

Premium payments made easy



**James W.
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Traditionally, the Mutual Benefit Association (MBA) has offered only two ways to pay the premiums on life insurance policies, hospital confinement policies, disability income insurance policies, and retirement savings plans. These ways were by 1) sending a check or money order directly to the MBA office on a monthly or annual basis, or 2) through biweekly payroll deduction from the Minneapolis Payroll Data center.

Most letter carriers chose the convenience of biweekly payroll deduction to pay the premiums on their policies. However, once the letter carrier retires or separates from the Postal Service, the only option avail-

able is to pay the premiums directly to the MBA office.

Although this method of premium payment has been successful for many years, letter carriers have recently requested that the MBA offer premium payments through electronic funds transfer (EFT), also known as an automatic withdrawal, directly from their bank account.

The MBA now allows our members to authorize withdrawals (debits) from their savings account or checking account of their financial institution. This may be done on a monthly or annual basis. The use of EFT to pay premiums on MBA policies can help avoid the risk of forgotten or late payments and potentially having a policy lapse or cancellation for non-payment of premium.

To sign up for EFT payments, the policy payor (person responsible for paying the premiums on an MBA policy) will complete an Authorization Agreement for Electronic Fund Transfers (ACH Credits And Debits) Form. This form is available at nalc.org/mba. Click on the MBA "Brochures, Applications and Forms." Scroll down to "Forms & Filing Information for U. S. Letter Carriers Mutual Benefit Association Policies." Click on the "EFT Funds Authorization" to obtain the form and an instruction sheet. You may also call the MBA executive office to have an EFT form mailed to you.

The entire form must be completed, signed and returned to the MBA executive office, along with a voided check. The MBA will notify the payor when the first monthly or annual premium is scheduled to be withdrawn from his or her bank account via EFT. The payor should continue to make premium payments directly to the MBA executive office until he or she has received written confirmation from the MBA indicating that the EFT payments will begin.

As an added convenience, the payor may choose the day

of the month on which the premium is to be deducted from the bank account. The date may be any day of the month between the first and the 28th. If the payor does not specify which day of the month the deduction should be taken, the MBA will deduct the premium on the original policy day of each policy.

Once the EFT method of premium payment has been established, the automatic deduction will take place on the same day of each year or each month. Any request for a change in the EFT deduction must be made by a written request to the MBA executive office.

The MBA has a variety of insurance policies that are offered to letter carriers. Some of these policies have different payment requirements; for example, the number of premiums that are due to the MBA per year. For payors who choose to pay annually, only one premium payment is due each year. This payment will be due on the policy anniversary date.

Some policies pay premiums on a true "monthly" premium basis, paying premiums 12 times per year. For these policies, the premium is due on the same calendar day of each month. Other policies have the premiums due on an "eleventhly" basis, because these policies premiums are due only 11 times per year, on the same day of each month. For these policies, no premium is due in the month of December.

To determine the monthly premium payment amount, the annual premium is divided by 12, to determine a "monthly" premium amount, or by 11, to determine the "eleventhly" premium amount. If you are not sure whether the premiums are due on a policy on a "monthly" or "eleventhly" basis, please contact the MBA office at 202-638-4318, Monday through Friday, 8 a.m.-3:30 p.m. Eastern Time.

Please note: Currently, due to the COVID-19 pandemic, the MBA phone lines are open only on Tuesdays and Thursdays from 8 a.m.-3:30 p.m. Eastern Time.

United States Letter Carriers Mutual Benefit Association (MBA)

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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