

Beacon Credit Union Wins State-Wide Philanthropy Award

Beacon Credit Union recently received First Place Honors in the judging of the Dora Maxwell Social Responsibility Award (\$1 billion+ asset category) in the Indiana Credit Union League's statewide competition. Beacon received the award in regards to Project Spotlight, the community-inspired charitable giving campaign created by the Credit Union.

Project Spotlight was first launched in 2010, and as the contest has grown over the last three years it is quickly becoming an annual staple in our communities. Since the inception of Project Spotlight in 2010, Beacon has donated a total of \$61,250 to over 100 local non-for-profit organizations and charitable projects located throughout the 12 communities that Beacon serves.



November 2013

The Compass



Pictured from left to right: Jim Yeakel, COO, Shelby Schuh, Marketing Manager, Lori Eltzroth, CAO, and Frank Gulley, Board Chairman of the Indiana Credit Union League

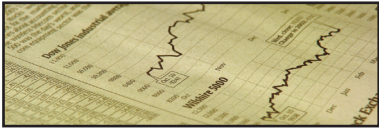
Giving back to our communities has always been a priority of Beacon, but the creation of Project Spotlight came from the Credit Union's desire to deepen our level of commitment to social responsibility in our communities. Through Project Spotlight, local charitable giving projects (both large and small!) have the opportunity to not only receive funding from Beacon, but also to gain invaluable public exposure through the increased community awareness that they receive as a Project Spotlight participant.

Beacon Credit Union was honored with the statewide Dora Maxwell Social Responsibility Award at the Indiana Credit Union League Convention Award Banquet that was held on Friday, September 27th.

The Dora Maxwell Social Responsibility Recognition Program was established to encourage credit union and chapter involvement in community projects and activities. The award is named after Dora Maxwell, a credit union pioneer who worked with numerous organizations to improve the living standards of the poor and needy.

The award nominees compete with other credit unions in their asset category for the award. Beacon tied with Indiana Members CU and both were awarded first place in the \$1 Billion+ asset category.

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$2,500 min.)	..... 0.30%
1 Year Certificate (\$2,500 min.)	..... 0.40%
18 Month Certificate (\$2,500 min.)	..... 0.60%
2 Year Certificate (\$2,500 min.)	..... 0.80%
3 Year Certificate (\$2,500 min.)	..... 1.20%
4 Year Certificate (\$2,500 min.)	..... 1.61%
5 Year Certificate (\$2,500 min.)	..... 1.91%
IRA Account (18 Month Cert.)	..... 0.60%
IRA Account (36 Month Cert.)	..... 1.20%
IRA Account (60 Month Cert.)	..... 1.91%
15 Month Certificate Special	..... 0.70%
34 Month Certificate Special	..... 1.30%

LOAN RATES..... APR

Primary Res. 15 yr. fixed	
(20% down)	..... 4.000%
Primary Resident 10 yr. fixed	
(20% down)	..... 3.900%
Primary Resident 3 yr. ARM	
(30 yr. amort./20% down)	..... 3.500%
Farm Operation (1 year max.)	..... 4.000%
Farm Real Estate 15 yr. fixed	
(35% down)	..... 4.250%

For a complete rates listing, visit www.beaconcu.org.
APY is Annual Percentage Yield
APR is Annual Percentage Rate
ARM is Adjustable Rate Mortgage
Rates effective November 18th, 2013
Rates Subject to Change



10 Good Reasons Members Use Beacon Trust Services

As I speak with our members, many of you are familiar with how trust and investment services can assist in personal financial and estate planning. Other members have asked me to define areas in which Beacon Trust Services can provide value to their lives and their family's future. Below are ten reasons presented for your review.

Ten Good Reasons Members Use Beacon Trust Services

- 10. Members with blended families due to second marriages.** Questions can arise, who will end up with my money after we are gone? Her kids? My kids? A new spouse? A QTIP Trust can be established so that upon the death of a spouse, assets will go into a trust which will pay income to the surviving spouse for life. The remaining income will then be paid to the member's beneficiaries, usually their children.
- 9. Young couples with small children.** If something happens to both husband and wife, who will manage the finances and possible insurance proceeds for the minor children? Most members prefer that the courts do not decide. A testamentary trust can be established through one's will in which Members Trust Company could manage the funds and make distributions for the best interests of the children.
- 8. Members with a spouse who does not have the desire or ability to manage the family financial matters.** Money or assets can be placed in a Marital Trust in order to provide income to the surviving spouse for life. After the spouse's death, the funds can be distributed to the spouse's named beneficiaries.
- 7. Controlling distributions from an IRA.** When the owner of a Custodial IRA dies, the named beneficiary has unrestricted rights to withdraw any and all funds from the IRA. Members Trust Company has a unique Trusteed IRA that allows the account owner to exercise control over or restrict the manner in which a named beneficiary receives income and principal from the IRA. This control is similar to the powers one may have with a revocable living trust.
- 6. Widowed member with no children or children nearby.** A concern is, who will manage my financial affairs should I become incapacitated? A revocable living trust can be established so that Members Trust Company can prudently manage their affairs by investing and paying all bills in a timely manner.
- 5. Moving a trust.** Circumstances change that may call for an appointment of a new trustee to administer your trust and manage its assets. Members Trust Company offers a service to facilitate the transfer of your assets to make things as simple as possible. We will contact your bank or trustee, prepare the necessary documents to make the transfer, and keep you posted during the entire process.
- 4. Naming an Executor.** Being named as executor is flattering as it means someone has a great deal of trust and respect in that person. But serving as executor is not as easy as it sounds. Before one chooses an executor, consideration should be given as to will that person be able to: carry out your specific wishes, make impartial fair decisions, make knowledgeable investments, and be able to handle the additional burden of estate settlement. Members Trust Company's purpose is to serve our members in various fiduciary capacities and retain the expertise to deliver these services.
- 3. High net worth members** (net worth more than \$5,250,000 in 2013) for federal estate tax purposes. Members are concerned that the estate will be subject to estate taxes upon death. By proper planning and having a qualified trustee in place, members can set up credit shelter trusts or make use of current "portability" provisions that are available. Advance planning is important, as is having qualified advisors in place. Members Trust Company can serve as one of these advisors so that ultimately one's children or grandchildren receive funds undiminished or minimized from a large tax bite.
- 2. Avoiding Probate.** The probate court provides an important function as it administers the proper distribution of a decedent's estate, as well as adjudicates the validity of wills. However, wills filed in probate court are subject to public record. Some members prefer the privacy that a trust agreement provides. By having an independent and objective corporate trustee that is regulated and audited, many of the same protections offered by the court are found through a private trust company, such as Members Trust Company.
- 1. The Three Qualities.** A trustee must possess *Investment Knowledge*. A trustee should be capable of investing assets productively and prudently. *Objectivity*. A trustee cannot allow personal bias to cloud business decisions. *Availability*. A trustee should not get caught up in competing business and personal concerns that put your trust on the back burner.



David Van Camp
Trust Officer
Beacon Trust Services
(800) 762-3136, ext. 2013
dvancamp@beaconcu.org

Through our partnership with Members Trust Company, Beacon Trust Services ties together a highly professional team of experts with a local and available presence capable of providing value to our members when it is needed most.



2013 Holiday Hours

Christmas Eve - 8:30 am to Noon


Christmas Day - closed

New Years Eve - 8:30 am to Noon

New Years Day - closed

Happy Holidays from Beacon Credit Union!

New Online Retail Loan Application Coming Soon!



Now you can apply for your next Beacon car loan wearing your fuzzy slippers and bathrobe - or apply for a personal loan while you drink your morning coffee!

Beacon will be updating our online consumer loan application in December. Beginning on December 16th, members will be able to apply for all of their Beacon Retail Lending needs online including: car loans, recreational vehicle loans, and personal loans! (And stay tuned for our new online home loan application that will be available around the first of the year!)

Beacon's new online loan application will be available to our members (and potential members) through our website 24 hours a day - 7 days a week; allowing you to apply for your

next Beacon loan at whatever time is convenient for *you*! Beacon is very excited to be able to offer members the confidence they expect from a Beacon Loan, as well as the added convenience of an improved online loan application.

The new and improved online loan application will be available on our website at www.beaconcu.org.

Beacon Credit Union Offers Holiday Loans at Great Rates

Don't max out a high-rate credit card this holiday season ... make the holidays merry with a Holiday Loan from Beacon! Beacon Credit Union's Lending Department is offering a holiday promotion on a minimum \$1,000 loan, with a special rate starting at 5.99% APR, and terms available for 12 or 24 months!

Beacon's qualified loan officers are committed to helping our members achieve their individual financial goals through offering high quality loan products with great rates and exceptional service. We know how easy (and tempting!) it can be to rack up high interest credit card debt over the holidays...Don't be a victim of high interest holiday debt! Talk to Beacon to see how we can help!

Interested in learning more about our holiday loans? Visit our website, stop by your local branch, or call 1-800-762-3136 and ask to speak to your local loan representative.



Make your holidays "Ho Ho Ho-mazing" with a holiday loan!

Don't be a victim of this dating scam

Learn how to recognize an online dating scammer - by Aine Willis, Fraud Coordinator

Singles aren't the only people using online dating sites to get something they want. Scammers also use these sites to prey on unsuspecting singles looking for love. It's hard to believe anyone could be so cruel as to take advantage of a desperately seeking single. But, it's true. If you've ever posted your profile on a dating site or are thinking about it, you need to read this article ...and you need to trust it.

Many United States citizens use online dating sites and end up "happily ever after". Unfortunately, not all relationships end well. Scammers use online dating sites to create fictitious profiles. These scammers generally target middle aged woman. Most often, the victims are recently widowed, divorced or disabled. Why? Because fraudsters know that many widows receive inheritance after the death of a spouse. They also know many disabled United States citizens receive disability checks. Scammers might also target someone who openly admits they've never been able to make a relationship work. Why? Because they believe this target is desperate and will be more apt to do unreasonable things to make the relationship work.

A scammer might target their victim for months before asking them to send money or assistance. Some scammers have kept up online relationships for over a year before ever asking the target for money. Regardless, that's the end goal. Money.

How does this scam work? At some point, the scammer tells the victim they have fallen into some sort of dire circumstance. Maybe it's a terrible auto accident, an arrest, lost wallet while traveling/working overseas, or maybe one of their relatives needs a surgery and no one

can afford it. The scammer tells the victim of the unfortunate situation and shares the frustration/disappointment over this hardship. They may not ask for money during the first discussion; but eventually, they ask or they bait the victim into offering help. The victim sends money via wire and then the scammer calls with more disappointing news and another request for money. The victim sends another wire. Before long, the victim is sending money on a regular basis. The two never meet face to face and when the victim runs out of money, the scammer runs out on the relationship.

Another twist might be: the scammer has a business and needs someone to process their client payments. The scammer may ask the target to accept wires or automatic deposits and then wire those funds back to the scammer, or even someone else. They bait the target, telling the target how much they trust them and appreciate their help. Once the target stops complying with requests, the scammer stops communication.



How can you recognize an Online Dating Scammer ...?

- If the person pressures you to leave the dating site and communicate using only personal means (such as personal email, instant messenger or text messages).
- Makes arrangements to meet you but doesn't follow through due to some sort of dire circumstances.
- Asks for money.
- Asks you to accept a wire or automatic deposit into your banking account.
- Asks you to wire money they have deposited to your account.

NO SHIRT. NO SHOES. NO PROBLEM.

NEW ONLINE LOAN
APPLICATION COMING SOON!
www.beaconcu.org

The confidence of a Beacon Loan ...
The convenience of an online application!



Your Annual Financial To-Do List

Things you can do before & for 2014 - Presented by Michael D. Farner & Tiffany J. Hauptert

What financial, business or life priorities do you need to address for 2014? Now is a good time to think about the investing, saving or budgeting methods you could employ toward specific objectives. Some year-end financial moves may prove crucial to the pursuit of those goals as well.

What can you do to lower your 2013 taxes? Before the year fades away, you have plenty of options. Here are a few that may prove convenient:

Make a charitable gift before New Year's Day. You can claim the deduction on your 2013 return, provided you use Schedule A. The paper trail is important here. *If you give cash, you need to document it.* Even small contributions need to be demonstrated by a bank record, payroll deduction record, credit card statement, or written communication from the charity with the date and amount. Incidentally, the IRS does not equate a pledge with a donation. If you pledge \$2,000 to a charity in December but only end up gifting \$500 before 2013 ends, you can only deduct \$500.¹

Are you gifting appreciated securities? If you have owned them for more than a year, you will be in line to take a deduction for 100% of their fair market value and avoid capital gains tax that would have resulted from simply selling the stock, fund or bond and then donating those proceeds. (Of course, if your investment is a loser, then it might be better to sell it and donate the money so you can claim a loss on the sale and deduct a charitable contribution equivalent to the proceeds.)²

Does the value of your gift exceed \$250? It may, and if you gift that amount or larger to a qualified charitable organization, you will need a receipt or a detailed verification form from the charity. You also have to file Form 8283 when your total deduction for non-cash contributions or property in a year exceeds \$500.¹

If you aren't sure if an organization is eligible to receive charitable gifts, check it out at irs.gov/Charities-&Non-Profits/Exempt-Organizations-Select-Check.

Contribute more to your retirement plan. If you haven't turned 70½ and you participate in a traditional (i.e., non-Roth) qualified retirement plan or have a traditional IRA,

you can reduce your 2013 taxable income by the amount of your contribution. If you are self-employed and don't have a solo 401(k) or something similar, consider establishing and funding a plan before the end of the year. Also, keep in mind that your 2013 tax year contribution to an IRA or solo 401(k) may be made as late as April 15, 2014 (or October 15, 2014 if you file Form 4868). For 2013, you can contribute up to \$17,500 in a 401(k), 403(b) or profit-sharing plan, with a \$5,500 catch-up contribution also allowed if you are age 50 or older.^{3,4}

Make a capital purchase. If you buy assets for your business that have a useful life of more than one year - a truck, a computer, furniture, a rototiller, whatever - those purchases are commonly characterized as capital expenses. For 2013, the Section 179 deduction can be as much as \$500,000 (although it is ultimately limited to your net taxable business income). First-year bonus depreciation is set at 50% for most purchases of new equipment and software in 2013. It is uncertain if 2014 deductions will be as generous.³

Open an HSA. If you work for yourself or have a very small business, you may pay for your own health coverage. If you set up and fund a Health Savings Account in 2013, you can make fully deductible HSA contributions of up to \$3,250 (singles) or \$6,450 (married couples). Catch-up contributions of up to \$1,000 are allowed for those 50 or older.³

Practice tax loss harvesting. You could sell underperforming stocks in your portfolio - enough to rack up at least \$3,000 in capital losses. If it ends up that your total capital losses top all of your capital gains this year, you can deduct up to \$3,000 of capital losses from this year's taxable income. If you have over \$3,000 in capital losses, the excess rolls over into 2014.^{2,3}

Are there other major moves that you should consider? Here are some additional ideas with merit.

Pay attention to asset location. Tax-efficient asset location can be an ignored fundamental of investing. Broadly speaking, consider placing your least tax-efficient securities in pre-tax accounts and

your most tax-efficient securities should be held in taxable accounts.

Can you contribute the maximum to your IRA on January 1? The rationale behind this is that the sooner you make your contribution, the more interest those assets will earn. If you haven't made your 2013 IRA contribution, you still have until April 15, 2014 to do that.³



Michael D. Farner



Tiffany J. Hauptert

In 2013 you can contribute up to \$5,500 to a Roth or traditional IRA if you are age 49 or younger, and up to \$6,500 if you are age 50 and older (though your MAGI may affect how much you can put into a Roth IRA).⁵ *What are the income limits on tax deductions for traditional IRA contributions?* If you participate in a workplace retirement plan, the 2013 MAGI phase-out ranges are \$59,000-69,000 for singles and heads of households, \$95,000-115,000 for married couples filing jointly when the spouse making IRA contributions is covered by a workplace retirement plan, and \$178,000-188,000 for an IRA contributor who is not covered by a workplace retirement plan but is married to someone who is.^{4,5}

Should you go Roth before 2014 gets here? If you are a high earner, remember that the planned 3.8% Medicare surtax affecting single/joint filers with AGIs over \$200,000/\$250,000 will not apply to qualified payouts from Roth accounts.⁶

MAGI phase-out limits affect Roth IRA contributions. For 2013, phase-outs kick in at \$178,000 for joint filers and \$112,000 for single filers. Should your MAGI prevent you from contributing to a Roth IRA at all, you still have a chance to contribute to a traditional IRA in 2013 and then roll those assets over into a Roth.^{4,6}

Consult a tax or financial professional before you make any IRA moves to see how it may affect your overall financial picture. If you have a large traditional IRA, the projected tax resulting from the conversion may make you think twice.

How to Contact Beacon Credit Union

Angola

(260) 665-9455

Auburn (both locations)

(260) 925-0800

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

Rochester (504 Main Street)

(574) 223-1504

Rochester (430 Rouch Pl. Dr.)

(574) 223-4871

Wabash (all branches)

(260) 563-7443

Warsaw

(574) 268-1276

Department Extensions

CD/IRAsext. 2230

Collectionsext. 2044

Consumer/Ag Lendingext. 2200

Real Estate Lendingext. 2200

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

Beacon Trust Services.....ext. 2013

VISA.....ext. 6112

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



Each account insured up to \$250,000 by American Share Insurance. By members' choice, this institution is not federally insured. Equal Opportunity Lender.

Your Annual Financial To-Do List (cont.)

What else should you consider as 2013 turns into 2014? There are some other important things to note...

Review your withholding status. Should it be adjusted due to any of the following factors? • *You tend to pay a great deal of income tax each year.* • *You tend to get a big federal tax refund each year.* • *You recently married or divorced.* • *A family member recently passed away.* • *You have a new job at a much greater salary.* • *You started a business venture or became self-employed.*

If you are retired and older than 70½, remember your RMD. Retirees over age 70½ must begin taking Required Minimum Distributions from traditional IRAs, and Roth 401(k)s and all employer-sponsored retirement plans by December 31. The IRS penalty for failing to take an RMD equals 50% of the RMD amount.⁷

Your first RMD will be different, though. If you have turned or will turn 70½ in 2013, you can postpone your first IRA RMD until April 1, 2014. The downside of that is that you will have to take two IRA RMDs next year, both taxable events – you will have to make your 2013 tax year withdrawal by April 1, 2014 and your 2014 tax year withdrawal by December 31, 2014.⁷

Plan your RMDs wisely. If you do so, you may end up limiting or avoiding possible taxes on your Social Security income. Some Social Security recipients don't know about the "provisional income" rule – if your modified AGI plus 50% of your Social Security benefits surpasses a certain level, then a portion of your Social Security benefits become taxable. For tax year 2013, Social Security benefits start to be taxed at provisional income levels of \$32,000 for joint filers and \$25,000 for single filers.⁸

Consider the tax impact of any 2013 transactions. Did you sell real property this year – or do you plan to before 2013 ends? Did you start a business? Are you thinking about exercising a stock option? Could any large commissions or bonuses come your way before January? Did you sell an investment held outside of a tax-deferred account? Any of this might significantly affect your 2013 taxes.

Would it be worth making a 13th mortgage payment this year? If your house is underwater, there's no sense in doing it – and you could also argue that the dollars might be better off invested or put in your emergency fund. Those factors aside, however, there may be some merit to making a January mortgage payment in December. If you have a fixed-rate loan, a lump sum payment can reduce the principal and the total interest paid on it by that much more.

Are you marrying in 2014? If so, why not review the beneficiaries of your workplace retirement plan account, your IRA, and other assets? In light of your marriage, you may want to make changes to the relevant beneficiary forms. The same goes for your insurance coverage. If you will have a new last name in 2014, you will need a new Social Security card. Additionally, you and your spouse no doubt have individually particular retirement saving and investment strategies. Will they need to be revised or adjusted with marriage?

Are you coming home from active duty? If so, go ahead and check the status of your credit, and the state of any tax and legal proceedings that might have been preempted by your orders. Make sure your employee health insurance is still there, and revoke any power of attorney you may have granted to another person.

Talk with a qualified financial or tax professional today. Vow to focus on being healthy and wealthy in the New Year.

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Citations.

1 - irs.gov/uac/Nine-Tips-for-Charitable-Taxpayers [5/16/13]

2 - kiplinger.com/article/taxes/T052-C005-S001-charities-give-stocks-instead.html [12/27/12]

3 - nolo.com/legal-encyclopedia/five-things-business-owners-can-before-december-31-lower-their-taxes.html [12/12]

4 - irs.gov/uac/2013-Pension-Plan-Limitations [10/18/12]

5 - kiplinger.com/article/retirement/T047-C001-S001-2013-retirement-account-contribution-limits.html [10/23/12]

6 - online.wsj.com/article/SB10001424052702304072004577325551162426954.html [10/11/12]

7 - irs.gov/Retirement-Plans/RMD-Comparison-Chart-%28IRAs-vs.-Defined-Contribution-Plans%29 [4/16/13]

8 - socialsecurity.gov/planners/taxes.htm [10/18/12]