBA and its products and services.

Today, there are roughly 600 MBA representatives across the country who help NALC members understand MBA's products and assist them in applying for them. Working with the professional staff of 16 who administer the MBA in Washington under Yates's supervision, these representatives are the backbone of the MBA.

The *NALC Constitution* establishes MBA as the only insurance provider

that may solicit at branch meetings or other NALC events and that can use NALC or branch publications to do so. The MBA does not sell its products to anyone other than NALC members (for themselves or family members) and to MBA, NALC and NALC Health Benefit Plan non-letter carrier staff members.

Letter carriers in charge

From the beginning in 1891, the MBA was administered by letter carriers with input from letter carriers about the products and services that it should offer.

"There's no insurance company that has such a close relationship to letter carriers," Yates said. "They have meaningful input on what MBA offers, and the trust level is unsurpassed."

As with other national officers of the NALC, the director of life insurance and MBA trustees, who also are NALC's trustees, are elected by the members to four-year terms after nominations are taken at the NALC's biennial convention. The trustees are Lawrence D. Brown Jr. (chairman) of Los Angeles Branch 24, Mike Gill of South Florida Branch 1071 and Mack I. Julion of Chicago Branch 11. Their duty is to keep a close eye on MBA's financial health.

Letter carriers' jobs and family lives have changed a great deal over the last century, and MBA has expanded and altered the plans it offers to meet members' needs. As more recent examples, after a resolution was passed by the members at a biennial convention, in 2009 the MBA began offering policies valued up to \$100,000. The delegates at the 2010 NALC convention in Anaheim, CA, approved an amendment to the *NALC Constitution* that made letter carriers' step-children, step-grandchildren and step-great-grandchildren

eligible for coverage. In 2014, a similar amendment—to allow parents or legal guardians of a member (up to the age of 80) to be covered under the MBA plans—was approved at the NALC convention in Philadelphia in response to member requests.

Another important change came when the city carrier assistant (CCA) job category was created through the Das arbitration award in 2013. MBA stepped in to ensure that CCAs had an opportunity to save money for their future by creating the NALC CCA Retirement Savings Plan tailored specifically for carriers starting their careers. When CCAs are converted to career status, they can keep the account or roll their traditional IRA savings over into the Thrift Savings Plan. The MBA will waive the surrender charge in this instance only.

"This is your insurance and savings company—you own it," Yates said. "Every plan we offer today was designed at one point to meet specific requests by letter carriers. MBA's only goal is to serve the needs of its members. We listen to you, and we never stop adapting as your needs change."

The focus on members, rather than on profit, has led to strong financial stability for MBA. Owing to wise investments and to putting all of its resources into working for its members, and not into profits or sales commissions, the MBA's financial position is secure, and it continues to offer dividends and interest rates that are above market averages.

Products designed for today's letter carrier

Today, thanks to the different programs designed to meet the different needs of letter carriers, the MBA has

approximately 19,000 members that it either insures, helps save for retirement, or helps cover some hospital or disability costs.

Here's a review of the products MBA offers:

MBA Whole Life Insurance

MBA Whole Life Insurance is a whole life insurance plan that lets you choose from \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000 in coverage. Premiums are based on the amount of the policy benefit and your age at the time of purchase. With this plan, premiums remain the same throughout the life of the policy. You may pay premiums once a year, 12 times a year or biweekly under the payroll deduction plan.*

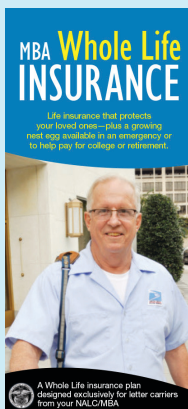
Premiums are payable for the insured's lifetime. You can borrow against your cash buildup and still keep your plan in force, or you may trade in your policy for the cash value (which you can take as a lump sum or as regular income).

Should you decide to borrow against your policy, the interest rate will be 8 percent, or the rate determined by the state in which your policy is issued (whichever is lower).

* Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

Paid Up at Age 65 MBA Whole Life Insurance

Paid Up at Age 65 MBA Whole Life Insurance is a limited payment whole



life insurance policy. It is ideal for all letter carriers and their family members. Paid Up at Age 65 offers lifelong insurance protection without lifelong payments. This plan allows the insured to reduce their financial obligations upon retirement while maintaining their insurance coverage. You can purchase life insurance coverage worth \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000.

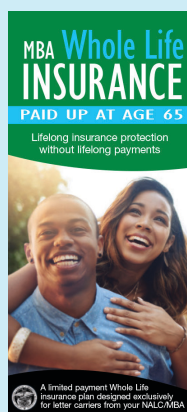
Premium payments are required up to the policy's anniversary date after the insured's 65th birthday. At that time, the policy is fully paid up, yet coverage stays in force throughout the insured's lifetime. This coverage continues in full, unless you decide to surrender the policy for its cash value. You may borrow against or surrender your plan any time.

You may pay your premiums once a year, 12 times a year, or biweekly under MBA's automatic payroll deduction plan.*

* Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

Paid Up in 20 Years MBA Whole Life Insurance

Paid Up in 20 Years MBA Whole Life Insurance is a limited-payment life insurance policy specially suited to letter carriers who want to insure their young children. It lets you build up cash for your children's future. Whether you choose \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000 worth of coverage, you pay premiums for 20 years.



In the event of the insured's death, Paid Up in 20 Years MBA Whole Life will pay survivors the full amount of the policy.

After the 20 years, you may keep the coverage at no cost, or surrender your policy for its cash value. If you choose to keep the policy in force, your cash value will continue to build up at current dividend rates. You may borrow against or surrender your plan any time.

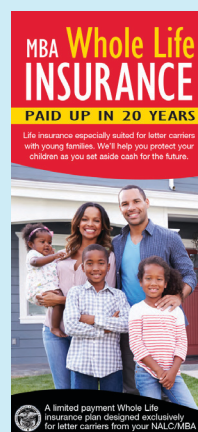
Premiums may be paid once a year, 12 times a year or biweekly under the payroll deduction agreement.*

* Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

MBA 10 Year Renewable and Convertible Term Life Insurance

MBA Term Life Insurance is a 10-year renewable and convertible term policy. In the event of your death, the policy will pay your beneficiaries the full amount of your policy for as long as it's in force. This plan lets you choose coverage of \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000.

Your premium will remain the same until the 10-year term has ended. You can renew for another 10 years of coverage without a medical exam. At





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each renewal period, your premium increases according to your age. You may continue Prime Protection coverage until age 80.

You also can convert your term life policy to a whole life policy, such as MBA Whole Life, without taking a medical exam, if the insured is under the age of 65.* Term Life is available for your spouse at the same benefit amounts open to you. Premiums can be paid annually, 12 times a year, or bi-weekly through payroll deductions.** You may choose to have your dividends paid in cash or left on interest-bearing deposit.

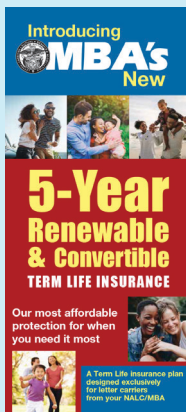
* If you convert to Whole Life, the premiums are specified according to your age on the date of conversion.

** Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

MBA 5 Year Renewable and Convertible Term Life Insurance

MBA 5 Year Renewable and Convertible Term Life Insurance is a five-year renewable and convertible term policy. In the event of your death, the policy will pay your beneficiaries the full amount of your policy for as long as it's in force. This plan lets you choose coverage from \$10,000 to \$100,000.

Your premium will remain the same until the five-year term has ended. You can renew for another five years of coverage without a medical exam. At each renewal period, your premium increases according to your age. You may continue Prime Protection coverage until age 80.



You can also convert your five-year renewable and convertible term life policy to a whole life policy, such as MBA Whole Life, without taking a medical exam, if the insured is under the age of 65.* MBA 5 Year Term Life Insurance is available for your family (age 17 or older) at the same benefit amounts open to you. Premiums can be paid annually, 12 times a year, or bi-weekly through payroll deductions.**

* If you convert to Whole Life, the premiums are specified according to your age on the date of conversion.

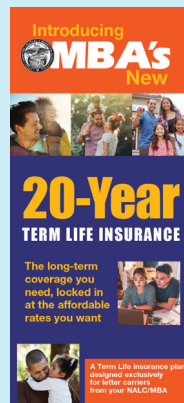
** Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

MBA 20 Year Term Life Insurance

The MBA 20 Year Term Life Insurance plan offers insurance protection for a period of 20 years. In the event of your death, the policy will pay your beneficiaries the full amount of your policy for as long as it's in force. This plan lets you choose coverage from \$10,000 to \$100,000.

The premium rate is based on the current age of the proposed insured and the amount of life insurance applied for. The premium rate will never change for the entire 20-year period. As long as the premiums are paid on the policy, the insured is guaranteed life insurance for a period of 20 years.

You can also convert your 20-year term life policy to a whole life policy, such as MBA Whole Life, without taking a medical exam, if the insured is under the age of 65.* MBA 20 Year



Term Life is available for your family (age 17 or older) at the same benefit amounts open to you. Premiums can be paid annually, 12 times a year, or bi-weekly through payroll deductions.**

* If you convert to Whole Life, the premiums are specified according to your age on the date of conversion.

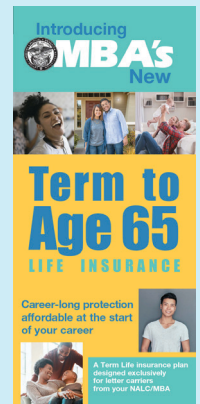
** Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

MBA Term to Age 65 Life Insurance

The MBA Term to Age 65 Life insurance plan offers insurance protection until the insured reaches age 65. In the event of your death, the policy will pay your beneficiaries the full amount of your policy for as long as it's in force. Regardless of the issue age of the insured, the policy will remain in force until the policy anniversary date after the insured reaches age 65. This plan lets you choose coverage from \$10,000 to \$100,000.

The premium rate is based on the current age of the proposed insured and the amount of life insurance applied for. The premium rate will never change during the lifetime of the policy. As long as the premiums are paid on the policy, the insured is guaranteed life insurance until the policy anniversary date after the insured reaches age 65.

You also can convert your MBA Term to Age 65 life policy to a whole life policy, such as MBA Whole Life, without taking a medical exam, if the insured is under the age of 65.* MBA



Term to Age 65 Life insurance is available for your family (age 17 or older) at the same benefit amounts open to you. Premiums can be paid annually, 12 times a year, or biweekly through payroll deductions.**

* If you convert to Whole Life, the premiums are specified according to your age on the date of conversion.

** Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

Independence—Single Payment

Independence—Single Payment is one of the most convenient whole life plans available. For a single, once-in-a-lifetime premium payment you, or any eligible member of your family, can have life insurance coverage of \$5,000, \$10,000, \$20,000, \$100,000 or any amount you choose (subject to MBA's maximum face value limitations).

With this plan, you not only get immediate real-cash value but also investment advantages like favorable tax-free interest earnings, easy low-interest loan availability, an instant cash-value option, a no-cancellation guarantee and, of course, full death benefits.

Single Payment also lets you decide whether to leave your dividends on deposit to increase your cash value, or to use them to increase your death benefit or receive a dividend check.

It's the most convenient way to give your loved ones added financial security.



Hospital Plus

If you are hospitalized for illness or injury, the MBA can help your financial health with cash payments of \$30, \$50, \$75 or \$100 a day. With Hospital Plus, cash benefits start on the first day you are hospitalized, and continue for up to 365 days.

Hospital Plus also lets you cover your spouse and children. The spouse benefit is the same as yours—\$30, \$50, \$75 or \$100 a day. Children's benefits are \$18, \$30, \$45 or \$60 a day.

Benefits are paid in full, regardless of other health insurance benefits you receive. Cash benefits are paid directly to you and may be used for any purpose. This is extra cash protection to help you meet the financial burdens of accidents and illnesses.

All applying members, regardless of age, and their eligible dependents can be covered. As long as you pay your premium, you can keep your policy, regardless of prior benefits received or future health conditions. Rates will not be individually raised.

Repeat claims for the same or related causes will be treated as claims for the same cause (and included in a single 365-day limit), if recurring hospital stays are not separated by six months or more. Such claims will be covered only if the policy is then in force.

The policy contains a benefit restriction for pre-existing conditions—a condition for which medical advice or treatment was received during the 12 months before the effective date of our policy. Also, a pre-existing condition will not be covered until 12 consecu-



tive months have passed in which no medical advice or treatment is received for such condition, or until your policy has been in effect for one year, whichever occurs first.

MBA Retirement Savings Plan

MBA Retirement Savings Plan is a retirement income plan designed to supplement your pension. You make small payments to the plan while you're young, so you can receive a lifetime of monthly payments after you retire—even if you live to be 200!

Under the MBA Retirement Savings Plan, you also can request a guaranteed number of monthly payments.

You choose the amount you want to contribute to your MBA Retirement Savings Plan. It can be as little as \$15 per pay period (the minimum amount allowed). You also can select your method of payment: MBA can deduct payments automatically from your paycheck, or bill you monthly or annually.*

With as little as a one-time \$15 payment, you can start your MBA Retirement Savings Plan and never have to make any additional deposits to maintain your policy in force. You also can make a lump sum deposit into the MBA Retirement Savings Plan at any time to help build your plan's value.

As your MBA Retirement Savings Plan grows, you can expect to earn competitive interest rates. The plan is tax deferred, which means you do not pay taxes on any of your interest until you draw on it, further improving your yield.





MBA has you covered

When you're ready to retire, MBA offers a choice of four ways to collect monthly benefits:

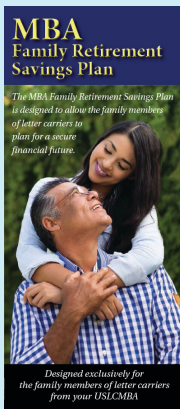
- **Life annuity with period certain:** Receive a lifetime of monthly payments. You're guaranteed this income for as long as you live. If you die during a specified period (five, 10, 15 or 20 years), payments go to your beneficiary until the end of the period.
- **Life annuity:** Receive monthly payments through your lifetime. No further benefits will be paid after your death.
- **Joint life annuity:** You or your beneficiary receive monthly payments as long as either of you live.
- **Full cash refund:** Receive monthly payments as long as you are alive. When you die, the MBA will pay any money in your account to your beneficiary.

*Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

MBA Family Retirement Savings Plan

MBA Family Retirement Savings Plan can mean the difference between worry and well-being in your family member's retirement—because it is an annuity policy that delivers extra cash to the annuitant every month to supplement their retirement income.

A family member (annuitant) can make small contributions now (as little as \$25 a month, with a \$1,000



initial deposit) into an interest-bearing annuity that guarantees above-market returns. The annuitant chooses how much to contribute and how often. The plan has certain tax advantages, depending on the options selected

Best of all, you get all the advantages of your Mutual Benefit Association:

- **Dependability**—NALC stands behind every policy written by MBA, which was created more than a century ago to give letter carrier families reliable savings and insurance plans.
- **Affordability**—MBA operates with low overhead, no fees and no salespeople on commission, and the savings are passed on to the annuitant.
- **Simplicity**—Just fill out an application to join the Family Retirement Savings Plan. The annuitant will receive a policy to examine for 30 days. If the annuitant is not fully satisfied for any reason, return it for a full refund of any premium paid. There's no risk.

City Carrier Assistant Retirement Savings Plan

NALC CCA Retirement Savings Plan is a retirement income plan designed for CCAs to supplement your pension. You make small payments to the plan while you're young, so you can receive a lifetime of monthly payments after you retire.

Under the NALC CCA Retirement Savings Plan, you also can request a guaranteed number of monthly payments.



CCAs who participate in the plan may transfer their Traditional IRA funds to the Thrift Savings Plan once they become career letter carriers. The surrender charge will be waived in this instance only. Note: The Thrift Savings Plan is not set up to receive Roth IRA transfers at this time.

You choose the amount you want to contribute to your NALC CCA Retirement Savings Plan. It can be as little as \$15 per pay period (the minimum amount allowed). You also can select your method of payment: MBA can deduct payments automatically from your paycheck, or bill you monthly or annually.*

With as little as a one-time \$15 payment, you can start your NALC CCA Retirement Savings Plan and never have to make any additional deposits to maintain your policy in force. You also can make a lump-sum deposit into the NALC CCA Retirement Savings Plan at any time to help build your plan's value.

As your NALC CCA Retirement Savings Plan grows, you can expect to earn competitive interest rates. The plan is tax deferred, which means you do not pay taxes on any of your interest until you draw on it, further improving your yield.

When you're ready to retire, MBA offers a choice of four ways to collect monthly benefits:

- **Life annuity with period certain:** Receive a lifetime of monthly payments. You're guaranteed this income for as long as you live. If you die during a specified period (five, 10, 15 or 20 years), payments go to your beneficiary until the end of the period.
- **Life annuity:** Receive monthly payments through your lifetime. No

further benefits will be paid after your death.

- **Joint life annuity:** You or your beneficiary receive monthly payments for as long as either of you live.
- **Full cash refund:** Receive monthly payments as long as you are alive. When you die, the MBA will pay any money in your account to your beneficiary.

*Retirees may choose to pay premiums monthly or annually. Retirees are not eligible to use payroll deductions.

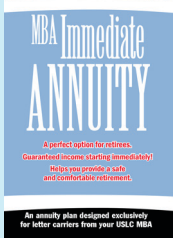
MBA Immediate Annuity

The Mutual Benefit Association has a retirement option called an Immediate Annuity that is perfect for a retiree.

An Immediate Annuity is when an individual gives an insurance company a lump sum of money in exchange for a guaranteed income stream starting immediately. This product can be made an important part of a letter carrier's retirement portfolio. This option, along with Social Security proceeds, investments, savings and pension payments will help foster a safe and comfortable retirement.

One of the defining features of an Immediate Annuity is that the annuitant may select one of three options:

1. A life annuity that pays equal payments for life.
2. A life annuity with a guaranteed period certain of five, 10, 15 or 20 years.



3. A joint life annuity that pays equal payments for life; upon death, your beneficiary would receive annuity payments for life.

If you are interested, the MBA will provide a quote with the estimated monthly payment based on the amount invested, the annuitant's current age, and the immediate payout option selected.

A principal benefit of an Immediate Annuity is that you will know how much money you will receive in each payment for the rest of your life. This characteristic will alleviate the stress of an individual outliving his or her investments. In addition, you will not need to make investment decisions about how to earn a comparable sum of money, since the MBA is responsible for the growth of your funds. The MBA is your non-profit fraternal association providing competitive rates on its products. You will find that the MBA's fixed immediate annuity rates are higher than most of our competitors. The MBA has been providing high-quality service to our members since 1891.

Like all decisions, there are pros and cons to every choice in these matters. A factor to consider is that the money that you invest with the Immediate Annuity cannot be withdrawn or used for another purpose once the annuity proceeds have begun. You should consider your decision carefully and not invest money that you might need for an emergency. Another consideration is that the money invested in an Immediate Annuity is not available to your heirs, except in the case where the annuitant chose a five-, 10-, 15- or 20-year guaranteed payment or a Joint Survivor option. There are different tax advantages for annuity withdrawals and payments

based on the type of assets used to purchase the annuity (qualified versus nonqualified). You should consult your tax advisor for information on how annuity taxation applies to your situation.

An Immediate Annuity is a valuable investment option available to our NALC retirees. There are various payment options, such as life with period certain and joint survivor, that minimize the downside to the mortality issue. Each of the options comes with a corresponding monthly, quarterly, semi-annual or annual payment amount. Just another way that your MBA is working to provide options for the members.

Group Accidental Death Benefit

This Group Accidental Death Benefit Contract provides \$5,000 of accidental death benefit coverage for every active and retired member of NALC. The union pays the entire premium for the basic coverage; each branch has the option to purchase additional accidental death benefits and level-term life insurance coverage.

"The MBA provides a wonderful opportunity for letter carriers to obtain insurance and savings plans that not only offer good benefits at reasonable rates, but also are administered by letter carriers, for letter carriers," President Rolando said. "Whether you are just starting out as a carrier, you're working toward retirement, or you're already retired, MBA may have a plan that can serve you and your family. Please look into these offerings to see if any are right for your needs. It might help you establish a measure of financial security to last a lifetime." PR