

thrive

A PUBLICATION FOR MEMBERS OF TEG FEDERAL CREDIT UNION



Introducing a More Secure Way to Pay

A SIMPLE CHIP EMBEDDED IN YOUR CREDIT OR DEBIT CARD MAY OFFER ENHANCED PROTECTION AGAINST WOULD-BE THIEVES.

As our world becomes increasingly connected, the risk of financial and identity theft through debit and credit card transactions increases. To help protect consumers from such threats, financial organizations Europay, Mastercard, and Visa (EMV) established a safeguard service using tiny chips that are embedded into credit and debit cards. The "Chip Card," also known as the "EMV Card," will utilize unique data specific to your card and the transaction being processed. This will make it much more difficult for criminals to counterfeit, which has been the source of much of the debit card fraud that has occurred over the past several years.

COMING TO AMERICA

EMV technology has become the standard in many countries around the world. The United States has now begun to utilize the EMV payment process too, and TEG Federal Credit Union is on board. We are currently issuing debit and credit Chip Cards to our members. Many merchants in the U.S. are still updating their payment terminals to process Chip Card transactions. If a merchant's payment terminal is not yet Chip Card enabled, your

transaction can still be processed using the magnetic strip on the back of the card.

If you swipe the Chip Card's magnetic strip at a Chip Card enabled terminal, the terminal will recognize it as a Chip Card and ask that you insert the card into the machine. The terminal will authenticate your card and either keep it safely inside the terminal until you finish your transaction or instruct you to immediately remove it. Once you have completed your transaction, some terminals will beep to remind you to remove your card.

Even though Chip Cards are designed to bring added security, it is still good to remember that the best defense against fraud is an alert consumer. Chip Cards are still vulnerable when used for Internet transactions, so it is always wise to use your card only on secured sites that you trust. Never give your four-digit PIN to anyone. If you believe your PIN has been compromised, you can change it at any TEG FCU office.

**Do you have any questions about EMV technology? We have answers!
Call us at (845) 452-7323 for more information.**

5 STEPS to Financial Success

THESE FIVE STEPS
CAN GET YOU
MOVING TOWARD
BETTER FINANCIAL
WELLNESS.

MANY PEOPLE WISH they were better money managers, and the Federal Financial Literacy and Education Commission is providing the tools to do it. The FFLEC's website, mymoney.gov, outlines five basic principles necessary to build a brighter financial future:

1. **Earn.** Understand how much of your earnings goes toward taxes, insurance premiums, 401(k) savings, and other deductions and how much you earn in take-home pay versus net pay. Explore and take advantage of workplace benefits that are available to you, such as matching 401(k) or Health Savings Account contributions.
2. **Save.** It's never too early (or too late) to start putting away money toward short-term and long-term goals, including an emergency fund and retirement. Long-term savings pay off big in retirement, as saving from an early age gives your money time to earn compound interest.
3. **Protect.** Keep accurate records of your finances so you can dispute discrepancies and protect your credit score. Be on the lookout for financial scams and identity thieves. Choose insurance policies that can protect your assets and finances in case of an accident, natural disaster, or other emergency.
4. **Borrow.** While it may seem contrary to most thinking, borrowing money can help you build a good credit score and provide access to expensive necessities, including a car, home, or college education. The other side of borrowing is repayment: always make payments on time and avoid borrowing to make everyday purchases.
5. **Spend.** Spending is also a necessary part of life, so be a savvy shopper by comparing price and quality, tracking your spending, and spending within or below your means.



WINTER Is Coming

IS YOUR HOME READY FOR COLDER WEATHER?

THERE'S NO DOUBT about it: Americans spend much more on heating and energy costs during the winter months. The good news is you don't have to—you can save money in the long run by taking steps to winterize your home.

➤ **Dodge the drafts.** Cold air rushing into your home through doors, windows, cracks, and crevices can claim up to 30 percent of energy usage. Temporary DIY measures to remedy these problems include making a draft blocker to line the bottom of your front door, taping thick plastic or recycled Bubble Wrap® sheets over your windows, and caulking gaps around windows and walls. Looking for a more permanent solution? Consider installing storm doors and energy-efficient windows, adding extra layers of insulation to attic and basement

spaces and, if you're not a DIYer, hiring professionals to handle these tasks and to identify and seal cracks and crevices around your home.

- **Change directions.** Ceiling fans help cool the air during the summer, but they can also be used in the winter to move warmer air more evenly throughout a room. If you already have a ceiling fan installed, simply switch the blade rotation to move clockwise by flipping the directional switch on the base of your fan. For homes without ceiling fans, most existing overhead lights can be replaced with a ceiling fan. Choose one with a light kit to keep the space well lit.
- **Think lower.** Set your home's thermostat and water heater to lower temperatures to help keep your energy bill low. Aim for 120 degrees for the water heater, and set your home's thermostat at 68 degrees when the house is occupied



during waking hours and 55 degrees when no one's home or at night when everyone's sleeping under blankets.

A home equity line of credit can help you cover expected home maintenance costs as well as unexpected expenses. Visit tegfcu.com for details or call us today at (845) 452-7323.

Playing Catch-Up for Retirement Savings

HAVE YOU BEEN IN THE WORKFORCE A DECADE OR TWO BUT HAVEN'T YET STARTED ACCUMULATING RETIREMENT SAVINGS? IT'S NOT TOO LATE! NO MATTER YOUR AGE, THERE ARE STRATEGIES TO MAKE UP GROUND IN YOUR RETIREMENT PLANS.

E **ARMARKING RETIREMENT SAVINGS** from the moment you begin your first job is important because it gives the money approximately 40 to 60 years to earn compound interest, but few of us start out doing that. Plus, even those who know about saving early rarely begin to sock away retirement funds with income from their first job.

Jean Riordan, Vice President of TEG Retirement & Advisory Services, explains that many people prioritize other goals like homeownership or funding a child's education ahead of retirement savings. She advises saving with multiple goals in mind, including those that would fall into immediate, short-term, and long-term savings categories.

"I'm an advocate of using a Roth IRA [individual retirement account] if you're worried that you might need the money you're saving toward retirement for an emergency or to cover something like a child's tuition or other large or unexpected expense," Riordan says. "When you contribute to a Roth, you don't get an immediate tax reduction, but the earnings grow tax-free, and you have the ability to repurpose your contribution if something comes up. Withdrawals of the 'basis' aren't restricted until you reach age 59½ like some other retirement savings vehicles."

One of the issues with saving earlier is people think they don't make enough to put toward retirement, but Riordan says just the act of saving money can help you in terms of retirement finances.

"If you're putting 20 percent of your income into a 401(k) or IRA, it means you're living on 80 percent of what you're making," Riordan says. "This helps you

learn to live on a reduced income, which is a skill many retired people find useful."

For those who haven't started saving toward retirement, Riordan encourages you to take inventory of what you have accomplished that can help you in retirement by taking these steps:

- **Look at Social Security.** Log on to socialsecurity.gov/myaccount, set up an account, and look at the monthly Social Security benefit that you can expect to receive once retired.
- **Assess your retirement living expenses.** Find out how much equity you have in your home and property, the amount you have left to pay on your mortgage, and how much you'll have left to pay on your mortgage when you hit retirement age.
- **Explore your employment benefits.** Does your company have a pension plan or offer matching 401(k) funds that you could take advantage of? Are you entitled to any catch-up contributions?
- **Understand healthcare costs.** Most people need private health insurance until age 65 because they're not eligible for Medicare until then, and some do not understand that Medicare Part B

deductibles may be paid from Social Security disbursements. Additionally, people who are eligible for Medicare may need supplemental insurance, which can be a costly, surprise expense.

THE BEST STRATEGY: CONSULT WITH A PLANNER

According to Riordan, a Financial Planning professional can help anyone at any age align the financial decisions they're making and better understand the trade-offs in short-term cash flow for long-term goals.

"If you're faced with a current financial decision, planning for retirement can help you assess the long-term impact," Riordan says. "A planner can help you understand how the actions you're taking can affect your future. It is important for people to see what they've already accomplished—how much they've saved, will have saved and want to save—and then work backward from there to determine an optimal retirement plan."

For help with your retirement plan or investment strategies, contact Jean Riordan at (845) 452-7323 x1222. TEG Federal Credit Union offers workshops on strategies for maximizing your Social Security and retirement savings. Visit tegfcu.com to learn more.

Securities and advisory services are offered through NPC of America (NPCOA), Member FINRA, SIPC, a Registered Investment Adviser, and are not NCUA insured, may lose value, and have no credit union guarantee. Advisory services offered through Lexco Wealth Management, Inc., a Registered Investment Advisor. TEG Federal Credit Union, Lexco Wealth Management, Inc., and NPC of America are separate and unrelated companies. Branch Address: 1 Commerce Street, Poughkeepsie, NY 12603, (845) 452-7323.

The opinions voiced in this article are for general information only. They are not intended to provide specific advice or recommendations for any individual and do not constitute an endorsement by NPC.

To qualify for the tax free penalty free withdrawal of earnings, a Roth IRA must be in place for at least five tax years and the distribution must take place after age 59 1/2 or due to death, disability, or a first-time home purchase (up to \$10,000 lifetime maximum). Before taking any specific action, be sure to consult your tax professional.



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INSURED BY
NCUA



This is a
recyclable product.

TEG FEDERAL CREDIT UNION IS OPEN TO ALL THOSE WHO LIVE, WORK, WORSHIP, OR ATTEND SCHOOL IN DUTCHESS, ORANGE, OR ULSTER COUNTIES WITH A \$5 INITIAL DEPOSIT.

3 Tips for Debt-free Holiday Cheer

**THE HOLIDAYS ARE OFTEN FILLED WITH FUN—AND
OVERSPENDING. HERE'S HOW TO PREVENT THE FESTIVITIES
FROM SENDING YOU INTO THE NEW YEAR IN DEBT.**

- **Set limits on gift giving.** Make pacts with friends and family members to limit dollar amounts on gift exchanges. If buying on credit is unavoidable, determine in advance how much you can spend and how quickly you can pay off the debt to avoid large interest payments. Once you've reached this limit, leave your credit card at home.
- **Don't overlook other holiday expenses.** When calculating your holiday budget, it's easy to forget about the costs of shipping gifts, buying groceries for a holiday feast, or filling up your car's gas tank to drive to grandma's. Install a budgeting app on your mobile device, such as WellSpentFree, which allows you to create and track budgets for multiple spending categories and helps you consider all expenses.
- **Join the club!** TEG Federal Credit Union's Holiday Club Accounts make holiday savings simple. Members schedule automatic deposits to go into their free Holiday Club Account, typically corresponding with payday, and then the funds are automatically transferred back to members spending accounts in October, eliminating the temptation to dip into holiday savings early.

**HOLIDAY CLUB
CHECKS COMING SOON!**

Holiday Club Account members can expect their 2015 holiday savings funds to arrive in their designated spending accounts via electronic deposit on October 13. Members who opted for check disbursement can expect the check to be mailed on October 13 at a cost of \$7 per check. To avoid the fee, contact us to set up an automatic transfer to your TEG checking or savings account.

Start saving now for the 2016 holiday season. Visit TEG to open your Holiday Club Account today!

