



Retirement riches

I am sure many of you have paused in the course of your daily duties to contemplate what it would be like to be retired. Thoughts of having time to do all the things you would rather be doing than delivering mail get you through the day. It is a great feeling when you realize that you are getting closer to the day when you can hang up the satchel for good and do some golfing, fishing, and relaxing. Hopefully, you have done your homework and are in a position to fully enjoy retirement and not have to work to make ends meet like some of our current retired members.

While you are daydreaming about all the things you plan to do in retirement, I want you to think about reality for a moment. The current approximate monthly annuity for a member with 30 years of service is \$2,164. While that may sound “OK” to some, it really is not a heck of a lot of money. Hopefully you have socked away some extra in an NALC plan, or the Thrift Savings Plan (TSP). Remember, that figure is the approximate benefit *before* deductions.

Normal deductions from the estimated annuity would reduce that figure considerably. Currently, to provide a full survivor annuity for your spouse, you will have to deduct \$194.00. If you have the NALC Health Benefit family plan, you need to deduct another \$251.64. Additionally, you must reduce the amount by the amount of life insurance you choose to continue into retirement, and you must pay taxes on the annuity.

Now, if you have just had the feeling you’ve been punched in the stomach, you are not alone! Think about those who have traveled this road before you—only think about them surviving on an annuity that is *smaller* yet. The price of health insurance is the same for them.

A recent letter from one of our 40-year members identifies his annuity as \$19,000 per year. Quick math tells us that is about \$1,583 a month *before* deductions! Now add the second kick in the stomach from having your Social Security reduced after you had to work a second job because your letter carrier salary was not enough to live on and you get the real picture. Plan early and do the math *before* you get close to your last punch.

COLA

One of the good things about our retirement benefit is that we receive yearly cost-of-living adjustments (COLA). The most recent cost-of-living adjustment for the 2007 COLA came in at 2.3 percent following the release of the April Consumer Price Index. Now, that may not seem like a whole lot, but imagine what it would be like if we did not have a COLA to fall back on. Those retired members who retired with a gross income of \$1,583 per month (or less) years ago would still be getting that same amount today, but the cost of their deductions would have continued to grow by leaps and bounds. That is the situation many retirees find themselves in today. The COLA, while still a good thing, never seems to be big enough in a growing economy. There is just no getting ahead. Remember that the next time you hear someone say letter carriers have got it made!

Retirement Manual CD

The *NALC Retirement Manual* has recently been updated and is now available in CD format. Individual copies of this new CD have been sent to every branch in the country. Also, everyone who attends the NALC Retirement Breakfast at the 65th National Convention in Las Vegas on a paid ticket will receive a copy of the CD at the retiree breakfast. Additionally, copies will be made available in the near future for a nominal price that covers the cost of production and mailing. The retirement manual CD will prove to be extremely helpful to branch officers when assisting members with their retirement preparations. The manual allows you to research important issues regarding retirement, as well as direct you to the appropriate agencies for more detailed information.

There is also an abundance of information for members of the NALC on our web page at www.nalc.org. Members can access the Retirement Department materials and actually print out our retirement booklets and pamphlets on retirement issues. There are also links to other NALC departments, as well as other external sites that you may find helpful. Information on the NALC Auxiliary and Nalcrest can also be found on our retirement department web page. You can also make use of the site to obtain instructions on how to sign up for COLCPE through your Civil Service annuity at OPM. 