



Project Spotlight
Celebrating 10 Years



Project Spotlight is a program created by Beacon Credit Union with the hope that individuals and organizations will be inspired to reach out and serve those living and working around them.

The campaign takes place in all 13 of the communities that Beacon has a full-service Member Center. Beginning this month, the public can start voting for their favorite cause. Voting is allowed once per day, per community either online or in a Member Center. The public may share to social media to let others know that they have voted and encourage others to do the same for their favorite cause. Project Spotlight will end July 31st.

The project in each community that receives the most votes will win \$1,000 of funding from Beacon Credit Union. Second-place winners will receive \$500, and third place winners will be randomly drawn to receive \$250.

Last year, we received over **64,000 Project Spotlight votes**

The total amount of money donated to charitable organizations in Indiana by Beacon Credit Union through Project Spotlight in 2021 will be \$22,750.

Learn more at beaconcu.org/beacon-foundation/#project-spotlight

Rate Watch

Savings Rates APY

6 Month Certificate (\$1,000 min.)0.31%
1 Year Certificate (\$1,000 min.)0.51%
18 Month Certificate (\$1,000 min.)	...0.66%
2 Year Certificate (\$1,000 min.)0.71%
3 Year Certificate (\$1,000 min.)0.81%
4 Year Certificate (\$1,000 min.)0.91%
5 Year Certificate (\$1,000 min.)1.01%
IRA Account (18 Month Cert.)0.66%
IRA Account (36 Month Cert.)0.81%
IRA Account (60 Month Cert.)1.01%



For a complete rates listing, visit beaconcu.org.

APY is Annual Percentage Yield
Penalty for early withdrawal on Share Certificates
Rates effective July 1, 2021
Rates Subject to Change

2021 Scholarship Awards

Beacon Credit Union is proud to report that this year we awarded eight \$1,000 college scholarships to outstanding high school seniors. To be eligible, all applicants must be entering their freshman year of college and be a BCU member. Congratulations and best wishes to our college-bound recipients:



Kamon Blong
Peru High School -
Miami County
Purdue University



Emma Hoover
Northfield Jr/Sr High School -
Wabash County
Trine University



Sydney Kellermeier
Brownstown Central High School -
Jackson County
Indiana University



Kara Prows
R. Nelson Snider High School -
Allen County
Purdue University Fort Wayne



Trysta Gustafson
Maconaquah High School -
Miami County
Purdue University



McKenna Wilson
Maconaquah High School -
Miami County
Purdue University



Paige Winebrenner
DeKalb High School -
DeKalb County
IUPUI



Nicholas Yax
Logansport High School -
Cass County
Purdue University

**Congratulations
to the 2021
winners!**

Inflation Can Be a Scary Word

There are compelling reasons to adopt a wait-and-see approach.

Provided by Tiffany J. Hauptert and Matthew S. Anderson



Tiffany Hauptert
CFP® Financial Advisor



Matthew S. Anderson
Financial Advisor

Inflation can be a scary word for people who are retired. It's code for "prices are going up, but my income may stay the same."

The most recent reading on consumer prices put inflation back into the conversation. The Consumer Price Index (CPI) rose 0.8% in April 2021 and jumped by a greater-than-expected 4.2% year-over-year.¹

April's increase was led by a 10% increase in used cars, with additional

pockets of increases, notably in transportation services and commodities. Core inflation, which excludes the more volatile food and energy prices, was up a more modest 3.0% from April 2020.^{2,3}

While there is good reason to be concerned about inflation, there also are compelling reasons to adopt a wait-and-see approach.

Federal Reserve Chair Jerome Powell says today's inflation will be transitory and attributed to the post-pandemic economic expansion. But others are not so certain. Warren Buffett has said price increases are more structural, meaning they are becoming part of the prices we pay every day.^{4,5}

Inflation is just one factor considered when creating a portfolio. If inflation starts to trend higher than expected for a period of time, adjustments can be made. For example, if the Fed chooses to raise interest rates to help manage inflation, it may be appropriate to review a portfolio's bond holdings.



Longer-term bonds can be more sensitive to interest rate changes.

We are keeping an eye on inflation and understand the concerns of our retired, or soon to be retired, clients. We work with professionals who monitor the economy and who can help interpret the recent government reports. But if inflation is starting to worry you, please reach out. We'd welcome the chance to hear your thoughts.

Tiffany and Matthew may be reached at 800-762-3136 ext. 6415.

[Learn more at beaconcu.org/beacon-investment-services/](https://beaconcu.org/beacon-investment-services/)

The market value of a bond will fluctuate with changes in interest rates. As rates rise, the value of existing bonds typically falls. If an investor sells a bond before maturity, it may be worth more or less than the initial purchase price. By holding a bond to maturity, an investor will receive the interest payments due plus your original principal, barring default by the issuer. Investments seeking to achieve higher yields also involve a higher degree of risk.

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Citations

1. CNBC, May 12, 2021
2. U.S. Bureau of Labor Statistics, May 12, 2021
3. U.S. Bureau of Labor Statistics, May 12, 2021
4. CNBC.com, May 3, 2021
5. CNBC.com, April 28, 2021

Rollover IRA: How to Rollover Your 401(k)



When you have an employer-sponsored retirement account, like a 401(k) or 403(b), it is important to know your options if you leave your job. After all, you want to keep and manage your investments without having to pay a penalty for making the wrong choice. Your options include:

- ▲ Take a cash distribution (and pay a large penalty)
- ▲ Leave your account with your previous employer
- ▲ Transfer it to your new employer's plan (if possible)
- ▲ Rollover your retirement plan into an IRA

Should I keep my 401(k) with my employer?

There are several benefits to rolling over your 401k to an IRA:

1. More Investment Choices

In general, a 401(k) offers limited investment options. These options may include a handful of mutual funds and perhaps asset allocation mutual fund models based on your retirement date. However, when you roll your savings into an IRA, the world of available investment options broadens to include individual stocks, exchange-traded funds (ETFs), bonds, and other investments, including income producing real estate.

2. Personalized Attention and Professional Management

When you roll your money into an IRA, you receive personalized

service and a custom investment plan from your financial advisor. To realize your personal financial goals, your advisor may also incorporate your IRA in your overall estate plan.

Some 401(k) plans have an option for professional management at an extra cost, but there are still limited investment opportunities. Additionally, most 401(k) plans won't give you access to a personal advisor to provide you with customized portfolio management.

3. Lower Fees and Costs

In many instances, you can save fees by rolling into an IRA. 401(k)s incur costs for management and administration, in addition to the fees of mutual fund ratios. Fund expense ratios are not deducted from your account. Rather, they occur at the fund level, impacting your investment return.

While there are benefits to Rollover IRAs, there are also benefits of not rolling your 401(k) into an IRA:

1. Lower Fees and Costs

If you participate in a large company plan, it is possible that your 401(k) is indeed less expensive than an IRA. More plan participants means more buying power. Fees can be negotiated with plan providers, and large dollar amounts can earn plans the right to participate in institutional class funds, which generally have lower expense ratios.

2. Legal Protection

One of the biggest advantages to not rolling over is legal protection against creditors. Federal law protects 401(k)

funds from most types of creditor judgements. Exceptions include IRS tax liens and spousal or child support orders.

Federal law only protects IRAs against bankruptcy for up to \$1 million (inflation-adjusted to \$1,333,272 as of Nov 2020). Protections against other judgements vary from state to state and may differ depending on the type of IRA.

3. Early Retirement Benefits

You may access funds in your 401k as early as age 55 without paying a 10% penalty. However, once you rollover to an IRA, you must wait until age 59 ½ to avoid paying a penalty.

4. 401(k) Loans

If your plan allows for loans, often your loan will come due as soon as you are no longer employed by your company. Many companies will allow you to continue to make payments. However, if you roll over, your loan balance will typically be due in full.

How do I know if I'm eligible for a Rollover IRA?

Generally, anyone who has left their current employer and has benefits in a retirement plan is eligible for a Rollover IRA. Each employer retirement plan is unique. It is best to check with your retirement plan representative, usually someone in HR, on the specifics of your plan.

What are my rollover options?

Depending on the type of plan, your rollover options for IRAs may be different.

Employer Plans

Rollover Options

	Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	FlexIRA
Designated Roth Account (401(k), 403(b), 457(b))	Yes	No	No	Yes	Yes
403(b) (pre-tax)	Yes	Yes	Yes	Yes	Yes
Qualified Plan (pre-tax)	Yes	Yes	Yes	Yes	Yes
Governmental 457(b)	Yes	Yes	Yes	Yes	Yes

What is the difference between a direct and indirect rollover?

A direct rollover is when you transfer your money directly from one retirement account to another. In these cases, no money is withheld for taxes; the transfer is tax-free.

In comparison, an indirect rollover occurs when you cash out your old retirement plan. Typically, you receive a check of your balance from the administrator. Then, you have 60 days to re-invest the funds into a new retirement account to avoid taxes and penalties.

However, if you're under age 59½, you will pay an additional 10% penalty tax. Beginning in 2015, indirect rollovers are limited by the one-rollover-per-year rule.

How do I complete a rollover?

To complete a rollover, simply contact your financial advisor who will assist you with the rollover paperwork. You may need to make a joint call to your previous plan administrator to assist with the rollover.

The bottom line

Many people who are switching jobs can benefit from rolling over a 401(k) into an IRA, often in the form of lower fees, a broader investment selection or both. Every retirement plan—the former and current employer's 401(k) and the IRA offered by a bank or brokerage—is different. So, it's important to weigh the pros and cons before making this decision.

David may be reached at (800) 762-3136, ext. 2013 or dvancamp@beaconcu.org.



David Van Camp

Trust Officer

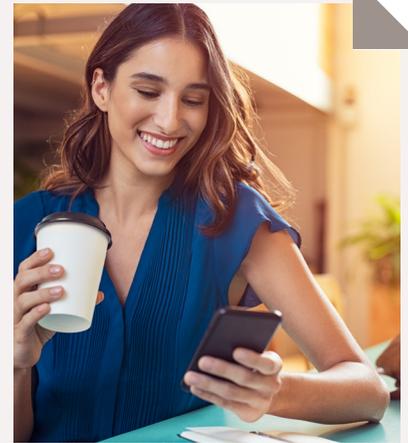
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[Learn more at beaconcu.org/beacon-trust-services/](https://beaconcu.org/beacon-trust-services/)



MEMBERS TRUST
COMPANY



TOOLS

CardSmart

Lock,
Unlock,
Repeat.

With Beacon's CardSmart app, you can instantly lock (unlock) your debit card, get purchases alerts in real-time, and limit your transactions to specific locations.

A lost or stolen card is just one area of concern in today's world where identity theft, skimming and other attacks are an unfortunate reality. Turning your debit card off when you're not using it helps safeguard against fraud. When your card is "off," no withdrawals or purchases will be approved.

Transaction controls that allow your debit card to work only in specific locations or geographic areas, adding another layer of protection. And real-time alerts keep you informed when your card is used or declined.

[Learn more at beaconcu.org/mobile-banking/#cardsmart](https://beaconcu.org/mobile-banking/#cardsmart)

Tech Support

Repair Scam

A scam like this is used by fraudsters for many different reasons. Some of those reasons include: accessing your finances, files and personal data.

In order to prevent falling for one of these scams, first you need to understand how the scam starts. You may receive a pop up, email or a phone call stating a problem has been detected on your computer, or you've purchased a support – repair package from their company and they owe you a refund.

The person on the other end of those pop ups, emails and phone calls is a fraudster. Their methods of communication will include technical terms to try and convince you they are real. The end goal for the fraudster is to gain remote access to your device, your money, account information, login credentials and personal identifiers. With that information, they can take control

of your computer, emails, finances and potentially your identity. The fraudster will scare you by claiming the problems with your computer must be fixed immediately.

Now that you know how the scam starts, let's go over what the fraudster really wants from you. Once the fraudster believes they have gained your trust, they will give you reasons for allowing them remote access to your computer. Following their guidance will give them the ability to take control of your computer.

Think about everything you do on and have saved on your access device. Are all of those things ones you want to share with an unknown person? With that access, the fraudster can load viruses and see everything. They can even take control of the camera on your laptop.

A legitimate repair company does not need access to your online banking or accounts. Fraudsters



might try to convince you they only need the access to give you a refund or credit from their company. That's not true. If you allow them access, they will manipulate the screens to make it appear they've given you too much money. At that point, the fraudster will ask you to give the funds back. They might suggest you do that by purchasing gift cards, wiring money or sending funds to them via a money transfer app.

Your login credentials are private and it's your job to keep those safe. If you have fallen for this type of scam, secure your access device and wireless network. Then, immediately notify your financial institution.

Beacon Credit Union Member Centers

Auburn (both locations)

(260) 925-0800

Crawfordsville Ag

(765) 364-1023

Garrett

(260) 357-0400

Huntington

(260) 359-9680

Logansport (Mall Rd.)

(574) 722-2161

Logansport (W. Market St.)

(574) 722-6395

Marion (N. Baldwin Ave.)

(765) 664-9537

Marion Ag (S. Branson St.)

(765) 662-1990

New Haven

(260) 493-0725

North Manchester

(260) 982-7551

Peru (N. Broadway)

(765) 472-3472

Peru (W. Main St.)

(765) 472-1214

Peru Ag (Old Key Dr.)

(765) 472-1022

Plymouth

(574) 936-2150

Richmond Ag

(765) 935-2222

Rochester (Main St.)

(574) 223-1504

Rochester (Rouch Pl. Dr.)

(574) 223-4871

Rushville (152 E. US Highway 52)

(765) 932-1801

Rushville Ag (210 E. US Highway 52)

(765) 932-2750

Seymour

(812) 522-9527

Wabash (all branches)

(260) 563-7443

Warsaw

(574) 268-1276

Washington Ag

(812) 257-8801

Department Extensions

Collections.....ext. 2044

Beacon Inv. Services.....ext. 6415

Beacon Trust Services.....ext. 2013

Contact Center "0" or "3"

Email: beaconcu@beaconcu.org

Do not include confidential information such as account numbers in email correspondence.

