



RETIREMENT SAVINGS



MADE SIMPLE

When NALC members think of the U.S. Letter Carriers Mutual Benefit Association (MBA), they often think of it solely as a life insurance company, but it's much more than that. One of its main roles is to help letter carriers and their families save for retirement.

"MBA is one of NALC's best-kept secrets, but every letter carrier needs to know about it," NALC President Brian L. Renfroe said. "MBA has great financial products, designed just for us, that every letter carrier at any stage of their careers should consider for themselves or their loved ones."

The MBA was created in 1891, only

two years after the union was organized, to offer insurance and savings plans to keep letter carriers and their families financially secure in the case of illness or death.

Unlike most other financial institutions, the MBA is a not-for-profit organization, which means that every penny it receives goes toward serving its members. This allows the MBA to provide exceptional rates on annuities and savings plans that surpass many private companies.

"The MBA doesn't have shareholders pushing for profits or agents pushing its products for a commission," NALC Director of Life Insurance Jim Yates said. Yates, a member of Long Island Merged, NY Branch 6000, has

overseen the MBA since 2018. “All of the MBA’s financial resources, including the efforts of the letter carriers and staff who work to make it successful, go into serving its members and their financial needs,” he said.

As with other national officers of the NALC, the director of life insurance and the MBA trustees—who also are also NALC’s trustees—are elected by the members to four-year terms. The trustees are Lawrence D. Brown Jr. (chairman) of Los Angeles, CA Branch 24, Sandra D. Laemmel of Detroit, MI Branch 1 and Charles P. Heege of New York, NY Branch 36. Their duty is to keep a close eye on MBA’s financial health.

“There’s no other company that has such a close relationship to letter carriers,” Yates said. “They have meaningful input on what MBA offers, and the trust level is unsurpassed.”

Letter carriers’ jobs and family lives have changed a great deal over the past century, and MBA has expanded and altered the plans it offers to meet members’ needs. When the city carrier assistant (CCA) job category was created through the Das arbitration award in 2013, MBA stepped in to ensure that CCAs had an opportunity to save money for their future by establishing the NALC CCA Retirement Savings Plan tailored specifically for carriers starting their careers. When CCAs are converted to career status, they can keep the account or roll their traditional IRA savings into the Thrift Savings Plan. The MBA will waive the surrender charge in this instance only.

“This is your insurance and savings company—you own it,” Yates said. “Every product we offer today was designed at one point to meet specific

requests by letter carriers. MBA’s only goal is to serve the needs of its members. We listen to you, and we never stop adapting as your needs change.”

The focus on members, rather than on profit, has led to strong financial stability for MBA. Resulting from wise investments and positioning its resources into working for its members, and not into profits or sales commissions, the MBA’s financial position is secure. It continues to offer dividends and interest rates that are above market averages.

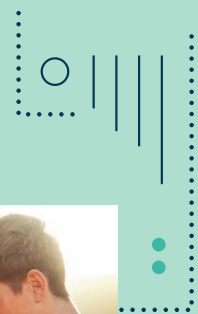
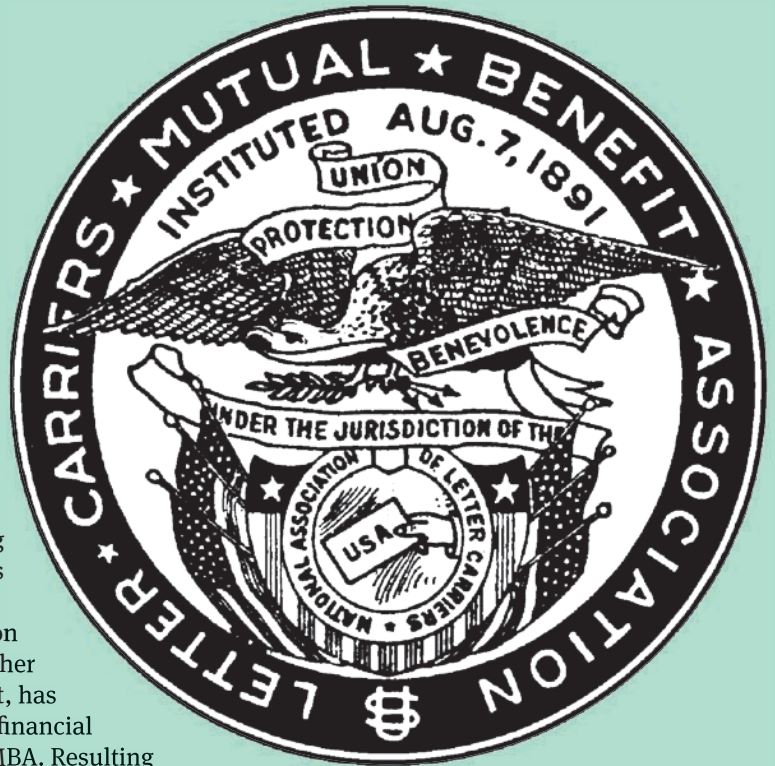
The following is a look at the financial products MBA offers to fit almost every letter carrier or family member’s needs.

MBA RETIREMENT SAVINGS PLAN

The MBA Retirement Savings Plan is a retirement income plan designed to supplement your pension. You make small payments to the plan while you’re young so you can receive a lifetime of monthly payments after you retire—even if you live to be 200!

This plan is designed for you or your spouse. You choose the amount you want to contribute to your MBA Retirement Savings Plan.

With as little as a one-time \$15 payment, you can start your MBA Retirement Savings Plan and never have to make any additional deposits to maintain your policy. You also can



**MBA
RETIREMENT
SAVINGS
PLAN**



**SECURE
YOUR
FINANCIAL
FUTURE**

*Designed exclusively for letter carriers
from your USLCMBA*

RETIREMENT SAVINGS MADE SIMPLE



MBA FAMILY RETIREMENT SAVINGS PLAN



SECURE A STRONG FINANCIAL FUTURE FOR FAMILY MEMBERS

Designed exclusively for letter carriers from your USLCMBA



select your method of payment: MBA can deduct payments biweekly from your paycheck, debit your checking or savings account, or be billed monthly or annually. Retirees are not eligible to use payroll deduction. If choosing to use automatic payments, there is a minimum of \$15 for biweekly payroll deduction. You also can make lump-sum deposits into the MBA Retirement Savings Plan at any time to help build your plan's value, up to the applicable IRS contribution limit.

When getting an MBA retirement plan, you can choose what kind of retirement account you would like. MBA offers either traditional individual retirement accounts (IRAs), Roth IRAs or non-qualified deferred annuities.

With a traditional IRA, the contributions you make each year can be deducted from your federal taxes. In addition, earnings accumulate tax-free until the time of withdrawal. Upon distribution, the earnings and principal are taxed as ordinary income. Whereas with a Roth IRA, contributions are not tax-deductible, but withdrawals from both contributions and growth are tax-free if the owner has held the IRA for a minimum of five years and is at least 59½ years old. With both the traditional IRA and Roth IRA there are yearly contribution and income limits that are set by the IRS.

If you choose a non-qualified deferred annuity, there are no income limits for eligibility and no limits on your annual contributions. Your contributions come from after-tax dollars and cannot be used to reduce your earned income. Earnings accumulate tax-free until the time of withdrawal, then distributions are taxed only on the interest you've earned, your con-

tributions are not taxed again.

As your MBA Retirement Savings Plan grows, you can expect to earn competitive interest rates.

When you're ready to retire, MBA offers a choice of five ways to collect benefits:

- **Life annuity:** Receive monthly payments throughout your lifetime. No further benefits will be paid after your death.
- **Life annuity with period certain:** Receive a lifetime of monthly payments. You're guaranteed this income for as long as you live. If you die during a specified period (10 or 20 years), payments go to your beneficiary until the end of the period.
- **Joint life annuity:** You or your beneficiary will receive monthly payments as long as either of you live.
- **Full cash refund:** Receive monthly payments as long as you are alive. When you die, the MBA will pay any remaining money in your account to your beneficiary.
- **Lump sum:** Receive the full lump-sum cash value of the policy.

MBA FAMILY RETIREMENT SAVINGS PLAN

The MBA Family Retirement Savings Plan can mean the difference between worry and well-being in your child's retirement because a retirement account can deliver extra cash to the annuitant every month to supplement their retirement income.

This plan allows you to take out a retirement account for your adult child (18 or older). The earlier you or your children can start saving up for retirement, the easier retirement can



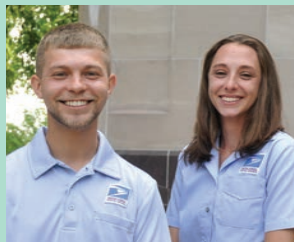
be. Starting a plan for your child allows them to begin having savings for their future. With an initial \$1,000 deposit to start the plan, your child can start to make small contributions (as little as \$25 a month) for their retirement into an interest-bearing retirement account with guaranteed returns. Your child can choose how much to contribute and how often. Each plan has certain tax advantages, depending on the options selected. When the time comes for retirement, the same five payout options are available.

Best of all, you get all the advantages of your Mutual Benefit Association:

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

CITY CARRIER ASSISTANT RETIREMENT SAVINGS PLAN

The NALC CCA Retirement Savings Plan is a retirement income plan de-



NALC CCA RETIREMENT SAVINGS PLAN
ADMINISTERED BY THE MBA



the plan may transfer their traditional IRA funds to the Thrift Savings Plan (TSP) once they become career letter carriers. The surrender charge will be waived in this instance only. Note: Due to IRS regulations, MBA may not transfer Roth IRA funds into the TSP.

You choose the amount you want to contribute to your MBA CCA Retirement Savings Plan.

With as little as a one-time \$15 payment, you can start your MBA CCA Retirement Savings Plan and never have to make any additional deposits to maintain your policy. You also can select your method of payment: MBA can deduct payments biweekly from your paycheck, debit your checking or saving account, or be billed monthly or annually. Retirees are not eligible to use payroll deduction. If you choose to use automatic payments, there is a

signed for CCAs to supplement their pension. You make small payments to the plan while you're young so you can receive a lifetime of monthly payments after you retire.

Under the MBA CCA Retirement Savings Plan, you can request a guaranteed number of monthly payments.

CCAs who participate in

minimum of \$15 for biweekly payroll deduction.

You also can make lump-sum deposits into the MBA CCA Retirement Savings Plan at any time to help build your plan's value up to the applicable IRS contribution limit.

As your NALC CCA Retirement Savings Plan grows, you can expect to earn competitive interest rates. The plan is offered as a traditional IRA, Roth IRA, or a non-qualified deferred annuity. The tax implications of each are the same as outlined above.

When you're ready to retire, MBA offers a choice of five ways to collect benefits:

- **Life annuity:** Receive monthly payments throughout your lifetime. No further benefits will be paid after your death.
- **Life annuity with period certain:** Receive a lifetime of monthly payments. You're guaranteed this income for as long as you live. If you die during a specified period (10 or 20 years), payments go to your beneficiary until the end of the period.
- **Joint life annuity:** You or your beneficiary will receive monthly payments for as long as either of you live.
- **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.
- **Lump sum:** Receive the full lump-sum cash value of the policy.

MBA IMMEDIATE ANNUITY

The MBA has a retirement option called Immediate Annuity that is

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perfect for a retiree. An Immediate Annuity is when a member gives the MBA a lump sum of money in exchange for a guaranteed income stream starting immediately. This product can be an important part of a letter carrier's retirement portfolio. This option, along with Social Security benefits, investments, savings and pension payments, will help foster a safe and comfortable retirement.

One of the defining features of an Immediate Annuity is that the annuitant may select one of four options:

- A life annuity that provides equal payments for life.
- A life annuity with a guaranteed period certain of 10 or 20 years.
- A joint life annuity that pays equal payments for life; upon death, your beneficiary would receive annuity payments for life.
- A full cash refund that issues monthly payments as long as you are alive. When you die, the MBA will pay any money in your account to your beneficiary.

If you are interested, the MBA will provide a quote with the estimated monthly payment based on the amount invested, the annuitant's current age, and the immediate payout option selected.

A principal benefit of an Immediate Annuity is that you will know how much money you will receive in each payment for the rest of your



MBA Immediate ANNUITY

- A perfect option for retirees.
- Guaranteed income starting immediately!
- Helps you provide a safe and comfortable retirement.

An annuity plan designed exclusively for letter carriers from your USLC MBA

life. This characteristic will alleviate the stress of an individual outliving their investments. In addition, you will not need to make investment decisions about how to earn a comparable sum of money, since the MBA is responsible for the growth of your funds.

Like all decisions, there are pros and cons to every choice in these matters. A factor to consider is that the money you invest with the Immediate Annuity cannot be withdrawn or used for another purpose once the annuity proceeds have begun.

You should consider your decision carefully and not invest money that you might need for an emergency. Another consideration is that the money invested in an Immediate Annuity is not available to your heirs, except in the case where the annuitant chose a 10- or 20-year guaranteed payment or a joint survivor option or full cash refund. There are different tax advantages for annuity withdrawals and payments based on the type of assets used to purchase the annuity (qualified versus nonqualified). You should consult your tax advisor for information on how annuity taxation applies to your situation.

An Immediate Annuity is a valuable investment option available to our NALC retirees. There are various payment options, such as life with period certain as well as joint survivor, that minimize the downside to the mortal-

ity issue. Each of the options comes with a corresponding monthly, or annual payment amount. This is just another way that your MBA is working to provide options for the members.

MORE INFORMATION

Saving for retirement can be a lot to think about, and sometimes you might want to talk to another letter carrier for information and guidance. Branches should have a local MBA representative, a letter carrier who understands MBA's financial products and can help you.

"MBA reps can inform new members how to start planning for their retirement," Yates said. "There are many options open to them and the earlier they start, the better their retirement portfolio will likely be."

For more detailed information about MBA's products, brochures or applications, go to nalc.org/mba, call the MBA office at 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern time, or email uslcmba@nalc.org.

"The MBA provides a wonderful opportunity for letter carriers to obtain savings plans that not only offer good benefits at reasonable rates, but also are administered by letter carriers, for letter carriers," President Renfroe said. "Whether you are just starting out as a carrier, you're working toward retirement, or you're already retired, MBA may have a plan that can serve you and your family. Please look into these offerings to see if any are right for your needs. It might help you establish a measure of financial security to last a lifetime." **PR**