

Insurance and retirement plans for city carrier assistants



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Since 1891, the United States Letter Carriers Mutual Benefit Association (MBA) has striven to provide protection for NALC members and their families. City carrier assistants (CCAs) who are members of NALC have benefits available to them from the MBA.

As letter carriers, we share many commonalities. For example, we share the love of our families and the need to secure their futures.

It doesn't take much to plan ahead for the lives and futures of ourselves and our families. This is where the MBA can help.

Insurance

The MBA offers a 10-Year Renewable and Convertible Term Life Insurance policy. This policy is a very attractive plan for CCAs interested in life insurance coverage at a low cost. The premiums for this plan will remain the same for a period of 10 years. After the 10-year period, policy owners have the option of continuing the term policy for another 10 years or converting the policy to one of MBA's whole-life insurance plans. The premium rate at renewal or conversion will be adjusted to the insured's current age. This valuable coverage is convertible until age 65 and renewable until age 80. Premium payments may be made by biweekly payroll deduction or directly to the MBA office. If you would like to take out a policy for yourself or a family member, simply complete and sign the 10-Year Renewable and Convertible Term Life Application (see insert) and return it to our office in the postage-paid envelope.

Retirement plans

To plan for your financial future, NALC offers the City Carrier Assistants Retirement Savings Plan (CCARSP). The plan allows CCAs to save for retirement prior to a career appointment with the Postal Service. The CCARSP is designed to protect against the risk of outliving one's resources, by providing a lifetime of supplemental retirement income.

The CCARSP offers a fixed annuity, meaning your cash value earns a fixed rate of return. It provides a tax shelter and guaranteed income later. MBA assumes all of the risks while guaranteeing your investment. Therefore, you are guaranteed a fixed payout.

The plan is offered as a traditional Individual Retirement Account (IRA). The yearly contributions of a traditional IRA

can be deducted from your federal taxes. The earnings accumulate tax-free until the time of withdrawal. As of 2018, the maximum annual contribution per individual under age 50 is \$5,500 (\$6,500 for those 50 and older before the end of 2018)—with modified adjusted gross income eligibility limits of \$63,000 for a single filer and \$189,000 for a married couple filing jointly.

Under this plan, once CCAs become career employees of the Postal Service, they have the option to transfer their contributions into the Thrift Savings Plan (TSP). If CCAs wish to transfer the funds to the TSP, they must contact the TSP regarding opening an account and transferring the funds from the MBA.

During the first six years of a new policy, if a CCARSP is fully or partially surrendered, a surrender charge will apply. The surrender charge is an internal charge based on an annual decreasing percentage rate and is deducted from your fund value. After the sixth year, there is no MBA surrender charge. The IRS penalty charge is an external charge that the IRS imposes should you surrender your policy or make a partial cash surrender before age 59 ½. We recommend that you contact your tax advisor for further information regarding the IRS rules and regulations concerning contributions and withdrawals.

“It's easy to participate in the retirement plan. A member can make contributions of as little as \$15 per pay period.”

It's easy to participate in the CCARSP. A member can make contributions of as little as \$15 per pay period. Contributions can be made through payroll deduction. The amount of a contribution can be increased or decreased, stopped or started at any time with written notification to the MBA office.

If you would like to take out a policy for yourself or your spouse, simply complete and sign the CCA Retirement Savings Plan Application (see Insert) and return it to our office in the postage-paid envelope.

The MBA values our city carrier assistants and appreciates their hard work and dedication in making our postal service the best in the world. The MBA's goal is to provide benefits for all of our hard-working members, so that they and their families have a secure financial future.