

New enhanced online experience coming early November



Fall 2020

The Compass



Online Banking is about to get even better!

We are excited to announce that our anticipated redesigned digital banking platform will be launching in November! The fresh new look supports ease of use and provides tools for helping you achieve your financial dreams faster and better than ever.

- Protect and manage your debit card anywhere, anytime with CardSmart
- Credit Sense offers tips and tools to help you pay down debt and become smarter about money

To ensure you have a smooth transition to our new digital banking platform, please ensure we have your updated email and mobile phone number by **November 1st** to make sure this transition is as seamless as possible. To verify and update your contact information, stop by a member center or call (800) 762-3136.

To learn more visit beaconcu.org for a sneak preview of our new digital banking platform.

RATE WATCH

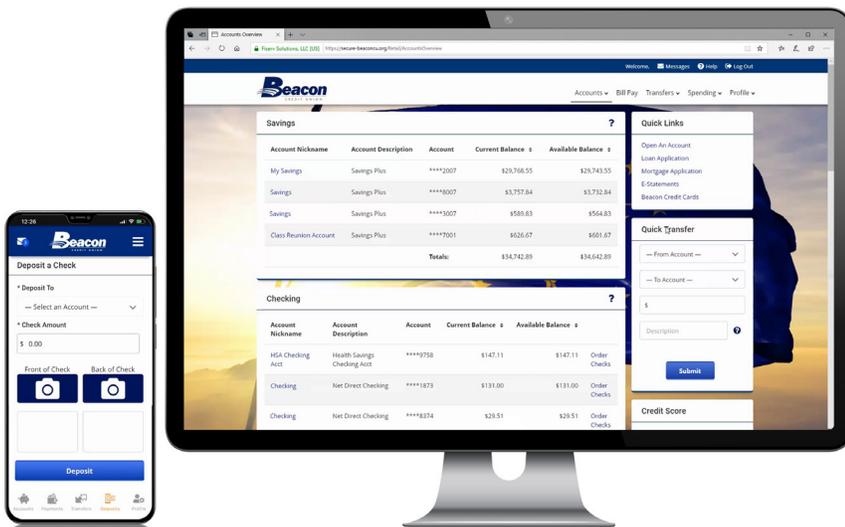


SAVINGS RATES..... APY

6 Month Certificate (\$1,000 min.)0.41%
1 Year Certificate (\$1,000 min.)0.71%
18 Month Certificate (\$1,000 min.)	...0.86%
2 Year Certificate (\$1,000 min.)1.01%
3 Year Certificate (\$1,000 min.)1.06%
4 Year Certificate (\$1,000 min.)1.16%
5 Year Certificate (\$1,000 min.)1.26%
IRA Account (18 Month Cert.)0.86%
IRA Account (36 Month Cert.)1.06%
IRA Account (60 Month Cert.)1.26%

For a complete rates listing, visit beaconcu.org.

APY is Annual Percentage Yield
 Penalty for early withdrawal on Share Certificates.
 Rates effective October 1, 2020
 Rates Subject to Change



Has the Stock Market Rally Left You Behind?

*Here's what the recent rally could mean for you.
Provided by Tiffany J. Hauptert and Matthew S. Anderson*

Some people in recent weeks may have been feeling that "the stock market seems to be doing so well but I'm not participating."

A look behind the headlines helps tell the story.

A CNBC study found that between the stock market high on February 19, 2020—and the new market high on August 18, 2020—only 38 percent of stocks in the Standard & Poor's 500 index posted gains. By contrast, 62 percent showed losses.¹

The best performing sectors during the six-month period were consumer staples, health care, and information technology. If your portfolio was overweight in these groups, you may have outperformed.

Meanwhile, financials, energy, and utilities lagged behind.¹

Each year, some companies are big winners in the stock market and some can't keep pace with the popular index. This year is no different.

However, we often don't see such a wide divergence by the market averages. For example, the Nasdaq composite gained 26 percent through August 21, 2020. That compares with an increase of roughly 5 percent for the S&P 500 and a slight loss for the Dow Jones Industrials.²

Investors need to understand that it's not about how the stock market performs. It's about whether you are pursuing your financial goals based on your time horizon and risk tolerance. How the stock market moves from week-to-week, or month-to-month, should be of some interest but perhaps not an overriding concern.

If you want to revisit your goals, please give our office a call. Or, if you're second-guessing some of your goals, let us know what's on your mind. We're here to help you pursue financial success.

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

beaconcu.org/beacon-investment-services/

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Citations

1. CNBC.com, August 22, 2020
2. MarketWatch.com, August 21, 2020

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Estate Planning

*Provided by David Van Camp,
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Estate Planning: How to Avoid Potential Pitfalls

Estate planning is one of the most essential - if uncomfortable - topics to proactively discuss. While it addresses your mortality head-on, it's the most effective way you can organize your assets for your family and beneficiaries. During this process, you must make clear decisions and work with a qualified attorney to ensure that your wishes take effect when you pass your assets to your loved ones. Your situation is unique, so a personal consultation is the best source for recommendations specific to your estate. Nevertheless, one of the most flexible options for creating your estate plan is to create a revocable trust, which this post will focus on to the exclusion of other options.

Establishing the Revocable Trust

A revocable trust contains provisions that you can change at any time. During the life of the trust, income earned is distributed to you—as the creator of the trust—and only after death does property transfer to the beneficiaries.

The most important things that you'll need to decide when forming your revocable trust are when, where, and how you want your estate to be distributed. Making these decisions will help your attorney settle the technical aspects of the revocable trust, as well as review which assets belong in the trust while you're alive, and which assets must be added after your passing.

Without a thorough asset review, your estate plan may be entirely undone despite your meticulous planning. Such a complication can cause your family confusion and legal struggles at the time that they can least deal with them effectively. The critical step that you must take before death is establishing your trust as the beneficiary of certain assets. Neglecting this step can have substantial consequences, which I've unfortunately seen occur on several occasions.

A Cautionary Tale

One example that comes to mind is a gentleman diagnosed with a terminal illness in his mid-50s. He was divorced and had two children, both young adults. He anticipated that they might not have the maturity to manage their inheritance responsibly, so he wanted to incorporate trusts into his estate plan. To be as thorough as possible, he researched and found a prestigious estate planning firm nearby. Together, they created a plan to disburse funds from his revocable trust into a trust for each of his children.

As they had written it, the trusts' principal and income would cover the children's expenses at the trustee's discretion. Then, at age 30, the children would each receive direct control over 33 percent of the total trust, and this process would repeat every five years until age 40 when the children would have full control over the trusts. The estate planning firm drafted the documents thoroughly and everything looked to be in order before his passing. On paper, it seemed like he'd done everything necessary to continue looking after his children long after he'd passed.

Unfortunately, after he died, the trustee discovered an unforeseen complication. The gentleman's most significant assets were his retirement accounts, and he had never updated the *Beneficiary Designation Forms* on each of those accounts to reflect the correct trusts as the beneficiaries. Sadly, when he passed, the accounts were disbursed to his children immediately in a 50/50 split, bypassing the carefully crafted trusts entirely.

Finding the Effective Solution

As you start your estate planning, it's essential to keep the above tale in mind. *No trust or will can override the officially designated beneficiaries on your accounts.* In the above example, we pointed out that retirement accounts cannot fall under your trust's protective umbrella while you're alive. Therefore, you need to update its Beneficiary Designation Form each time you update your estate plan to ensure that these documents protect your family.

The same is true for the following asset categories:

- 401K Accounts
- Profit-Sharing Accounts
- IRAs
- Life Insurance Policies
- Annuities

For each of these assets, you must use the Beneficiary Designation Form to establish your revocable trust as the primary beneficiary. Once you've done so, the instructions you've laid out for your trust will apply to all your assets rather than just those which you can place in trust while you're alive.

Those assets, for which you don't need to use the Beneficiary Designation Form, include:

- Real Estate (owned in your name, but the Revocable Trust must hold the deed)
- Safety Deposit Boxes
- Checking and Savings CDs
- Investment Accounts
- Ownership interests in LLCs

The way to avoid these pitfalls with regard to the assets above is to transfer ownership from your name as an individual owner to your name as trustee of your revocable living trust. In certain instances, assets that are held in an individual's name cannot be placed in the name of the Trust until after death. In such cases, it may be appropriate to have the applicable beneficiary designation forms reflect the Trust as the Payable on Death beneficiary.

Your estate planning attorney can assist you with transferring title of appropriate assets to your trust. This process, combined with the updated forms submitted for each of your other assets, will provide everything necessary to ensure that your instructions today can be carried out in the future.

Preparing Your Estate

The most important takeaway from this post is that Beneficiary Designation Forms trump any other form of estate planning, no matter how meticulous. We cannot emphasize enough how important it is that you update those forms to reflect your revocable trust as the primary beneficiary. Your family will rely on your present estate planning to know what to do in the future.

When you're planning your estate, please take all of your Beneficiary Designation Forms with you so that your attorney can complete everything flawlessly. Let your attorney manage these forms and any necessary deeds so that each managing organization observes your wishes and your trust provides the protection and explicit instruction that your family will need. With a competent corporate trustee acting on your behalf, you can avoid unfortunate situations similar to that which happened in the cautionary tale.

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About the Author

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David Van Camp
Trust Officer
Beacon Trust Services



Beacon

CREDIT UNION

Foundation

The Beacon Credit Union Foundation awards organizations within our communities with grants. These organizations show a focus on improving the lives of our members, friends, and neighbors in the communities that we serve.

The next round of submissions are due November 30, 2020. Please spread the word in your communities.

The Beacon Credit Union Foundation presented five charitable organizations within our communities with grants in July 2020. The five organizations that have received grants are:

- Christ Child Society of Fort Wayne, Inc. (New Haven)
- Jackson County Coalition on Literacy (Seymour)
- Compassionate Health Center (Rochester)
- Mental Health America of Jackson County (Seymour)
- Community Harvest Food Bank of Northeast Indiana, Inc. (New Haven)

Grant awards occur bi-yearly. The deadline to submit applications for consideration in January 2021 is November 30, 2020. Organizations not receiving a grant may re-apply for the next grant cycle. Organizations chosen for a grant may apply again after one full calendar year following the receipt of their grant. For more information on the Beacon Credit Union Foundation visit beaconcu.org.

2020 Summer Foundation Recipients





Project Spotlight

Shine a light on your community

Our Interactive Community Support Project

Through Project Spotlight, our goal is to be able to support community projects both large and small, and to bring awareness to the many helpful organizations in our communities. Visit beaconcu.org to learn more.

Project Spotlight Will Return In March Of 2021

Thanks to everyone that took the time to support Project Spotlight and our communities!

Project Spotlight Awards

Two projects in each community that received the most votes was awarded \$1,000 for first place and \$500 for second place. A third project was randomly drawn to receive \$250 funding. To see a listing of all organizations that received funding please visit www.beaconcu.org.



Beacon Credit Union

Auburn (All Member Centers)

(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 Member Centers)

(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.

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 Wabash, IN 46992



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