



Maturity Income— now paying 5 percent

Are you looking for steady growth in your retirement portfolio? Would you like to receive 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 your MBA’s Maturity Income plan.

MBA’s Maturity Income plan has adjusted its interest crediting rate to 5 percent, which became effective Oct. 1 and will be effective until Sept. 30.

It’s easy to participate in the plan. Members may choose an amount they want to pay into the plan. They can contribute as little as \$15 a pay period (\$32.50 for members who pay monthly). Spouses are eligible to participate in the plan along with members or by themselves.

Maturity Income gives the letter carrier three ways to build a more solid financial future:

1. **Make a lump-sum investment now—and never put in another penny.**
2. **Make a lump-sum investment now and choose to make regular contributions.**
3. **Make contributions of as little as \$15 per pay period and add funds whenever desired.**

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

The MBA has recently surpassed \$194 million in assets. The fund surplus now exceeds \$21 million. This high amount of surplus helps assure our members that the MBA has more than adequate funds to ensure the safety of their policies.

By joining the Maturity Income plan now, members can be certain that their retirement lifestyle will be as comfortable as they would like. The earlier members sign up and start premium payments, the sooner they begin to build sizeable retirement nest eggs.

The Maturity Income plan is available as a Roth IRA, Traditional IRA and a Non-Qualified Deferred Annuity plan. All three plans offer the same interest-crediting rate of 5 percent and the guaranteed minimum interest payment will never be less 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 2011, the maximum annual contribution per individual under age 50 is \$5,000 (\$6,000 for those 50 and older before the end of 2011)—with modified adjusted gross income eligibility limits of \$56,000 for a single filer and \$90,000 for a married couple filing jointly.

The Roth IRA contributions are not tax-deductible, but earnings accumulate tax-free. As of 2011, a Roth IRA generally allows you to contribute a maximum of \$5,000 per person each tax year (\$6,000 for those 50 and older before the end of 2011) if your modified adjusted gross income does not exceed \$107,000 for single filers and \$169,000 for a married couple filing jointly.

Finally, the Maturity Income plan, established as a Non-Qualified Deferred Annuity, has no age or income limits for eligibility, no limits on your annual contributions to the plan, and no requirement to begin taking mandatory distributions at a certain age. The Non-Qualified Deferred Annuity is not an IRA, but a deferred investment contract that makes regular payments upon “annuitization.”

Before electing an IRA provision, members should consult with a tax advisor to ensure that an IRA is beneficial to them and that they qualify.

When a member receives a cash distribution before he or she reaches age 59.5 on the Non-Qualified Deferred Annuity or IRA plan, he or she may be subject to a 10 percent penalty in addition to tax on the interest earnings. Also, MBA levies a minimal surrender charge on all plans for withdrawals during the first six years.

For more information regarding these plans, please complete and return the insert in this issue of *The Postal Record*. Also, members may call the MBA toll-free at 800-424-5184, Tuesdays and Thursdays, 8 a.m. to 3:30 p.m. ET, or call 202-683-4318, Monday through Friday, 8 a.m. to 3:30 p.m. ET. ✉