

CCA Retirement Savings Plan



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Did you know that city carrier assistants (CCAs) have retirement saving options with the Mutual Benefit Association (MBA)? The MBA offers retirement saving plans for all city letter carriers who are members of the NALC, along with their families. For more information about the Family Retirement Saving Plan, see my September 2020 *Postal Record* article.

The MBA CCA Retirement Savings Plan (RSP) provides an opportunity for CCAs to begin saving for retirement prior to a career appointment with the Postal Service. The CCA RSP is a retirement plan designed to protect against the risk of outliving one’s resources by providing a lifetime of

supplemental retirement income.

The CCA RSP is offered either as a traditional or a Roth IRA.

With a traditional IRA, the contributions you make each year may be deducted from your federal taxes. In addition, earnings accumulate tax-free until the time of withdrawal. Upon distribution at age 59 and six months or older, the earnings and principal are taxed as ordinary income. For 2021, the maximum annual contribution per individual under age 50 is \$6,000. If you reach the age of 50 or older before the end of 2021, you may contribute an additional \$1,000 in catch-up contributions. Modified adjusted gross income eligibility limits are \$66,000 for a single filer and \$105,000 for a married couple filing jointly.

Contributions to a Roth IRA are not tax-deductible, but earnings accumulate tax-free. At the time of withdrawal, earnings are free from taxes if the owner has held the IRA for a minimum of five years and is at least 59½ years old. For 2021, a Roth IRA also allows you to contribute a maximum of \$6,000 per person each tax year (\$7,000 for those 50 and older before the end of 2021), if your modified adjusted gross income does not exceed \$140,000 for single filers or \$206,000 for married couples filing jointly.

Participation in the CCA RSP is easy. Once enrolled, you can simply make small contributions—as low as \$15 a pay period. The easiest way to pay is through automatic deductions from your paycheck. You can adjust how much you want to contribute, stop and start making payments, or pay in lump sums whenever you want. MBA will handle the automatic deductions or bill you monthly or annually.

If you need emergency cash, you can stay in the RSP while withdrawing money any time after one year, subject to cer-

tain minimums and limitations. However, during the first six years you are in the plan, you will pay a surrender charge on the amount you withdraw in addition to any IRS penalties, if applicable. You can also surrender your plan for its cash value at any time.

When participating CCAs become career employees, they may transfer their traditional IRA funds to the Thrift Savings Plan (TSP), or continue the plan with the MBA to have an additional source of retirement income. The MBA will waive the surrender charge in this instance only. The TSP is not set up to receive Roth IRA transfers.

When you have reached the end of your career and are ready to retire, the MBA offers four ways to collect your benefits:

1. **Life annuity with period certain**—Receive a lifetime of monthly payments. You are guaranteed this income for as long as you live. If you die during a specified period (five, 10, 15 or 20 years), payments go to your beneficiary until the end of the period.
2. **Life annuity**—Receive monthly payments throughout your lifetime. No further benefits will be paid after your death.
3. **Joint life annuity**—You or your beneficiary receive monthly payments as long as either of you lives.
4. **Full cash refund**—Receive monthly payments as long as you are alive. When you die, the MBA will pay any money in your account to your beneficiary.

As with all of our plans and policies, you get all the advantages of your MBA:

- **Dependability**—NALC stands behind every policy written by the MBA, which was created more than a century ago to give letter carrier families reliable savings and insurance plans.
- **Affordability**—The MBA operates with low overhead, no fees and no salespeople on commission, so the savings are passed on to you.
- **Simplicity**—Just fill out an application to join the Retirement Savings Plan. You will receive your policy to examine for 30 days. If you are not fully satisfied for any reason, return it for a full refund of any premium you have paid. There is no risk.

For more information regarding any MBA products, please call the MBA office toll-free at 800-424-5184, 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 (see note below). You also may visit our website at nalc.org/mba.

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