



## Financial security for retirement

**T**he Mutual Benefit Association is offering letter carriers an exclusive opportunity to declare financial security during retirement. Start investing now in one of our three maturity income plans—Traditional IRA, Roth IRA, or Non-qualified Deferred Annuity—to ensure a future of stability. Maturity income is presently paying 5.5 percent interest on our policies. Effective October 1 of each year, our interest rate is subject to change but will never fall below 3.5 percent.

The annuity plan that pays you during retirement offers you dependability, affordability and simplicity. Our Non-qualified Deferred Annuity plan is a tax-deferred retirement policy with no contribution limits. You are allowed to contribute as much as you desire and only the interest earned is taxable upon distribution. MBA offers two IRAs, Traditional IRA and Roth IRA.

The Traditional IRA is an individual tax-deferred retirement plan in which your annual contributions are subtracted from your gross income to determine your tax liability. There is a maximum annual contribution of \$5,000 for members under age 50; ages 50 and above may contribute a maximum of \$6,000 per tax year. The Roth IRA has the same contribution limits as the Traditional IRA plan; however, your contributions into the Roth are not tax deductible.

**With a significant economic recovery unlikely during 2010, the MBA is allowing our members to call the shots by structuring an annuity suitable for a lifestyle free of financial hardships during retirement. We provide three options for you to contribute to your policy.**

The easiest way would be to have your contributions automatically deducted from your paycheck, with a minimum payment of \$15 per pay period. This flexible option allows you to adjust your contributions as desired, to stop and restart making payments by simply sending a signed written request to our office. MBA also offers the choice of sending in monthly or annual contributions in addition to lump-sum deposits. The earlier you start contributing money into your policy, the faster you can watch your investment grow.

**Now that you have decided on your choice of policy and how you are going to invest in your policy, you can now choose how to receive your annuity benefits. We have five annuity settlement options:**

- Receive a monthly income to be paid to you as long as you live.
- A monthly income to be paid to you for life, with guarantees that payments will be made for five, 10, 15 or 20 years to you or your beneficiary.
- A monthly income to be paid to you or your beneficiary. In the event of your death, your beneficiary will continue to receive the monthly payments as long as he/she lives.
- A monthly income to be paid to you for life. In the event of your death, your beneficiary will receive a full cash refund of the balance of the proceeds remaining in the annuity fund.
- Receive the full lump-sum cash value of the policy.

Once an annuity option has been processed by our office and the monthly annuity payment(s) mailed to you, it cannot be changed; therefore, if you have any questions, please do not hesitate to contact the Annuity Department.

Anyone who has a maturity income policy is eligible to receive annuity settlement options. The Annuity Department will provide members with detailed settlement option letters upon the letter carrier's request. This detailed letter will include the suggested values each individual member would receive under each annuity option according to your contribution amount and age.

Maturity income can mean the difference between worry and well-being in your retirement. Retire worry-free by applying for a maturity income plan available exclusively for all letter carriers and spouses.

**The 2009 IRA contribution deadline is April 15. You can contribute to an existing IRA account or open an IRA account by April 15 and take an IRA tax deduction on your 2009 tax return. Please reference your MBA policy number and designated tax year in the memo section of your check. For confirmation that our office has received your contribution and has applied it properly, a confirmation letter will be sent per your request.**

**The MBA cannot give you tax advice. Before choosing a plan, consult a tax advisor for assistance. Treatment of your maturity income plan may be different under state, local or foreign income (or other) tax rules. For more information regarding our plans, please contact Britney Wright, the maturity income claims analyst, at 202-638-4318. ☒**