



An investment tool for your future

MBA's Maturity Income plan is a flexible, premium-deferred annuity plan that allows members to save for retirement. The policy-owner has the option of varying his or her premium amount. The premium can be increased, decreased, stopped or resumed at any time.

By joining the Maturity Income plan now, members can help ensure that their retirement lifestyle will be as comfortable as they would like it to be. The earlier a member signs up and begins premium payments, the easier it is to build a sizable retirement nest egg. Young members can start by contributing small amounts now while they are young and increase their payments in later years, when their income levels are higher. The plan is available to both NALC members and their spouses.

The MBA holds no speculative investments. We do not invest in real estate, derivatives or junk bonds. Our portfolio consists only of high-quality government and corporate bonds and a small portion of its portfolio in equities.

Participation in the Maturity Income Plan is easy. A member may join by contributing as little as \$15 per pay period or \$32.50 monthly. These amounts can be increased at any time or discontinued by contacting the MBA in writing. The plan continues to earn interest even after premium payments have stopped. Payments may be resumed at any time by contacting the MBA in writing.

Lump-sum payments may be contributed to the plan at any time. Premiums may be deducted automatically from your paycheck by payroll deduction, or you can be billed monthly or annually. Members may change careers and still continue with the plan even if they are no longer eligible for payroll deduction. The only difference is that the MBA will bill you monthly or annually.

The Maturity Income plan is currently paying 4.5 percent interest. This amount is guaranteed through Sept. 30. Typically, the Board of Trustees review the financial aspects of the plan each year and sets new rates based on the results and market conditions. The selected rate usually is set for a one-year period. This plan guarantees that the lowest interest credited to your account will never be lower than 3.5 percent.

The Maturity Income plan is an annuity plan that contains a provision allowing the policy-owner to make it a qualified plan—that is, a Traditional IRA or a Roth IRA. Those

who want an IRA should consult their financial advisor to see if they qualify for a tax-deductible IRA before opening the account. Interest income from premiums paid is tax-deferred on both the non-qualified annuity and the Traditional IRA. You will not pay any tax on the cash build-up until you withdraw it—whereas with a Roth IRA, the distributions are tax-free (subject to IRS rules and regulations).

April 17 is the last day to make a deposit into your MBA Traditional IRA or Roth IRA for the 2011 Tax Year.

Partial cash withdrawals may be taken on the Maturity Income policy at any time after the first policy anniversary date, subject to certain limitations. These withdrawals may be made by sending the MBA written notification that you would like to make a withdrawal. However, you'll be charged a surrender fee if you withdraw money during the first six years of having the policy. The surrender charge is based on the amount withdrawn.

This plan is primarily a retirement plan to supplement your retirement savings. In addition, if you receive a withdrawal before you reach the age of 59.5, you may be subject to a 10 percent penalty by the government, in addition to paying taxes on the interest earnings.

The plan does allow rollover of funds from other plans, including the Thrift Savings account, which is a qualified account. Contact the MBA office for the proper forms and procedures for rollovers before choosing this option.

Once you receive your Maturity Income policy, you'll have a time to examine it. If you choose not to keep the policy, you may return it to the MBA within 30 days of issue for a full refund of the contributed premiums. The policy-owner's signed statement requesting cancellation of the policy should accompany the policy.

If you have questions or would like an application, please call the MBA 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. ET.

Reminder: It is very important for members of MBA to update their personal information. Please take the time to review your policy for any necessary address or beneficiary changes and contact MBA Headquarters office in writing with any updates. ☒