

# Retirement savings made simple



with  
**NALC's Mutual Benefit Association**

**W**hen NALC members think of the Mutual Benefit Association, they often think of it solely as a life insurance company, but it's much more than that. One of its main roles is to help letter carriers and their families save for retirement.

"MBA is one of NALC's best-kept secrets, but every letter carrier needs to know about it," NALC President Brian L. Renfro said. "MBA has great financial products, designed just for us, that every letter carrier at any stage of their careers should consider for themselves or their loved ones."

The U.S. Letter Carriers Mutual Benefit Association (MBA) was created in 1891, only two years after the union was organized, to offer insurance and savings plans to keep letter carriers and their families financially secure in the case of illness or death.

Unlike most 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 better rates on annuities and savings plans than many private 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."

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, Sandra D. Laemmel of Detroit Br. 1 and Charles P. Heege of New York Br. 36. Their duty is to keep a close eye on MBA's financial health.

"There's no other 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."

Letter carriers' jobs and family lives have changed a great deal over the past century, and MBA has expanded and altered the plans it offers to meet members' needs. 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 establishing 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 product 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."



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The focus on members, rather than on profit, has led to strong financial stability for MBA. Owing to wise investments and to the putting of all 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.

## Options for you or your family

Here's a look at the financial products MBA offers to fit almost every letter carrier or family member's needs:

### MBA Retirement Savings Plan

The 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! You also can request a guaranteed number of monthly payments.

You choose the amount you want to contribute to your MBA Retirement Savings Plan.

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 select your method of payment: MBA can deduct payments automatically from your paycheck, debit your

checking or saving account, or bill you monthly or annually.\* If you choose to use automatic payments, there is a minimum of \$15 for biweekly payroll deduction and \$32.50 for a monthly deduction from a bank account.

You also can make a lump-sum deposit into the MBA Retirement Savings Plan at any time to help build your plan's value up to the applicable IRS contribution limit.

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.

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 are not eligible to use payroll deduction.*

### MBA Family Retirement Savings Plan

The 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

The 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, with the minimum amount allowed being \$15. You also can select your method of payment: MBA can deduct payments automatically from your paycheck, debit your checking or savings account, or bill you monthly or annually.\* If you choose to use automatic payments, there is a minimum of \$15 for bi-weekly payroll deduction and \$32.50 for a monthly deduction from a bank account.

With as little as a one-time \$15 payment, you can start your NALC CCA Retirement Savings Plan and never



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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 up to the applicable IRS contribution limit.

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.

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## MBA Immediate Annuity

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

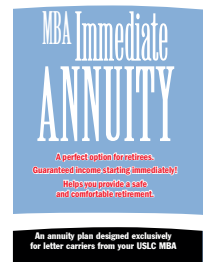
An Immediate Annuity is when an NALC member gives the MBA a lump sum of money in exchange for a guaranteed income stream starting immediately. This product can be made an important part of a letter carrier's retirement portfolio. This option, along with Social Security proceeds, investments, savings 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:

- A life annuity that provides equal payments for life.
- A life annuity with a guaranteed period certain of five, 10, 15 or 20 years.
- 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 their 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 nonprofit 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 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 as well as joint survivor, that minimize the downside to the mortality issue. Each of the options comes with a corresponding monthly, quarterly, semiannual or annual payment amount. This is just another way that your MBA is working to provide options for the members.

## More information

Saving for retirement can be a lot to think about, and sometimes you might want to talk to another letter carrier for information and guidance. Branches should have a local MBA representative, a letter carrier who understands MBA's financial products and can help you.

"I advise new members that they should start planning for their retirement as early as possible," said **Mark Danneker**, the MBA representative for Harrisburg, PA Branch 500. "There are many options open to them and the earlier they start, the better their retirement portfolio will be."

Danneker advises his branch members to consider MBA products because they're "a good resource because they are very competitive with the open market."

For more detailed information about MBA's products, brochures or applications, go to [nalc.org/mba](http://nalc.org/mba) or 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.—all Eastern time.

"The MBA provides a wonderful opportunity for letter carriers to obtain savings plans that not only offer good benefits at reasonable rates, but also are administered by letter carriers, for letter carriers," President Renfro 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**