

MBA Retirement Savings Plan



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The Mutual Benefit Association (MBA) offers several retirement saving plans for all city letter carriers who are members of the NALC, as well as their families. These plans are the MBA Retirement Savings Plan, the MBA Family Retirement Savings Plan, the CCA Retirement Savings Plan and the MBA Immediate Annuity. This article will focus on the MBA Retirement Savings Plan (RSP).

The MBA RSP is a retirement income plan designed to supplement your pension. You make small payments to the plan while you're working in order to receive a lifetime of monthly payments after you retire. The MBA RSP is a retirement plan designed to protect against the risk of outliving your resources by providing a lifetime of supplemental retirement income.

The MBA RSP is offered as a traditional or Roth IRA.

With a traditional IRA, the contributions you make each year may be deducted from your federal taxes. In addition, earnings accumulate tax-free until the time of withdrawal. Upon distribution at age 59 ½ or older, the earnings and principal are taxed as ordinary income. For 2022, the maximum annual contribution per individual under age 50 is \$6,000. If you reach the age of 50 or older before the end of 2022, you may contribute an additional \$1,000 in catch-up contributions. Modified adjusted gross income eligibility limits are \$78,000 for a single filer and \$129,000 for a married couple filing jointly.

Contributions to a Roth IRA are not tax-deductible but earnings accumulate tax-free. At the time of withdrawal, earnings are free from taxes if the owner has held the IRA for a minimum of five years and is at least 59 ½ years old. For 2022, a Roth IRA also allows you to contribute a maximum of \$6,000 per person each tax year (\$7,000 for those 50 and older before the end of 2022) if your modified adjusted gross income does not exceed \$144,000 for single filers or \$214,000 for married couples filing jointly.

Participation in the MBA RSP is easy. Once enrolled, you can simply make small contributions, as low as \$15 per pay period. The easiest way to pay is through automatic deductions from your paycheck. You can adjust how much you want to contribute, stop and start

making payments, or pay in lump sums whenever you want. MBA will handle the automatic deductions or bill you monthly or annually (depending on your preference).

If you need emergency cash, you can stay in the MBA RSP while withdrawing money any time after one year, subject to certain minimums and limitations. However, during the first six years you are in the plan, you will pay a surrender charge on the amount you withdraw, in addition to any IRS penalties, if applicable. You also can surrender your plan for its cash value at any time.

When you have reached the end of your career and are ready to retire, the MBA offers four ways to collect your benefits.

1. **Life annuity with period certain:** Receive a lifetime of monthly payments. You are guaranteed this income for as long as you live. If you die during a specified period (5, 10, 15 or 20 years), payments go to your beneficiary until the end of the period.
2. **Life annuity:** Receive monthly payments through your lifetime. No further benefits will be paid after your death.
3. **Joint life annuity:** You or your beneficiary receive monthly payments as long as either of you lives.
4. **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.

As with all of our plans and policies you get all the advantages of your MBA:

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

For more information regarding any of the MBA products, please call the MBA office toll-free at 800-424-5184, Tuesdays and Thursdays, 8 a.m. to 3:30 p.m., or call 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern time. You may also visit our website at nalc.org/mba.