

## Our MBA



**Myra  
Warren**

Currently, MBA still administers 158 NSBA policies.

**Today, the MBA is not simply an insurance company** started by the union. It is governed by insurance law and, as a fraternal benefit society, aims to serve the needs of this union's membership. The MBA operates in a fashion that would confound a traditional insurance company: We pay no commissions; we staff no insurance brokers; we don't seek "profit;" and we don't have stockholders who demand high dividends or rising stock prices.

There are no financially motivated intermediaries for profits here. Why? The MBA is owned by its policyholders/members. So how does MBA succeed at all, without a profit motive driving us? In short, the same way we have run NALC: through the power of members who give their time and effort to benefit their fellow letter carriers. We have a network of letter carriers, known as MBA representatives (MBARs), who promote MBA's products by providing information about our insurance protection products to branch members and by signing up interested persons. They work independently throughout the country in branches, receiving materials and guidance from the MBA headquarters.

The branches' MBARs are the life blood of the MBA as an organization. The MBA, which operates independently as a separate entity from NALC, is nonetheless part of the union. Thus, the MBARs serve the organizational needs of NALC as a union, in addition to serving the individual financial needs of the NALC membership.

**One way we can expand our efforts nationally would be** to introduce MBA products to the newly hired city carrier assistants (CCAs) during orientation. I urge our MBARs to be a part of NALC's organizing efforts, especially at the orientation of the newly hired carriers. I also encourage

**T**he **United States Letter Carriers Mutual Benefit Association (MBA)** has been servicing NALC members with insurance products since the late 1800s. In the beginning, MBA offered a simple death benefit for a letter carrier's family for a modest fee. During those times, the federal government did not provide death benefits for postal employees. The death of a letter carrier sometimes left his or her family without any source of income.

In 1905, MBA expanded its role to include the National Sick Benefit Association (NSBA). The NSBA was a sick benefit provided to letter carriers who found themselves out of work due to illness or an accident.

branch officers to use MBA's benefits and representatives to enhance their organizing efforts. Each year, NALC organizes a large number of members based partly on our excellent Health Benefit Plan. The MBA's plans can be put to work toward the same purpose—strengthening NALC's membership base.

Moreover, I believe our MBARs should bear in mind the interest of their brothers and sisters as we provide information about our various insurance savings plans. For instance, MBA offers a Maturity Income Plan—an annuity that provides a lifetime of supplementary retirement income. The plan makes sense—the earnings are tax-free until withdrawal, similar to an IRA.

**We must keep in mind that our own plan should supplement,** rather than form the center of, financial plans made by NALC members. Letters carriers also should be starting their retirement planning with a good look at their federal retirement benefits. In addition to our basic retirement benefits (CSRS or FERS), there also is the Thrift Savings Plan (TSP), which offers tremendous advantages. Neither contributions nor earnings are taxed until withdrawal, and for employees in FERS, the employer matches a portion of their contributions. Yet, many members of this union have not put a nickel into the Thrift Savings Plan. This is particularly unfortunate given today's political environment—who knows what is on the chopping block next?

In this regard, the MBA may help, although we do not give investment advice. We can certainly direct letter carriers toward information about their own employer's retirement benefits. For most carriers, the foundation of retirement income is their pension plan. MBA can help with supplemental financial and insurance investment to sweeten one's financial security now and during retirement.

**As we bring this year to an end, may peace and joy be** with you as you deliver letters, cards and packages of hope and happiness from near and far. May you be blessed during this Christmas season and enjoy a wonderful new year.

### United States Letter Carriers Mutual Benefit Association (MBA)

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