

Notice of 87th Annual Shareholders Meeting

You're Invited to the 2018 Annual Shareholders Meeting. Those in attendance will receive a gift and be registered for a cash prize drawing to be held at the end of the business meeting. Roller-skating and childcare will be staffed by Beacon Credit Union personnel and will be free to all Credit Union members.

Date: **March 19, 2018** *Time:* **7:00 pm** (Doors open at 6:00 pm)

Place: **Honeywell Center (Ford Theater)**

Following the meeting, those in attendance are encouraged to stay for the free pie and ice cream social in the Ford Theater lobby. Don't miss out on this opportunity to socialize with fellow Beacon Credit Union members, directors, volunteers, and staff members.

The nominating committee has put forward three candidates for two Board of Directors positions and one Supervisory Committee position. Below is biographical data for each candidate nominated.



Dr. Lindsay Culver - Director

Dr. Lindsay Culver and her husband Nathan reside in Wabash and are the parents of two daughters. She is an optometrist at Midwest Eye Consultants. Dr. Culver received both her Bachelor of Science in Kinesiology and Doctorate of Optometry from Indiana University. Dr. Culver enjoys being active in the community and has served on several local boards such as Kiwanis, Wabash County Chamber of Commerce and Wabash Valley Dance Theater. She also guest lectures at Indiana Wesleyan and has served on a fund-raising committee for Ivy Tech Community College. Lindsay is running for a three-year term.



Herb Horrom - Director

Herb Horrom and his wife Beth reside in DeKalb County and have three children and two grandchildren. Herb is a graduate of Indiana Business College with a degree in Business Administration and Finance. Joining Brown & Brown Insurance Agency in 1979, he serves as President and Co-owner. Herb currently is the Vice Chairman of the Auburn Cord Duesenberg Automobile Museum and on the organization's finance committee. He also serves on the City of Auburn Board of Public Works and was past president of DeKalb County Visitor's Bureau. Herb has served as a board member for Beacon Credit Union for seven years, and is running for a three-year term.



Fred Vince Harrell Jr. - Supervisory Committee

Vince Harrell and his wife Sondra reside in Wabash and are the parents of two daughters, Amy and Julie. Vince is retired from the Purdue Cooperative Extension Service where he served as an Extension Educator for twenty-four years. Prior to relocating to Wabash County, he was an Area Farm Management Specialist for Iowa State University. He earned a B.S. in Agricultural Economics from Purdue University and a M.S. in Agricultural Economics from North Carolina State University. Vince is an active member of the First United Methodist Church and serves on several committees. Vince is also past president of the Wabash Kiwanis Club and a member of Farm Bureau Incorporated. Dave is running for a three-year term.

Are you interested in running for the Board?

Any member of Beacon Credit Union who wishes to be a candidate shall submit an official Board of Director/Supervisory Committee application, agree to a background check, a statement of qualifications and biographical data along with a petition signed by 2% of the Credit Union membership or 500 members, whichever is less, to the secretary of the Credit Union prior to March 12, 2018. The election may not be conducted by ballot, and nominations will not be accepted from the floor at the Annual Meeting, unless one of the candidates withdraws his/her name from consideration.



December 2017

The Compass

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$1,000 min.)	.....0.80%
1 Year Certificate (\$1,000 min.)	.....1.00%
18 Month Certificate (\$1,000 min.)	.....1.40%
2 Year Certificate (\$1,000 min.)	.....1.50%
3 Year Certificate (\$1,000 min.)	.....1.81%
4 Year Certificate (\$1,000 min.)	.....2.31%
5 Year Certificate (\$1,000 min.)	.....2.52%
30 Month Certificate Special	.....1.96%
IRA Account (18 Month Cert.)	.....1.40%
IRA Account (36 Month Cert.)	.....1.81%
IRA Account (60 Month Cert.)	.....2.51%

LOAN RATES..... APR

Primary Resident 10 yr. fixed (5% down)	.....4.000%
Primary Resident 15 yr. fixed (5% down)	.....4.125%
Primary Resident 3 yr. ARM (30 yr. amort./5% down)	.....3.750%
Beacon Platinum Home Equity LOC (15% down)	.....5.750%
Resident 2nd Mortgage 10 yr. Fixed (20% down)	.....6.125%

For a complete rates listing, visit beaconcu.org.
 APY is Annual Percentage Yield
 APR is Annual Percentage Rate
 Penalty for early withdrawal on Share Certificates.
 ARM is Adjustable Rate Mortgage
 Rates effective December 15, 2017
 Rates Subject to Change



Can We Afford to Live to 100?

Our increased longevity poses a retirement planning challenge.

Provided by Michael D. Farner & Tiffany J. Hauptert



Michael D. Farner

Some of us may retire at 65 and live to 100 or 105. Advances in health care may make this a strong possibility. The corresponding question is: will we outlive our money?

More people are spending more of their lives in retirement.

According to the actuaries at Social Security, today's 65-year-olds have roughly a 25% chance of living into their nineties, and about one in ten will live to 100 or longer. Clearly, this puts a strain on Social Security. When it first sent out retirement benefits in 1940, the average life expectancy for a 65-year-old was 79. It was not designed to fund 30-year retirements.^{1,2}

Social Security aside, many Americans are retiring with inadequate savings. A Vanguard study says that retirement savers

aged 65 or older have average balances of just \$197,000 in their workplace retirement accounts. IRA distributions, home or business sale proceeds, and pension and Social Security income may help them out in the first decade of retirement, but what about the decades that might follow?³

Three factors may lead us into a gigantic retirement crisis. People are not saving enough, they are living longer than ever, and the retirement planning process now emphasizes self-reliance. These challenges amount to a "perfect storm" for the financially underprepared and unfortunate – a population that threatens to grow.

There are three ways pre-retirees can respond to these challenges. One, retire later. Two, save and invest more and spend less. Three, consult a financial professional about retirement planning rather than going it alone. If Gen Xers and baby boomers are lucky, they may see a fourth response in the form of legislative changes to help retirees.

Retiring after age 70 could become the norm in 10-15 years. Pair healthier seniors and new technologies, and you could see millions of septuagenarians working 40-hour weeks. Retiring at 75 could leave us with ten fewer years of retirement to fund.

Retirement saving is not a top priority for many households, especially given today's economic pressures. That does not mean it can be ignored. We used to save more than we do now: the U.S. personal saving rate routinely exceeded 7% until the mid-1990s. During the Great Recession, it reached 8.1%; in September 2017, it was down to 3.1%, with personal saving levels mirroring those seen right before the Great Recession.⁴

How many pre-retirees chat with a financial professional about their goals and investment approach? How many have defined goals and investment approaches? Yes, this sort of consultation is not free – but it may be worth every penny, just in terms of offering insight as well as possibly steering pre-retirees away from retirement planning errors.

If enough seniors struggle to make ends meet (or if there is a national emergency of senior homelessness or indigence), we could see the federal government respond by boosting retirement benefits. Cutting Social Security benefits would be unthinkable in such a crisis, so payroll tax (and the amount of income subject to it) could increase instead. The resulting inflows could potentially help Social Security's balance sheet as well as its beneficiaries.

We are all financially challenged by increasing longevity. Assuming we need 30+ years of retirement income is not unorthodox, merely pragmatic. From that assumption, we can plan for our futures with an understanding of how much money we may need to live comfortably and pursue our dreams.

Mike and Tiffany may be reached at 800-762-3136 ext. 6415 or visit www.beaconcu.org.

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Citations:

1 - ssa.gov/planners/lifeexpectancy.html [10/30/17]

2 - fool.com/retirement/2017/03/21/11-facts-about-social-security-every-retiree-should-know [3/21/17]

3 - cnbc.com/2017/10/23/trump-says-there-will-be-no-change-to-401k-plans.html [10/23/17]

4 - fred.stlouisfed.org/series/PSAVERT [10/30/17]

Tips to Prevent a Financial Misfortune

Provided by David Van Camp, Trust Officer of Beacon Trust Services



David Van Camp

As we enter a new year, we know the winter nights are long and the days are short. What better time to entertain ourselves than with scary stories? One may say, what scary stories can be told in a financial newsletter section reserved for trust, investment, and estate planning? As Rod Serling would say, "Submitted for Your Approval."

Lottery Winners

For those that read The Compass, we provide a wide range of information and ideas for consideration. They are meant to keep our members informed of preserving wealth and guiding families toward long term security. One of the most enduring dreams of financial security is winning the lottery. While there are many individuals and families that have taken wise advice and kept their winnings, there are a surprising number of winners who have lost everything; by some estimates, up to seventy percent of winners.

Some famous stories can be found in any brief internet search such as:

One man split a \$280 million Powerball jackpot with three others in 2001. With his \$27 million share, he immediately spent \$200,000 in Las Vegas, purchased a \$1.5 million, 6000 square foot home in Palm Beach Gardens, \$78,000 on a gold and diamond wristwatch, bought two separate homes totaling \$850,000 for family members in addition to purchasing 200 swords and other medieval weapons, and a Learjet. Sadly, he passed away at age 58. By then, the family was too poor to bury his remains.

Another man won \$31 million in the Lotto Texas in 1997. After buying a ranch and a few other homes for family, he made loans to friends while also giving some money to his church. Soon his marriage was in trouble as the winnings were spent. Two years later in 1999, he took his own life.

Lastly, a man's story that mimicked the television show the Beverly Hillbillies. Spending his time working at carnivals and struggling financially, he purchased a lottery ticket with only a few dollars to his name and won \$16 million in the Pennsylvania Lottery. In just three months, he was \$500,000 in debt and filed for bankruptcy a few years later. He passed away at the age of 66 due to respiratory failures.

All of these stories seem to hinge on basic human weakness, however in each story there was also a will to help people almost to a fault. Whether building a fortune over a lifetime or receiving it overnight, both require a mental discipline and solid financial advice. While very few of us will ever win the lottery. A few simple rules that apply to winners also apply to everyone wanting to build a lasting financial future.

- 1. For sudden lotto winners or inheritors, put together a team of trusted legal and financial advisors.*
- 2. Understand or get good tax advice on a windfall.*
- 3. Avoid sudden or major lifestyle changes.*
- 4. Take steps to protect your assets. These may require trusts, family limited partnerships, LLC's, and other forms of ownership. Put in place an estate plan to protect your family.*
- 5. Invest prudently. Find a trusted investment advisor and manage your portfolio to an objective.*
- 6. Live within your budget and keep debt levels to a minimum or acceptable level.*

Each of these are timeless techniques. Beacon Trust Services through our partnership with Members Trust Company help our members by working with them and their other advisors in implementing the above programs and avoiding another scary story. Please feel free to contact us when assistance may be needed.

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

Source: Bankrate.com

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How to Contact Beacon Credit Union

Auburn (both locations)

(260) 925-0800

Crawfordsville

(765) 364-1023

Decatur

(260) 724-8652

Garrett

(260) 357-0400

Grissom Aeroplex

(765) 689-9181

Huntington

(260) 359-9680

Logansport (216 Mall Road)

(574) 722-2161

Logansport (1405 W. Market)

(574) 722-6395

Marion

(765) 664-9537

New Haven

(260) 493-0725

North Manchester

(260) 982-7551

Peru (N. Broadway)

(765) 472-3472

Peru (W. Main)

(765) 472-1214

Peru (Old Key)

(765) 472-1022

Plymouth

(574) 936-2150

Richmond

(765) 935-2222

Rochester (504 Main Street)

(574) 223-1504

Rochester (430 Rouch Pl. Dr.)

(574) 223-4871

Rushville (152 E. US Highway 52)

(765) 932-1801

Rushville (Ag Office)

(765) 932-2750

Seymour

(812) 522-9527

Wabash (all branches)

(260) 563-7443

Warsaw

(574) 268-1276

Washington

(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.

Send all mail inquiries to:

Beacon Credit Union

PO Box 627

Wabash, IN 46992

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