

Thank You Member Appreciation Day



A wonderful day was enjoyed by many as we shared laughs, smiles, and kind words! Celebrating YOU - our MEMBERS - this past Thursday, June 7 was a success whether you dined on hotdogs and sandwiches or snapped some fun photos in the photo booth.



June 2018

The Compass



It is because of YOU that we are able to continue to provide competitive rates, low fees, and dependable savings and loan programs. We truly appreciate each and every one of our valued member-owners and look forward to serving you for years to come.

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$1,000 min.)	.....1.00%
1 Year Certificate (\$1,000 min.)	.....1.40%
18 Month Certificate (\$1,000 min.)	.....1.70%
2 Year Certificate (\$1,000 min.)	.....1.86%
3 Year Certificate (\$1,000 min.)	.....2.11%
4 Year Certificate (\$1,000 min.)	.....2.42%
5 Year Certificate (\$1,000 min.)	.....2.63%

IRA Share Certificates

18 Month Certificate (\$1,000 min.)	.....1.70%
3 Year Certificate (\$1,000 min.)	.....2.11%
5 Year Certificate (\$1,000 min.)	.....2.63%

HSA Share Certificates

18 Month Certificate (\$1,000 min.)	.....1.70%
3 Year Certificate (\$1,000 min.)	.....2.11%
5 Year Certificate (\$1,000 min.)	.....2.63%

For a complete rates listing, visit beaconcu.org. Rates effective June 27, 2018

*APY- Annual Percentage Yield. A penalty will be imposed for early withdrawal. Dividend is compounded monthly. The dividend is calculated by the daily balance method which applies the daily periodic rate to the balance in the account each day. Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) the penalty we may impose will equal 90 days dividends for certificates with a maturity of less than or equal to one year or 180 days dividends for certificates with an original maturity of more than one year on the amount withdrawn subject to penalty.



Adjusting Your Portfolio as You Age

As you approach retirement, it may be time to pay more attention to investment risk.

Provided by Michael D. Farner & Tiffany J. Hauptert



Michael D. Farner

If you are an experienced investor, you have probably fine-tuned your portfolio through the years in response to market cycles or in pursuit of a better return. As you approach or enter retirement, is another adjustment necessary?

Some investors may think they can approach retirement without looking at their portfolios. Their investment allocations may be little changed from what they were 10 or 15 years ago. Because of that inattention (and this long bull market), their invested assets may be exposed to more risk than they would like.

Rebalancing your portfolio with your time horizon in mind is only practical.

Consider the nature of equity investments: they lose or gain value according to the market climate, which at times may be fear driven. The larger your equities position, the larger your losses could be in a bear market or market disruption. If this kind of calamity happens when you are newly retired or two or three years away from retiring, your portfolio could be hit hard if you are holding too much stock. What if it takes you several years to recoup your losses? Would those losses force you to compromise your retirement dreams?

As certain asset classes outperform others over time, a portfolio can veer off course. The asset classes achieving the better returns come to represent a greater percentage of the portfolio assets. The intended asset allocations are thrown out of alignment.¹



Tiffany J. Hauptert

Just how much of your portfolio is held in equities today? Could the amount be 70%, 75%, 80%? It might be, given the way stocks have performed in this decade. As a Street Authority comparison notes, a hypothetical portfolio weighted 50/50 in equities and fixed-income investments at the end of February 2009 would have been weighted 74/26 in favor of stocks by the end of February 2018.¹

Ideally, you reduce your risk exposure with time. With that objective in mind, you regularly rebalance your portfolio to maintain or revise its allocations. You also may want to apportion your portfolio, so that you have some cash for distributions once you are retired.

Rebalancing could be a good idea for other reasons. Perhaps you want to try and stay away from market sectors that seem overvalued. Or, perhaps you want to find opportunities. Maybe an asset class or sector is doing well and is underrepresented in your investment mix. Alternately, you may want to revise your portfolio in view of income or capital gains taxes.

Rebalancing is not about chasing the return, but reducing volatility. The goal is to manage risk exposure, and with less risk, there may be less potential for a great return. When you reach a certain age, though, "playing defense" with your invested assets becomes a priority.

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

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Citations.

1 - nasdaq.com/article/how-to-prepare-your-income-portfolio-for-volatility-cm939499 [3/26/18]

Benefits of a Living Trust

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



David Van Camp

A key element of estate planning is making arrangements now, so all of your accumulated assets from over the years will be paid to your heirs as you choose, quickly and with as little difficulty and cost as possible, after your death. This goal can be accomplished through the use of a living trust.

WHAT IS A LIVING TRUST? A living trust is a legal document, prepared for you by an attorney that looks very much like a will. In the trust you will name your beneficiaries and state how you want your assets distributed at the time of your death.

WHO CONTROLS THE TRUST? A "trustee" is named to manage that trust during your lifetime. Usually you are the trustee so that you retain control over your assets. If you are married, you and your spouse can be co-trustees. At the death of one spouse, the survivor becomes sole trustee.

HOW DO MY ASSETS GET INTO THE TRUST? A very important step, once you sign the trust document, is to re-title your assets in the name of the trust. Instead of having accounts in your name or in joint ownership with your spouse, the account will be titled "John Doe Trustee, under trust dated January 4, 2005," or "John and Jane Doe, Co-Trustees, under trust dated January 4, 2005." New deeds are prepared for real estate. Stock and bond certificates are re-registered, and in many cases, the trust is name beneficiary of life insurance and retirement accounts. You will want to seek advice from your attorney in this regard.

A LIVING TRUST AVOIDS PROBATE. Probate is the period of time which starts at your death and continues until the estate is settled. During this period, the person's estate is administered under the supervision of the court to insure all of the legal procedures involved in settling an estate are followed. The length of time required to probate an estate can range from eight months to two years. Executor and attorney fees range from three to five percent of the estate's value. Because the living trust is separate legal entity, assets which are in the name of the trust at your death are not subject to probate and the terms of your trust remain private.

WHO HANDLES THE DISTRIBUTION? When you create the living trust, a successor or back-up trustee is named and will step in at your death to handle the distribution. The successor trustee can be a family member, a friend, or a corporate trustee. MEMBERS Trust Company can be named in this capacity.

WHAT IF I BECOME INCAPACITATED? Another advantage of the living trust is that you can include provisions in your trust so that your successor trustee can step in at your incapacity and begin to manage your assets for you. State in your document who will determine "incapacity." This is called a "standby provision" and can avoid the need for a court appointed guardian for your property. This "standby provision" provides you peace-of-mind knowing someone will take over for you when you are no longer able to manage your affairs.

REVOCABLE OR IRREVOCABLE? The most common approach when establishing a living trust is for it to be revocable so that you retain the flexibility to change any of the provisions of the trust or even dissolve it. In most cases, a living trust is accompanied by a will so that any assets which many not have been included in the trust will be distributed according to your wishes as well.

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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

WHAT IS A TRUST WITHIN A TRUST? You may have a beneficiary with a special need or someone who could not responsibly handle an inheritance in a lump sum. As part of your living trust, you can include provisions which would continue the trust for that beneficiary at your death. A trustee is named to manage the beneficiary's trust. MEMBERS Trust Company can also serve in this capacity.

WHAT ABOUT INCOME TAXES? While you are living, there are no special tax returns to file for the trust. You continue to report interest and dividends on your personal income tax return as you always have. The trust's identification number is the same as your Social Security Number.

WHAT IS THE COST OF A LIVING TRUST? The cost of a living trust will depend upon the attorney. You should request an estimate of the fee before the document is prepared. If you name yourself as the trustee, there will be no annual fees for trust administration.

A living trust can serve a very useful purpose in estate planning. It is a means of avoiding probate and establishing disposition of assets. For more information please contact...

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

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