



The Summit
Federal
Credit Union



News you can Use

Winter 2013

Tax Efficient Investing – A Smart Choice

Content developed by CUNA Brokerage Services, provided by MEMBERS Financial Services

Taxes can take a chunk out of your investment returns. Employing some of these strategies could help you retain more of your potential investment earnings and lessen your tax burden.

Buy and Hold

Following a buy-and-hold strategy for your stock investments may save on taxes in the long run. Not only do you postpone taxes the longer you hold, if you hold your investment long enough, your gains might be subject to the lower capital gains tax rate. Capital gains are generally taxed at 15% on investments you hold longer than one year. Gains on investments you've owned one year or less are taxed at your regular federal income-tax rate, which may be as high as 35% in 2008.

Consider Tax-Exempt Investments

Tax-exempt investments, such as municipal bonds, give you income that is generally exempt from federal and often state and local income tax. If you want income rather than growth, municipal bonds may be a good choice.

Take Advantage of Qualified Plans

Participating in an employer's 401(k) or 403(b) plan reduces your tax obligation because your contributions are not considered part of your taxable income in the year you make them. Additionally, taxes on your earnings are deferred until you withdraw funds from the plan.

Explore IRAs

IRAs are another option to consider, but you need to determine if your contributions to a regular IRA may be tax deductible. Roth IRAs are slightly different. Although contributions to a Roth IRA are not deductible, account earnings are tax deferred and can ultimately be withdrawn from the Roth IRA income-tax free provided certain conditions are met.

Invest Tax Smart

Keeping as much of your hard-earned money as possible is the goal of tax efficient investing. Your financial advisor can help you explore all the ways you can invest with the goal of minimizing taxes.

Doug Lannak and David Goldpenny are Financial Advisors with MEMBERS Financial Services located at The Summit Federal Credit Union. If you have any questions, or would like to provide feedback, regarding the information presented in this article, you may contact them at (585) 453-7230.

Representative is not a tax advisor or legal expert. For information regarding specific tax situations, please contact a tax professional. For legal advice, consult an attorney.

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Dream it & Achieve it

If you had to choose between sitting down at the kitchen table and setting goals or sitting on the beach in the Caribbean, you would probably choose the beach. But how would you pay for the airfare? Hotel? Food? Souvenirs?

Goal setting in and of itself may not be exciting and fun, but it helps you to save for and achieve exciting and fun things, as well as things that may not be as exhilarating but are still pretty important (such as having enough money for retirement or a child's college education). You could just wait and see what is left over at the end of the month after you pay your bills, but since it is easy to get in the habit of spending what you make, you may wind up having no savings if you take this approach.

Even if you are putting money in savings, **how do you know if it is enough to get what you want when you want it by?** By taking the time to think about what your goals are, how much they cost, when you want them by, and what your regular obligations are, you will know exactly how much to save each month and if you need to make changes to your budget so that you can both reach your goals and pay your bills with ease.

The first step in achieving your financial goals is, not surprisingly, determining what your goals are. For right now, **just think about the goals themselves** and when you want to achieve them by – don't worry about the cost. Do you want to buy a new computer in a year? Have a down payment for a house in four years? Be debt free in five years? **Visit <https://www.balancepro.net/dreamit/index.htm> to download the Financial Goals Chart** where you can list your goals and timeframes.

Once you figure out what your goals are, you can then calculate how much you will need altogether and what you should set aside each month. How you do this depends on whether it is a short-, mid-, or long-term goal.



Teaming up to Prevent Fraud

It seems today that you can't go anywhere without hearing stories of fraudulent activity and compromises on debit and credit card accounts. It's true, fraud happens in communities large and small. That doesn't mean **you** have to be a victim. Good fraud prevention starts with you. Be mindful of how and where you are using your debit card to make purchases and withdrawals. Avoid using your card at unknown or unsecure online retailers. Pay attention to where you keep your purse or wallet, never leaving your cards unattended. Adjusting your behavior and becoming a more wary consumer will help you avoid fraud.

The Summit is also taking prompt action to help protect your accounts and fiscal well-being. In 2012, we introduced an added layer of fraud protection with a service called "Real Time Scoring." All debit card transactions are assigned a risk score and the higher the score the more likely the transaction is fraudulent. This service blocks high risk transactions at the merchant, thereby reducing the number of fraudulent transactions on our members' accounts.

We're asking members to team up with us against fraudulent activity. Work to build healthy habits when using your debit and credit cards. Please make sure we have your most updated contact information including your current telephone number, mailing address and email address on file. The ability to contact our members quickly is a crucial step in fraud prevention. Together, we can fight the good fight against costly fraudulent activity!



Financing at your Fingertips!

Account access when you're out and about just got easier! With The Summit's new mobile solutions, you'll have your finances at your fingertips. Sign up for free Summit Online Access and then check your account balances, view recent transactions,

transfer funds, pay bills, plus locate our branches and ATMs with Mobile Web Banking and Mobile Apps. Manage your Summit accounts from the convenience of your phone — anytime, anywhere!

Mobile Web Banking

The Summit's Mobile Web Banking is a free service that allows you to access your account information, conduct transfers, plus pay and manage your bill payments from any mobile device that has Web browsing capabilities and an active data plan¹.

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Identity Theft Risk Assessment from BALANCE

How secure is your personal information against identity theft? To find out, **answer Yes or No** to the following questions.

- | Yes | No | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | I shred all pre-approved credit offers, account statements, and financial documents before disposing of them. |
| <input type="checkbox"/> | <input type="checkbox"/> | I never carry my Social Security card. |
| <input type="checkbox"/> | <input type="checkbox"/> | I have a locked, secured mailbox. |
| <input type="checkbox"/> | <input type="checkbox"/> | My Social Security and driver license numbers are not printed on my checks. |
| <input type="checkbox"/> | <input type="checkbox"/> | I review each of my credit reports annually. |
| <input type="checkbox"/> | <input type="checkbox"/> | I only carry those credit cards that I use. |
| <input type="checkbox"/> | <input type="checkbox"/> | I carefully review my monthly credit card statements before paying them. |
| <input type="checkbox"/> | <input type="checkbox"/> | When shopping on the Internet, I buy only from secure websites. |
| <input type="checkbox"/> | <input type="checkbox"/> | I am aware of all my creditor due dates, and know immediately if a bill is missing. |
| <input type="checkbox"/> | <input type="checkbox"/> | I know the security procedures at my place of work. |
| <input type="checkbox"/> | <input type="checkbox"/> | I never reveal personal information unless I initiated the contact and know exactly who I'm dealing with. |
| <input type="checkbox"/> | <input type="checkbox"/> | I have up-to-date virus protection software installed on my computer. |
| <input type="checkbox"/> | <input type="checkbox"/> | I never store personal and financial information on my laptop. |
| <input type="checkbox"/> | <input type="checkbox"/> | I know exactly what to do and who to contact in case my wallet is stolen. |
| <input type="checkbox"/> | <input type="checkbox"/> | I have complete copies of all my credit cards stored in a safe place. |
| <input type="checkbox"/> | <input type="checkbox"/> | All of my account passwords are too complicated for anyone to guess. |

For maximum identity theft prevention, all of the answers should be **Yes**. Visit <https://www.balancepro.net/idtheft/index.html> for more ways to protect yourself and your identity.



Withholding Notice - (Form 2317)

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding.

You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form provided by The Summit Federal Credit Union.

Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay.

You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient.

Summit Board Election News

Each year, the terms of several Summit Board Members expire and a Nominating Committee, comprised of Summit members, is formed to nominate members for the Board of Directors. This year, the Committee has nominated the following individuals:

William A. Reifsteck, Secretary

Mr. Reifsteck has served on the Board of Directors since 1976 with his most current position as Board Secretary. He is a member of The Executive Committee, Chairman of the History Committee and Chairman of the Board Governance Committee. Mr. Reifsteck also served on the Board of Directors for the New York State Telephone Credit Union Association and was the recipient of the New York State Credit Union League's Volunteer of the Year award in 2006. He was awarded the Raiffeisen-Filene Award in 2009 for his participation in the Credit Union National Association (CUNA) Volunteer Achievement Program (VAP).

Mr. Reifsteck retired from Rochester Telephone Corporation after 40 years, where he was an Outside Plant Engineer (OSP). Mr. Reifsteck is also retired from TCS Communication as an OSP Engineer and Construction Inspector. Bill is Past Chapter and Past Life Member President of Telecom Pioneers, Genesee Chapter and is presently serving on the Life Member Executive Committee. He and his wife Mary, have seven children and twelve grandchildren.

Gerald K. Gebauer

Mr. Gebauer was elected to the Board of Directors of the Buffalo Telephone Employees Credit Union in 1987 serving as President of their Board from 2000 through the merger date with The Summit in 2003. He has continued to serve as a Board Member for The Summit since that time, and currently serves on the Board Governance Committee.

Mr. Gebauer retired from Verizon Telephone after 25 years where he was a Manager, and formerly owned and operated JBG Freight Lines, Inc. for 14 years. He and his wife Barbara reside in the town of Alden and have a daughter and 3 grandchildren. He is a life member of VFW Post 6251 and the Telephone Pioneers. His outside interests include home remodeling, furniture making and family outings.

Kofi Appiah Okyere, Treasurer

Mr. Appiah Okyere has served on The Summit's Board since 2010 and is the Treasurer of the Board. Previously, he served two terms on Syracuse Federal Credit Union's Board of Directors. During this period, he served as liaison with the Supervisory Committee and later as Treasurer of the Board. He has also served on the Board's Economic Planning Committee and the Nominating Committee.

Mr. Appiah Okyere is employed at Syracuse University's Whitman School of Management where he is a researcher and instructor of financial reporting. He is a member of several professional accounting and financial organizations. He holds an MBA from Indiana University and a PhD from the University of Wisconsin - Madison. As a CPA, Kofi worked at Deloitte & Touche, LLP before pursuing his doctoral degree. He has substantial experience in financial audits, forensic audits and advisory services.

Thomas Quirk, Chairman

Mr. Quirk was elected to the Board of Directors at the May 1995 Annual Meeting. He is currently the Board Chair and also sits on the Executive, Investment, Compensation, and Board Governance Committees of the Board. He is employed by Bausch & Lomb in the Risk Management Department. He lives in Pittsford with his wife Molly and has 2 children, Clay and Meghan.

Mr. Quirk has been involved in various volunteer activities for non-profit organizations, including volunteering as a tax preparer for the United Way C.A.S.H. program (Creating Assets, Savings and Hope) that assists low-income people in preparing their tax returns at no cost. Mr. Quirk also has been active in the alumni giving program for his class at Bucknell University.

Under guidelines specified by the National Credit Union Administration (NCUA), members interested in petitioning to run for a volunteer position on the Board of Directors may do so by complying with these procedures:

1. A petition must be signed by 1% of our membership (at least 500 members). Signatures must be legible and include the member's account number.
2. Included with your petition must be a statement of qualification and a biography with information about your current job, related credit union or financial experience and any other committee involvement.
3. Petitions must be received by March 31, 2013, and sent to The Summit's Vice Chair Augie Melendez at: Augie Melendez, The Summit FCU, Canal Ponds Business Park, 100 Marina Drive, Rochester, New York 14626.
4. The election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled.

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Financing at your Fingertips!

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Mobile Apps

If you own a smartphone with internet access from either a WIFI source or the 3G/EDGE networks, you can download The Summit's new Mobile Banking App today¹. Access your account information, transfer funds, and pay your bills² right on your iPhone®, iPod Touch®, iPad® or Android®. There is no cost to download or use the Mobile Banking App³.

Download now:

Use your mobile phone, computer or tablet to download our Mobile App from the iTunes App Store or Android Marketplace. (Please note: If you access our App from your computer, the App will install on the mobile phone the next time the phone is plugged into the computer). Once the App is downloaded, log in with the same user ID and password that you use for Summit Online Access and you can start accessing your accounts immediately.

1. Summit Mobile Banking is available only with a Summit FCU Account. To use Mobile Banking you are required to subscribe to a data plan through your wireless provider. Check your plan or contact your wireless provider if you aren't sure whether additional fees might apply.

2. This feature is enabled for members that have previously signed up for Bill Pay through Summit Online Access and have at least one payee set up in the system.

3. Log in with the same user ID and password you use for Summit Online Access. Not signed up for Online Access yet? Visit our homepage to register today.

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