

Receiving monthly benefits from the MBA



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More than 6,400 letter carriers participate in the U.S. Letter Carriers' Mutual Benefit Association's (MBA) Retirement Savings Plans (formerly known as the Maturity Income Plan). The Retirement Savings Plans (RSP) are available as traditional individual retirement accounts (IRAs), Roth IRAs, and non-qualified deferred annuity policies.

Both career and non-career letter carriers, and their family members, use these plans to prepare for a secure financial future. By making contributions while employed, they will reap the benefits of a lifetime's worth of savings during their golden years of retirement.

Currently, 551 members receive monthly benefit payments from their MBA RSP; many members have selected payment options that will last their entire lifetimes. MBA currently pays out more than \$159,000 a month to RSP policy owners.

The MBA RSP provide a variety of settlement options when it is time to start receiving benefits from the policy. The amount of the benefit will depend on: 1) the age of the annuitant when the settlement option is chosen, 2) the amount of money in the plan at the time a settlement option is chosen, and 3) the specific option chosen.

The following settlement options are outlined in the MBA RSP policies; however, MBA may allow other settlement options requested by the annuitant:

- **Life annuity**—Monthly payments will be made to the annuitant as long as he or she is alive. No further benefits will be paid after the date of the annuitant's death.
- **Life annuity with five, 10, 15 or 20 year period certain**—Monthly payments will be made for a specified period of five, 10, 15 or 20 years and will continue after the expiration of the specified period as long as the annuitant is alive. If the annuitant dies during the specified period, monthly payments will continue to the end of the period to the beneficiary designated in the supplementary contract.
- **Joint life annuity**—Monthly payments will be made during the joint lifetimes of two annuitants and after the death of one annuitant during the lifetime of the surviving annuitant. The amount of the monthly payments is determined by the ages of the annuitants on the date the supplementary contract is effective.
- **Full cash refund annuity**—Monthly payments will be made as long as the annuitant is alive. At the death of the annuitant, we will pay to the annuitant's beneficia-

ry: (a) the proceeds of the policy applied to purchase the monthly annuity income; less (b) the sum of the monthly annuity income payments made prior to the annuitant's death; provided the value of (a) minus (b) is greater than \$0.

At the time of choosing a settlement option, some letter carriers decide to forego taking a payment for the rest of their lives, and instead choose a specific dollar amount to be paid each month or a specific number of months (or years) as a monthly benefit. For these options, the annuitant will receive a monthly check for the designated period of time. Upon receipt of the full benefits outlined in the supplementary contract, the benefits cease.

The RSP settlement options are available to the policy owner at any time. However, any funds distributed from an RSP prior to age 59 1/2 will be subject to an early withdrawal penalty from the Internal Revenue Service (IRS).

As life circumstances can change, the choice of an RSP settlement option is not made until the time the policy owner wishes to start receiving the benefits. Prior to the maturity date of an RSP (as defined in each MBA policy), MBA will send a letter to the policy owner stating the date of maturity. The letter will state all of the settlement options available. If the policy owner does not wish to choose a settlement option at that time, he or she can notify MBA to extend the maturity date of the policy.

When a settlement option has been chosen and the monthly benefits begin, the option may not be changed. Therefore, when considering choosing a settlement option, contact the MBA executive office and ask for a list of the monthly benefit amounts that you would receive under each settlement option. Our knowledgeable representatives can provide you with the information to make an informed decision about your supplementary contract payments.

MBA's Retirement Savings Plans are excellent choices for adding to retirement planning for letter carriers and their families. These plans are not intended for short-term savings. The earlier you begin saving through your MBA RSP, the more money you will have for your retirement years!

I'd like to take this time to wish everyone and their families a happy holiday season and a happy and healthy New Year!

