

Planning, planning, planning



**Myra
Warren**

Planning for your retirement should be a top priority, no matter your age. What you do now will have a profound effect on your quality of life during your retirement years. The United States Letter Carriers Mutual Benefit Association offers the Retirement Savings Plan (RSP) and the Family Retirement Savings Plan (FRSP) to NALC members (both career carriers and city carrier assistants). Through these plans, letter carriers and their family members can financially secure their future.

Many of today's retired letter carriers had the foresight in the 1980s, 1990s and early 2000s to join the MBA RSP (formerly known as "Foundation 1" or "Maturity Income" plans). These early retirement plans are now paying annual and monthly annuity benefits back to these members. Depending on the annuity option chosen, the annuity payments may be made to the letter carriers for five, 10, 15 or 20 years, or, in most cases, for the rest of their lives. MBA currently is paying a total of approximately \$147,000 each month in annuity payments to those savvy retirement planners.

The Retirement Savings Plan is available to NALC members and their spouses. The Family Retirement Savings plan is available to other members of an NALC member's family. Both the RSP and the FRSP are available as a traditional individual retirement account (IRA), a Roth IRA, or a non-qualified deferred annuity plan. All three plans offer the same 3.25 percent interest crediting rate with a guaranteed minimum interest rate of 2 percent.

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. For the 2018 tax year, an individual under the age of 50 may contribute \$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 \$101,000 for a married couple filing jointly.

Roth IRA contributions are not tax-deductible, but earnings accumulate tax-free. For 2018, the Roth IRA allowable contribution is identical to the traditional IRA maximum (\$5,500 under age 50 and \$6,500 for age 50 and older), if your modified adjusted gross income does not exceed \$120,000 for single filers or \$189,00 for married couples filing jointly.

As always, the non-qualified deferred annuity (NQDA)

plan does not have an age or income limit for eligibility. There are no limits on annual contribution and no requirement to begin taking out mandatory distributions. The NQDA is not an IRA, but a deferred investment contract that makes regular payments upon "annuitization."

The RSP gives NALC members three ways to build a more solid financial future by making contributions as:

- Lump-sum payments
- Annual or monthly contributions directly to the MBA office
- Biweekly payroll deduction contributions of at least \$15 per pay period.

The FRSP offers the annuity plans to NALC members' children, grandchildren, great-grandchildren, stepchildren, step-grandchildren and step-great-grandchildren who are age 18 or older. With an initial deposit of \$1,000 to open a plan, a family member can make contributions of as little as \$25 per month into the interest-bearing annuity, or they may make annual contributions or lump-sum contributions at any time.

Both the RSP and the FRSP are flexible premium plans. The contributions may be increased, decreased, stopped or started at any time. The plans remain open, even if the contributions are stopped.

By joining the RSP or FRSP, you can help ensure that you and your loved ones' retirement lifestyle will be financially secure. The earlier you begin making contributions, the easier it is to start building a sizable retirement nest egg. Like those savvy letter carriers from the 1980s, 1990s and 2000s, the key to a comfortable retirement is starting an MBA Retirement Savings Plan and making regular contributions. One day, the checks will be coming to you.

For an RSP or FRSP application, please see the insert in this month's *Postal Record*. If you have any questions regarding the RSP or FRSP, please call the MBA toll-free at 800-424-5184 on 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., Eastern Time. You also may visit our website at nalc.org/mba.

United States Letter Carriers Mutual Benefit Association (MBA)

The Life Insurance Association of
and for the National Association
of Letter Carriers
Suite 510, 100 Indiana Ave., NW
Washington, DC 20001-2144

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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