

# MBA Family Retirement Savings Plan



**Myra  
Warren**

**D**uring the 2016 National Association of Letter Carriers 70th biennial convention, the delegates approved a resolution for the United States Letter Carriers Mutual Benefit Association (USLCMBA) resolution to begin offering children and intergenerational children of letter carriers their own individual retirement accounts. Once an MBA resolution to add a product is approved by the members, the MBA, as a fraternal life insurance association, must file documents with each state's insurance commission to receive approval to offer the product in that state. While this process can take several months, I am excited to announce that the USLCMBA's Family Retirement Savings Plan is now available.

The MBA Family Retirement Savings Plan offers an annuity plan for the member's children, step-children, grandchildren and great-grandchildren age 18 or older. With an initial deposit of \$1,000 to open a plan, a family member can make contributions as little as \$25 a month into an interest-bearing annuity. The annuitant (plan owner) can choose how much to contribute to the plan and how often. Contributions may be increased, decreased, stopped or started at any time. The policy remains open, even if contributions are stopped.

**The plans offered are the Traditional IRA, the Roth IRA and the Non-qualified Deferred Annuity.** Before electing any of the IRA provisions, you should consult with a tax advisor to ensure that an IRA is beneficial to you and that you qualify.

With the Traditional IRA, the contributions made each year can be deducted from your federal taxes. Earnings accumulate tax-free until the time of withdrawal. As of 2017, the maximum annual contribution per individual under age 50 is \$5,500 (\$6,500 for those 50 and older before the end of 2017)—with modified adjusted gross income eligibility limits of \$62,000 for a single filer and \$99,000 for a married couple filing jointly.

The Roth IRA's contributions are not tax-deductible, but earnings accumulate tax-free as long as the annuitant is over age 59-1/2 and the plan is at least five years old at the time of withdrawal. As of 2017, the Roth IRA allowable contribution is similar to the IRA maximum if your modified adjusted gross income does not exceed \$118,000 for single filers and \$186,000 for a married couple filing jointly.

The MBA Family Retirement Savings plan selection may be a Non-qualified Deferred Annuity. With this plan, there

are no income limits for eligibility, no limits on your annual contributions, 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."

As always, once the owner receives their policy documents, they have a full 30 days to examine the policy before deciding whether to keep it. There's no risk.

**"By joining the MBA Family Retirement plan now, you can help ensure that your retirement lifestyle will be as comfortable as you would like it to be."**

By joining the MBA Family Retirement Savings Plan now, you can help ensure that your loved ones' retirement lifestyle will be as comfortable as you would like it to be. The earlier a family member signs up and begins making premium payments, the easier it is to start building a sizeable retirement nest egg.

**Note:** Please remember that Tuesday, April 18, is the last day to contribute to your 2016 IRA.

**For more information regarding** this plan, please refer to the insert and application 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., or call 202-683-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern Time.



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

The Life Insurance Association of and for the National Association of Letter Carriers  
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202-638-4318, 8 a.m.-3:30 p.m. (Eastern)  
800-424-5184, 8 a.m.-3:30 p.m. (Eastern), Tuesday and Thursday