

How can YOU make a difference?

Beacon is excited to announce its 8th Annual Project Spotlight charitable giving campaign. Project Spotlight is our way of supporting worthwhile projects in each community that Beacon has a full-service branch.



March 2018

The Compass

How does it work? Visit our website or any branch location to submit a project. It doesn't matter if it's large or small - we want your ideas and input!
Nominations will be accepted from now until June 30, 2018.

Return to Vote on Projects. After you nominate your favorite organization, check back with us on **August 1st to start voting.** Both online and in the branches, we will have the full list of nominees for each of our 12 communities -- you choose your favorite organization and cast your vote.

NEW to 2018

The top two organizations that receive the most votes will be awarded \$1,000 for first place and \$500 for second place. A random drawing will be conducted from the nominee pool in EACH community and will receive \$250.

How can YOU help? Spread the word. If you are a part of a community organization or have a charity that you think is worth supporting, let them know they can submit their idea to Project Spotlight.



2017 Project Spotlight Winners



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%
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)	.....4.375%
Primary Resident 15 yr. fixed (5% down)	.....4.500%
Primary Resident 3 yr. ARM (30 yr. amort./5% down)	.....4.125%
Beacon Platinum Home Equity LOC (15% down)	.....5.750%
Resident 2nd Mortgage 10 yr. Fixed (20% down)	.....6.500%

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 March 15, 2018
 Rates Subject to Change

Keep up to date on the latest Project Spotlight news by liking us on Facebook on Twitter!



Tax Deductions Gone in 2018

What standbys did tax reforms eliminate?

Provided by Michael D. Farner & Tiffany J. Hauptert



Michael D. Farner



Tiffany J. Hauptert

Are the days of itemizing over? Not quite, but now that H.R. 1 (popularly called the Tax Cuts & Jobs Act) is the law, all kinds of itemized federal tax deductions have vanished.

Early drafts of H.R. 1 left only two itemized deductions in the Internal Revenue Code – one for home loan interest, the other for charitable donations. The final bill left many more standing, but plenty of others fell. Here is a partial list of the itemized deductions unavailable this year.¹

Moving expenses. Last year, you could deduct such costs if you made a job-related move that had you resettling at least 50 miles away from your previous address. You could even take this deduction without itemizing. Now, only military servicemembers can take this deduction.^{2,3}

Casualty, disaster, and theft losses. This deduction is not totally gone. If you incur such losses during 2018-25 due to a federally declared disaster (that is, the President declares your area a disaster area), you are still eligible to take a federal tax deduction for these personal losses.⁴

Home office use. Employee business expense deductions (such as this one) are now gone from the Internal Revenue Code, which is unfortunate for people who work remotely.¹

Unreimbursed travel and mileage. Previously, unreimbursed travel expenses related to work started becoming deductible for a taxpayer once his or her total miscellaneous deductions surpassed 2% of adjusted gross income. No more.¹

Miscellaneous unreimbursed job expenses. Continuing education costs, union dues, medical tests required by an employer, regulatory and license fees for which an employee was not compensated, out-of-pocket expenses paid by workers for tools, supplies, and uniforms – these were all expenses that were deductible once a taxpayer's total miscellaneous deductions exceeded 2% of his or her AGI. That does not apply now.^{2,5}

Job search expenses. Unreimbursed expenses related to a job hunt are no longer deductible. That includes payments for classes and courses taken to improve career or professional knowledge or skills as well as and job search services (such as the premium service offered by LinkedIn).⁵

Subsidized employee parking and transit passes. Last year, there was a corporate deduction for this; a worker could receive as much as \$255 monthly from an employer to help pay for bus or rail passes or parking fees linked to a commute. The subsidy did not count as employee income. The absence of the employer deduction could mean such subsidies will be much harder to come by for workers this year.²

Home equity loan interest. While the ceiling on the home mortgage interest deduction fell to \$750,000 for mortgages taken out starting December 15, 2017, the deduction for home equity loan interest disappears entirely this year with no such grandfathering.²

Investment fees and expenses. This deduction has been repealed, and it should also be noted that the cost of investment newsletters and safe deposit boxes fees are no longer deductible. In some situations, investors may want to deduct these fees from their account balances (i.e., pre-tax savings) rather than pay them by check (after-tax dollars).⁵

Tax preparation fees. Individual taxpayers are now unable to deduct payments to CPAs, tax prep firms, and tax software companies.³

Legal fees. This is something of a gray area: while it appears hourly legal fees and contingent, attorney fees may no longer be deductible this year, other legal expenses may be deductible.⁵

Convenience fees for debit and credit card use for federal tax payments. Have you ever paid your federal taxes this way? If you do this in 2018, such fees cannot be deducted.²

An important note for business owners. All the vanished deductions for unreimbursed employee expenses noted above pertain to Schedule A. If you are a sole proprietor and routinely file a Schedule C with your 1040 form, your business-linked deductions are unaltered by the new tax reforms.¹

An important note for teachers. One miscellaneous unreimbursed job expense deduction was retained amid the wave of reforms: classroom teachers who pay for school supplies out-of-pocket can still claim a deduction of up to \$250 for such costs.⁶

The tax reforms aimed to simplify the federal tax code, among other objectives. In addition to eliminating many itemized deductions, the personal, exemption is gone. The individual standard deduction, though, has climbed to \$12,000. (It is \$18,000 for heads of household and \$24,000 for married couples filing jointly.) For some taxpayers used to filling out Schedule A, the larger standard deduction may make up for the absence of most itemized deductions.¹

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

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Citations.

- 1 - forbes.com/sites/kellyphillips/2017/12/20/what-your-itemized-deductions-on-schedule-a-will-look-like-after-tax-reform/ [12/20/17]
- 2 - tinyurl.com/y7uqe23l [12/26/17]
- 3 - bloomberg.com/news/articles/2017-12-18/six-ways-to-make-the-new-tax-bill-work-for-you [12/28/17]
- 4 - taxfoundation.org/retirement-savings-untouched-tax-reform/ [1/3/18]
- 5 - tinyurl.com/yacz559c [1/8/18]
- 6 - vox.com/policy-and-politics/2017/12/19/16783634/gop-tax-plan-provisions [12/19/17]

Your Trust Service Questions Answered

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



David Van Camp

As a Trust Officer, I have met with many of our members and families and have found over the years, a similar body of questions and sometimes misconceptions regarding estate planning. Terms and the language of estate planning can sometimes be confusing. To the extreme one could say, "I require a testamentary

document to subjugate my earthly possessions in a manner consistent with state statutes and my desire to alleviate family perplexity, and provide orderly dispositive provisions as deemed appropriate by me." Translation: "I need a will."

According to Wall Street Words, estate planning is defined "as the preparation for the orderly administration and disbursement of a person's estate. The preparation includes taking actions that will minimize taxes and distribute assets to the appropriate heirs."

An important distinction is that estate planning is all encompassing. Having an updated will does not necessarily mean that you have completed your estate planning. Assets under control of the will are held by the individual only. There is a universe of other assets that may be owned jointly with rights of survivorship, tax favored plans such as IRA's, employer administered plans like a 401-K, insurance and annuity plans all that are controlled by beneficiary designations.

This is to say someone's inheritance may not depend on a will. Many people are familiar with the use of a revocable living trust. This flexible planning document is established during one's life and may contain "testamentary" provisions as would be found in a will. It is often referred to as a substitute for a will. Assets held in trust avoids the need for probate court supervision. However, they both detail a plan

to distribute assets pursuant to one's final wishes. Still, attorneys should and do recommend a will be drawn at the time of a new trust agreement to work in conjunction with the trust if needed. Other documents typically associated with estate planning are a Power of Attorney, living wills, and advance directives for medical purposes.

A final thought on revocable living trusts. These trusts are not for use in preparing for Medicaid eligibility. There are Medicaid trusts but they are prepared for a specific purpose and should be carefully drafted by a qualified attorney.

A well planned estate allows any individual to control not only the final disposition of his or her assets. It names who shall serve as executor, trustee, and even guardian for minor children. For larger or more complicated estates, this person or institution should be knowledgeable in investments, taxes, and overall coordination of liquidation of assets as required. Objectivity and integrity are also an important part of administering an estate plan.

In the modern era we live in now, it is also important to have a family member or executor know where to find passwords as many financial records are online. Also, it may be necessary to close a social media account upon death.

Beacon Trust Services recently celebrated our ninth year. We continue to assist our members as they discuss their estate planning considerations and most importantly we stand ready to serve in the important role of executor or trustee. We look forward to another year of serving our members.

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

Sources: Wall Street Words: An A to Z Guide to Investment Terms for Today's Investor by David L. Scott. Copyright © 2003 by Houghton Mifflin Company. Published by Houghton Mifflin Company. All rights reserved. Trust and Investment Services by MEMBERS Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Non-deposit products offered through MEMBERS Trust Company. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee, Not a deposit of any financial institution.

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

\$50 FOR YOU FOR THEM

WHEN YOU REFER A FRIEND

Refer a friend to open and use a new¹ Beacon Credit Union checking account!* You could earn up to \$500 per year once your friends or family members complete the program qualifications below:

QUALIFICATIONS



To receive the Reward Card, your friend or family member must register for the program, open a new¹ Beacon Credit Union checking account, AND complete the following requirements within 60 days of account opening:

- Complete one (1) or more direct deposits totaling \$300 or more, AND
- Complete ten (10) debit card transactions (excluding ATM withdrawals), AND
- Enroll in online banking with eStatements

Account must be open and in good standing at the time of qualification.

Please allow 4-6 weeks for delivery of your Reward Card after completing all requirements of this offer.

¹Membership eligibility to be determined at time of account opening. Membership share account required with a \$25 minimum balance. Offer valid only for first checking account opened with Beacon. Employees, their immediate family and household members are not eligible to receive Reward Cards.

*Terms & Conditions apply and are available at www.refertive.com/beaconcu or upon request at your local Beacon Credit Union branch.



AMERICAN SHARE INSURANCE

Each account insured up to \$250,000.

By members' choice, this institution is not federally insured.