

## Group accidental death insurance



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One of the many benefits of being a member of NALC is the Group Accidental Death Benefit provided by the Mutual Benefit Association (MBA). This benefit is provided free of charge to all active and retired members in good standing, including city carrier assistants (CCAs). The basic benefit coverage is \$5,000.

Additional group accidental death and term life insurance is available for local branches to purchase. The plans are administered by the MBA and come in many benefit levels. The additional group coverage for branches includes only active members (including CCAs) of the branch; retired members are not covered.

The process for a branch to purchase group supplemental accidental death or term life coverage is simple. Once a branch has made the determination to purchase this additional coverage, it should contact MBA. MBA will send a group supplemental application to be completed by the branch president. The branch should return to MBA the completed application and a check for the first month's premium payment. Coverage will become effective the first day of the following month after MBA has received the application and first month's premium. MBA will bill NALC for the branch's future monthly premiums. NALC Headquarters will deduct the monthly premium amount from the branch reimbursement check.

**A branch that has elected to purchase additional supplemental group coverage must include every active member of the branch. Additionally, all covered members must be provided the same level of coverage. The following explains the plans' coverage:**

- **Supplemental accidental death coverage:** Branches may elect to cover their active members with additional accidental death coverage. This coverage costs as little as 3 cents per month, per active member, per \$1,000 of coverage. Coverage is available at nine benefit levels. Benefits are paid under this coverage when the member's death is the result of bodily injuries sustained directly by accident and independently of all other causes.
- **Supplemental term-life insurance:** Branches may elect to cover their active members with additional term life insurance. This coverage can be purchased through MBA at low group rates. These rates start at as little as 44 cents a month, per active member, per

\$1,000 of coverage. Any supplemental term coverage more than \$5,000 costs only 33 cents for each additional \$1,000 of coverage per month, per active member. Coverage is available at 16 benefit levels. This coverage pays for all causes of death, whether accidental or natural.

The chart below shows an example of the cost to a branch for supplemental accidental and term life coverage.

Supp. Accidental Death		Supp. Term Life	
Coverage amount	Monthly premium per member	Coverage amount	Monthly premium per member
\$1,000	\$0.03	\$1,000	\$0.44
\$5,000	\$0.15	\$5,000	\$2.20
\$15,000	\$0.45	\$15,000	\$5.50
\$20,000	\$0.60	\$20,000	\$7.15

Currently, 144 branches have elected to provide their active members with one, or both, of these valuable policies. For coverage years 2016 and 2017, MBA mailed out rebate checks totaling more than \$116,500 to branches that provide their members with supplemental coverage. These pro-rata checks were based upon the type of coverage and the total amount of premiums paid as of Dec. 31, 2017. There is no contractual obligation to return these funds; however, because MBA is managed by and for letter carriers, rather than profiting on these plans, we choose to give the excess back to the local branches.

**These benefits can help letter carriers provide a secure future for their family members at a very small cost to NALC branches.**

The MBA offers life insurance and annuities by letter carriers, for letter carriers. See [nalc.org/mba](http://nalc.org/mba) for more information on all the insurance and annuity products we offer.

**Note:** The IRA contribution limit for the 2019 tax year has increased to \$6,000 for those under the age of 50, and \$7,000 for those age 50 and over. The last day to contribute to an IRA for the 2018 tax year is April 15, 2019.

**Correction to the December 2018 MBA article:** Roth IRA contributions are not tax-deductible, but earnings accumulate tax-free as long as the annuitant is over age 59 ½ and the plan has been in force for at least five years at the time of withdrawal. The December article inadvertently listed the age as 50 ½.