CHOOSE A PLAN AND WATCH THE MONEY GROW

Traditional IRA

In 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 at age 59½ or older, the earnings and principal are taxed as ordinary income. There are maximum annual contribution limits for both individuals and for married couples filing jointly.

Roth IRA

Contributions to a Roth individual retirement account 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. A Roth IRA generally allows you to contribute a maximum amount per person each tax year.

Non-qualified annuity

There are no income limits for eligibility, no limits on your annual contributions to the plan, and no requirements to begin taking mandatory distributions at a certain age. Earnings accumulate tax-free until the time of withdrawal, then distributions are taxed only on the interest you've earned. The non-qualified annuity is not an IRA; it's a deferred investment contract that makes regular payments upon "annuitization."

	Roth IRA	Traditional IRA	Non-qualified Annuity
Contributions may be tax-deductible	No	Yes	No
Other key tax advantages	Tax-free growth	Tax-deferred growth	Tax-deferred growth
Tax treatment of withdrawals	Distributions are tax-free (if age 59½ and account is at least five years old)	Earnings and deductible contributions subject to tax	Earnings subject to tax
Eligibility subject to income limits and limits to annual contributions	Yes	Yes	No

The MBA cannot give tax advice. Before choosing a plan, consult a tax advisor for assistance. Treatment of the Family Retirement Savings Plan may be different under the annuitant's state, local or foreign income (or other) tax rules.

Your MBA representative and the highly trained staff at the MBA are ready to answer all your questions:

Contact your local branch office

Call the MBA at 202-638-4318
Monday-Friday, 8 a.m.-3:30 p.m. ET

Visit our website at www.NALC.org/MBA

National Association of Letter Carriers

U.S. Letter Carriers Mutual Benefit Association

United States Letter Carriers Mutual Benefit Association
100 Indiana Ave. NW, Suite 510
Washington, DC 20001-2144

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MBA FAMILY RETIREMENT SAVINGS PLAN

SECURE A STRONG FINANCIAL FUTURE FOR FAMILY MEMBERS

Designed exclusively for letter carriers from your USLCMBA

MBA FAMILY RETIREMENT SAVINGS PLAN

THE ANNUITY PLAN THAT PAYS THEM DURING RETIREMENT

The Family Retirement Savings Plan can mean the difference between worry and well-being in your family member's retirement—because it is an annuity policy that delivers extra cash to the annuitant every month to supplement their retirement income.

They simply make small contributions now (as little as $25 a pay period) into an interest-bearing annuity that guarantees above-market returns. They choose how much to contribute and how often. The plan has certain tax advantages, depending on the options they select.

THEIR MONEY IS GUARANTEED TO GROW

- **Enjoy a high rate of return.** They can expect the interest rates they will receive on their Family Retirement Savings Plan to be higher than the rates paid by most banks.
- **Get the peace of mind of a minimum interest rate.** The MBA provides a guaranteed minimum interest rate on its Family Retirement Savings Plan. And MBA invests only in high-quality government and corporate securities.
- **Enjoy tax advantages.** Depending on the plan choosen, all the growth in their account is either tax-deferred or tax-free. In addition, if their Family Retirement Savings Plan is a Traditional IRA, all or part of their contributions may be tax deductible, based on IRS limits.

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

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, and the savings are passed on to you and your family.

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 they aren't fully satisfied for any reason, return it for a full refund of any premium paid. There's no risk.

Who is eligible for the Family Retirement Savings Plan?

This plan is available to the children, grandchildren, great-grandchildren, step-children, step-grandchildren or step-great-grandchildren of the NALC member. The child must be 18 years of age or older.

Are there different annuity plans to choose from?

Yes, the annuitant can decide to invest the funds in a Traditional individual retirement account (IRA), a Roth IRA, or a non-qualified deferred annuity plan (see other side).

Does the child (annuitant) have to have earned income to contribute to the Family Retirement Savings Plan?

If the child (annuitant) is applying for a Traditional IRA or Roth IRA, he/she must have earned income in order to contribute. Annual contributions may not exceed the annuitant's earned income. No earned income is required for a non-qualified deferred annuity plan.

Is there an initial deposit required?

Yes, there is a $1,000 required minimum deposit at the time of application. After the initial deposit, contribution amounts are flexible. The suggested minimum monthly contribution is $25. Contributions may be made monthly, annually, or by lump-sum deposits.

Can the annuitant choose how to receive funds from the Family Retirement Savings Plan?

Yes. Options include monthly payments for as long as the annuitant lives, a joint annuity payable during the joint lifetimes of two people, and a lifetime annuity with a guaranteed minimum of 5, 10, 15 or 20 years.

Can the annuitant make early cash withdrawals?

If the annuitant needs emergency cash, he/she can stay in the Family Retirement Savings Plan while withdrawing money at any time after one year, subject to certain minimums and limitations. However, during the first six years of the plan, there is a "surrender charge" on the amount withdrawn, in addition to IRS penalties, if any. The plan can be surrendered at any time for its cash value.